

CHAPTER V

CONCLUSSION

5.1 Conclusion

Based on this study conducted on manufacturing company listed in Indonesia Stock Exchange 2010-2014, Data was then analyzed on quantitative basis using Multiple regression analysis which result:

- Account Receivable Days (ARD) variable has positive but not significantly influence towards Profitability.
- Account Payable Days (APD) variable has negative and not significantly influence towards Profitability.
- Cash Conversion Cycle (CCC) variable has negative and not significantly influence towards Profitability.
- Current Ratio (CR) variable has significantly positively influence towards Profitability.
- Firm Size (LOS) variable has significantly negatively influence towards Profitability.
- Current Assets Turnover (CAT)) variable has significantly positively influence towards Profitability.

5.2 Limitation

The period used is short term, which is 5 years, that is because the previous year of financial statements is incomplete& inconsistent.

5.3 Suggestion

Based on the results of data analysis and tests performed in this study, it can be expected a few suggestions that can be used in subsequent studies, among others:

1. In this study only uses profitability as the dependent variable, it is recommended that further research can add a dependent variable, and also adds the independent variable.
2. Extending the period of observation, because the longer time interval of observation, the greater opportunity to obtain reliable information about the variables to make accurate forecasting.
3. Using different research objects in order to expand research on the same thing, and to expand the relationship between activity ratios and financial ratios.

5.4 Implication

This study will be useful for certain parties are utilized:

1. For companies

Expected results of this study can help the company in considering funding decisions to be taken, because the funding decisions taken will affect other decisions and influence survival of the company. Besides that considering the important of working capital, operations, management of company must use working capital effectively and efficiently . Factors affecting working capital are sales volume, the time to produce goods, terms of sale, and inventory. So that the management company is able to get profitability.

2. For investor

This study is expected to be a consideration in determining and deciding which investments will be made, because every investor want to get maximum profit. Therefore, investors should be carrefully to take investment decisions. It is done to avoid the risks of losses that would occur at any time.

3. For academics

This study has weaknesses that can be used in consideration for future research. Such as the short period of only 5 years of research, a limited number of samples, so that further research is expected to add to the period of the study are used to produce information that is more supportive. Number of samples used can be added and extended to other sector, the number of financial ratios are used as a research model reproduced so that the conclusions reached will be perfect.

