

ABSTRACT

The main objective of this study is to identify the influence of working capital components, i.e. : cash, receivables and inventory towards the business profit. In addition, it is for determining which of the cash, receivables and inventory drives the most dominant impact to the business profit in manufacturing companies that go-public in Indonesia.

Applying multiple lines regression analysis in 43 observed manufacturing companies during 1991-1993, it shows that the working capital drove significant impact towards the business profit at 5 percent significance level, and the receivables became the key to the success of manufacturing companies that go-public in Indonesia ($p=0\%$).

Generally, operating manufacturing companies in Indonesia hold big current assets. It makes the profit gaining of the working capital less efficient. In short, better management upon the working capital components should be reviewed in order to reach the business goals.

Key words :

- Working Capital (Cash, Receivables and Inventory).
- Business Profit.