

ABSTRACT

The main objective of this research is to determine the relationship between efficiency levels of working capital management and the return on assets of non-financial firms being listed in KOMPAS 100 index in Indonesia Stock Exchange (IDX) as of February 2010. The data will be using financial statement for the period of 1993 – 2007. The author tried to explain the relationship between different indicators relating to efficiency in working capital management and their return on assets through two models. Descriptive statistics, correlation matrix, and multiple regressions are used to analyze the relationship between dependent variable and independent variables. The result shows that there is significant relationship between current ratio, net working capital level and return on assets.

Keywords: Working capital management, return on assets, current ratio, net working capital level.