

ABSTRACT

Setiawan, Zakaria Anam. 2013. THESIS. Title "The Implementation of Working Capital Management in Increasing Company Profitability (Study on PT Perkebunan Nusantara XII)"

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Keywords: Policy of Working Capital, Cash, Receivable, Provision, Profitability

Working capital consisting of company's assets such as cash, receivable, and provision are very important things that are used to finance the company's operations. This working capital must be managed and carefully arranged so that it can be effective and efficient, and in its management each company has different way. PT Perkebunan Nusantara XII (PTPN XII) is a state-owned enterprise engaged in export-import plantation so that the policy is influenced by many factors, such as government, world economy and weather. This study aims to determine the policies of PTPN XII influenced by those factors in its capital expenditure budget effectively and efficiently to improve its profitability.

This research employs a qualitative descriptive method. In this case, researcher describes the policies adopted by the management of PTPN XII through their working capital with the help of quantitative calculation in the PTPN XII financial report in the period 2006-2011 by using working capital turnover ratio, turnover of cash, receivables turnover and provision turnover and the ratio calculation Net Profit Margin and Return On Investment to determine the effectiveness and efficiency of PTPN XII working capital management.

The result shows that the effectiveness and efficiency of working capital management to improve its profitability in PTPN XII are still not fully achieved in the management of working capital components in the form of cash and stock. Efficiency and effectiveness of working capital management is only achieved in the management of the company accounts. This is because of cash turnover and provision of PTPN XII unstableness in the period 2006-2011 which were assessed from the financial ratio used. Whereas the valuation of receivable which uses turnover and receivable collection period is good enough. Overall policies which applied by PTPN XII in working capital have been effective. Nevertheless, the existence of factors such as unstable global economic conditions, the extreme and unpredictable season changing, and new government policies affecting working capital performance of PTPN XII make the implemented policies need to be improved in budgeting of capital working amount to adjust those changes so that the efficiency and effectiveness and the improvement of company's profitability can be optimally achieved.