

**INFLUENCE OF WORKING CAPITAL TURNOVER AND LIQUIDITY  
ON PROFITABILITY  
( CASES OF MANUFACTURING COMPANIES IN THE GROUP OF THE  
CONSUMER GOODS INDUSTRY LISTED ON STOCK EXCHANGE IN  
INDONESIA THE YEARS 2008 - 2010 )**

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**ABSTRACT**

*The aim of this research is to know the influence of working capital and liquidity to profitability. The variable of this research is the efficiency of working capital and the liquidity as independent variable and profitability as dependent variable. Efficiency of working capital is measured by working capital turnover (X1), liquidity is measured by current ratio (X2) and profitability is measured by return on Investment (Y1).*

*The method of research using multiple analytical methods. while the technique of determining the sample by using purposive sampling the data which is used in this research is secondary data, Secondary data is primary data that has been processed further and have been presented by the other party so that it can be utilized further. data that is taken from annual report from 20 consumer goods industry company which is listed in Indonesian Stock Exchange during 3 years 2008-2010 period.*

*The results showed that the partial efficiency of working capital has positive and significant impact on profitability, it can be seen from the value  $t_{count} < t_{table}$  with a significance of 0.001 is smaller than 0.05. Current ratio (CR) had no effect and no significant effect on profitability, can be seen from the value of  $t_{calculated} < t_{table}$  with a significance of 0.430 > 0.05. F test results showed that the calculated value of  $f > f_{table}$  with a significance of 0.001 < 0.05. From the results of the F test can be concluded that the efficiency of working capital and liquidity jointly affects on profitability.*

***Keyword : Efficiency of working capital, liquidity, and profitability***