

ABSTRACT

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THE DETERMINANTS OF PROFITABILITY IN PROCESSED FOOD INDUSTRY IN INDONESIA

(xii + 43 pages; 3 figures; 12 tables)

The main purpose of this study is to explore the impact of working capital, sales growth, debt to equity, and operating efficiency ratio on return on equity of processed food industry in Indonesia. The research is a quantitative research method by using secondary data for seventeen processed food companies listed in Bursa Efek Indonesia from 2013 until 2019.

The research shows:1) working capital has significant positive effect on profitability of processed food industry in Indonesia; 2) Sales growth has significant negative effect on profitability of processed food industry in Indonesia; 3) the debt to equity or leverage does not have any profitability of processed food industry in Indonesia; 4) operating efficiency ratio has significant negative effect on profitability of processed food industry in Indonesia.

Reference :24(1980-2019)

Key words: Working Capital, Sales Growth, Debt to Equity, Operating Efficiency Ratio, Return on Equity