

**EFFECT OF CAPITAL WORKING AND LIQUIDITY TO  
PROFITABILITY IN CONSUMER GOODS INDUSTRY LISTED IN  
INDONESIA STOCK EXCHANGE**

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***ABSTRACT***

*This research is performed in order to test the influence of variabel, working capital and liquidity (CR) toward profitability (ROA).*

*Methodology research as the sample used propoitive sampling with criteria as (1) Consumer Goods industry that listed at ISX during the observation period 2008 – 2010. (2) During the observation period, companies didn't loss. (3) During the observation period, the company's working capital is not negative. Total of 54 samples obtained from 66 firms during the observation period of three years in the consumer good sector. Data analysis with multi linier regression of ordinary least square and hypothesis test used partial t-test, simultan F-test at level of significance 5% and R square.*

*Empirical evidence show as working capital and CR to have positive influence toward ROA of consumer goods industry listed in ISX over period 2008-2010 at level of significance 0,05 (as 0,006 and 0,024 each). While, two independent variables working capital and CR to have influence toward ROA at level of significance 0,05 as 0,005. Predictable of the two variables toward ROA is 18,8% as indicated by R square that is 18,8% while the rest 81,2% is affected by other factors is not included into the study model.*

*Key words : Working Capital, Liquidity (CR), and Profitability (ROA).*