The Influence Receivable Turnover and Liquidity On Profitability (Case Study On PT.PINDAD Persero Bandung)

ABSTRACT

Inventoryis an investmentmadeto obtain arefundthroughthe sale, allocation offundsandsuppliesmust be in accordancewith theneeds of the company. Companies canuse theinventory turnoverratioto measurea company's abilityto manageinventory.High and lowinventory turnoverwillaffectthe levelof financialliquidity ofcompanies, frominventory turnoverwill be seenin thecompany'sabilityto convertnoncashassetsinto cashso thatcompanies canderive a profit(profitability). The purposeof this studyto determine themagnitude ofthe influence ofinventory turnoverandliquidityon profitabilityinMijasPT.PINDADDivisionPerseroBandung.

The research methodusedin this research isdescriptiveresearchmethodwith quantitative approachandverifikatif. The researchanalysis was doneusingMultiple Linear RegressionAnalysis. The hypothesisput forwardis that there isthe influence ofinventory turnoverandliquidityon profitabilitypartially andsimultaneously. The resultsof this study indicatethat theinventory turnover(X1) significant effect onprofitability(Y) simultaneously impact theprofitabilityvariable(ROA) of 93.9% while the remaining6.1%is the influenceofothervariablesis not examined, among others, cashorcurrent assets. This meansa highinventoryturnoverishigh profitability,liquiditywhileincreasingprofitabilitydeclined.

The conclusionofinventory turnoverandliquidityhave asignificant effect onprofitability. Withmanagement, inventory controlis goodthen the companyis expected tooptimizeits profitsso the companycan meetits short termobligations.

Keywords: Inventory Turnover, Liquidity, Profitability