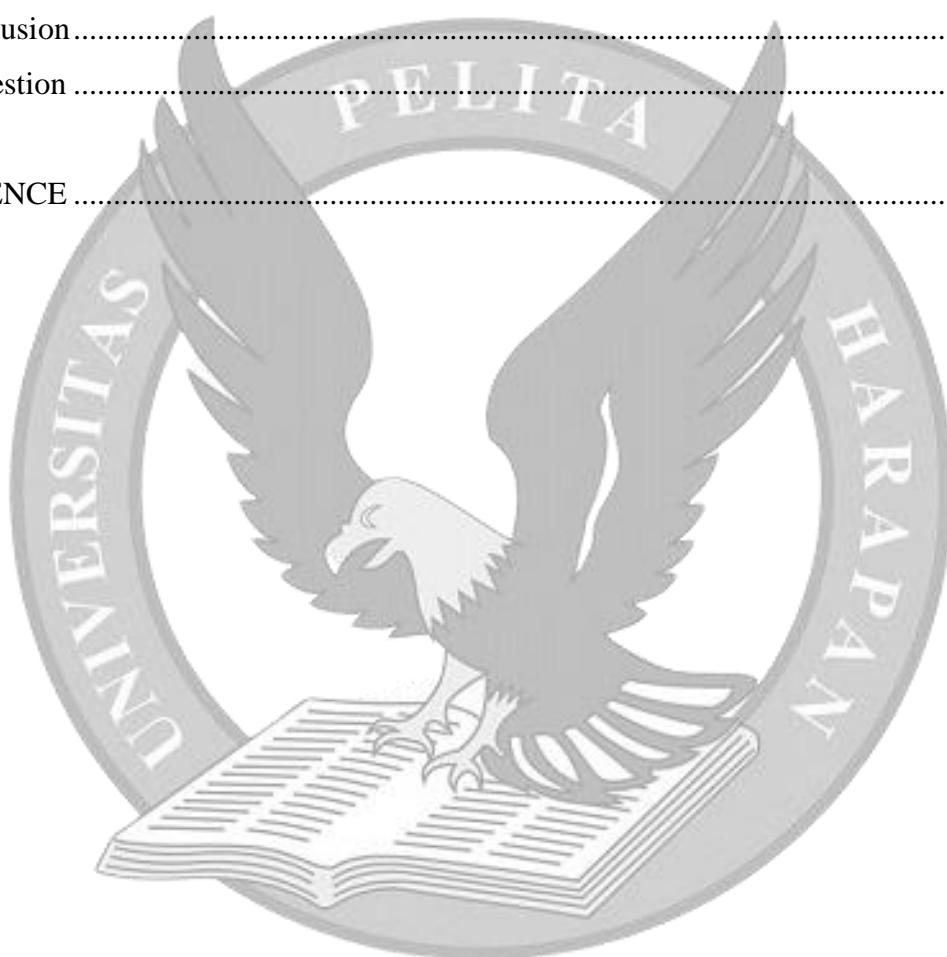


## TABLE OF CONTENTS

	Page
ORIGINALITY STATEMENT OF THE THESIS .....	II
THESIS SUPERVISOR'S APPROVAL .....	III
THESIS EXAMINATION COMMITTEE .....	IV
FINAL ASSIGNMENT STATEMENT AND UPLOAD AGREEMENT .....	V
ABSTRACT .....	VI
ACKNOWLEDGEMENT .....	VIII
TABLE OF CONTENTS .....	VIII
LIST OF TABLES .....	XI
LIST OF FIGURES .....	XII
CHAPTER I .....	1
INTRODUCTION .....	1
1.1 Background.....	1
1.1.1 Background of The Processed Food Industry in Indonesia .....	1
1.1.2 Profitability.....	3
1.1.3 Working Capital .....	4
1.1.4 Sales Growth .....	4
1.1.5 Deb to Equity .....	4
1.1.6 Operating Efficiency Ratio.....	4
1.2 Problem Identification and Statement of Problem .....	4
1.2.1 Problem Identification .....	4
1.2.2 Statement Problem.....	5
1.3 Research Obejectives.....	5
1.4 Significant of Study .....	6
1.5 Scope and Limitation of the Study .....	6
1.6 Outline of the Research .....	7
CHAPTER II .....	9
LITERATURE REVIEW .....	9
2.1 Grand Theory: Profitability .....	9
2.2 Research Variables .....	12

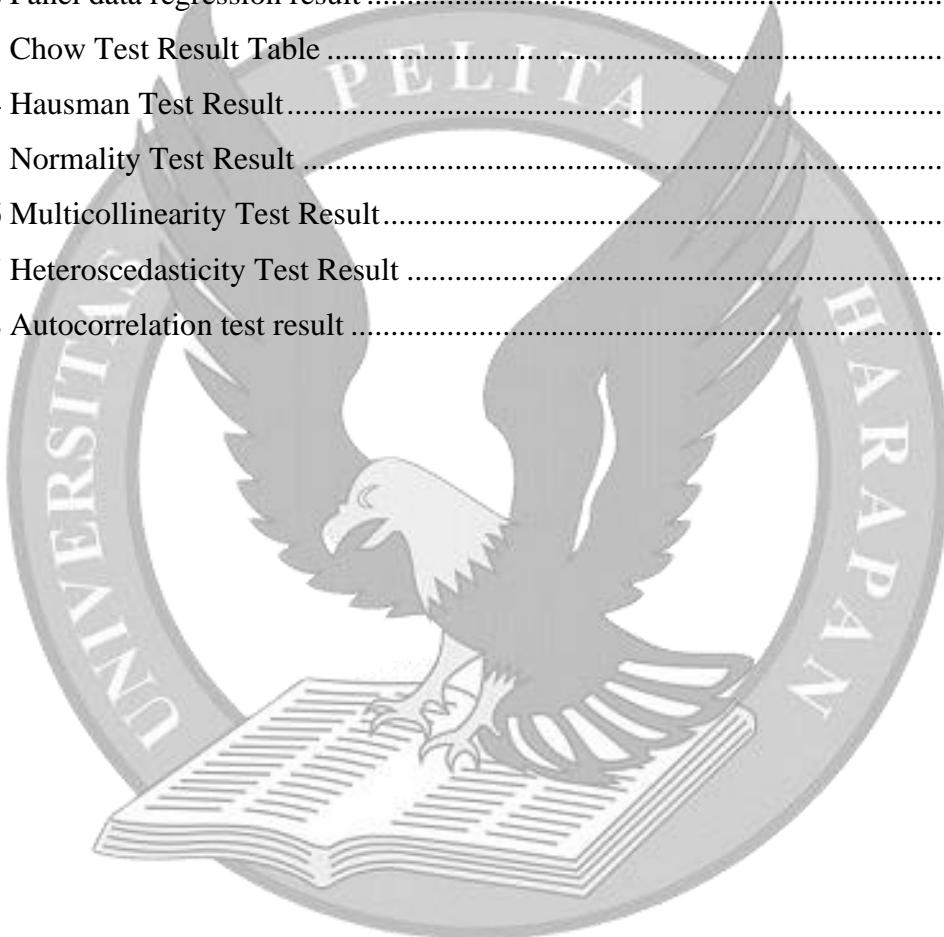
2.2.1 Working Capital (WC) .....	12
2.2.2 Sales Growth (SG).....	12
2.2.3 Debt to Equity (Leverage) .....	12
2.2.4 Operating Efficiency Ratio (OER) .....	13
2.3 Previous Research .....	13
2.4 Theoretical Framework.....	15
2.5 Hypothesis .....	16
 CHAPTER III .....	17
METHODOLOGY .....	17
3.1 Research Framework .....	17
3.2 Panel Data Regression .....	19
3.3 Sample and Population Size .....	19
3.4 Operationalization of Research Variables .....	21
3.5 Descriptive Statistics .....	23
3.6 The Test for Determining the Regression Model to Be Used Chow Test and Hausman Test .....	24
3.6.1 Chow Test.....	24
3.6.2 Hausman Test .....	24
3.6.3 Regression models .....	25
3.7 Classical Assumption Test .....	25
3.7.1 Normality Test.....	26
3.7.2 Multicollinearity Test .....	26
3.7.3 Heteroskedasticity Examination.....	26
3.7.4 Autocorrelation Test.....	27
3.8 Significant Level .....	27
 CHAPTER IV .....	28
RESULTS AND DISCUSSION.....	28
4.1 Descriptive Statistics Result .....	28
4.2 Panel Data Regression Result.....	30
4.3 Chow Test Result .....	32
4.4 Hausman Test Result.....	33

4.5 Normality Test Result.....	33
4.6 Multicollinearity Test Result.....	34
4.7 Heteroscedasticity Test Result.....	35
4.8 Autocorrelation Test Result.....	36
4.9 Discussion.....	38
CHAPTER V .....	40
CONCLUSION AND RECOMMENDATION .....	40
5.1Conclusion .....	40
5.2Suggestion .....	41
REFERENCE .....	42



## LIST OF TABLES

	Page
Table 2.1 Summary of Previous Relevant Research on Profitability .....	13
Table 3.2 Research Companies .....	20
Table 3.3 Dependent Variable Definitions and References .....	21
Table 3.4 Independent Variable Definitions and References .....	22
Table 4.1 Descriptive Statistics Result.....	28
Table 4.2 Panel data regression result .....	30
Table 4.3 Chow Test Result Table .....	32
Table 4.4 Hausman Test Result.....	32
Table 4.5 Normality Test Result .....	33
Table 4.6 Multicollinearity Test Result.....	34
Table 4.7 Heteroscedasticity Test Result .....	35
Table 4.8 Autocorrelation test result .....	36



## LIST OF FIGURES

	Page
Figure 1.1 Average Consumption Per Capita.....	1
Figure 2.2 Theoretical Framework .....	15
Figure 3.1 Research Framework.....	17

