

SUMMARY

DITTA PRISSYLIA. The Effect of Working Capital and Solvability on Profitability and Firm's Value in the Infrastructure, Utilities and Transportation Sector. Supervised by LUKYTAWATI ANGGRAENI and HENDRO SASONGKO

The main goal of every company is currently not only to maximize profit not for the company's owners, but to all stakeholders and investors. One way to achieve that goal is to increase profitability. In addition, the company's success in business competition is also seen through the value of the company. The main thing to do is to do management capital management framework in order to support the operational activities of the company. Determination of working capital is an important issue in the corporate finance and working capital amount provided depends on the attitude of management toward profit and risk. One sector that is interesting is the sector of infrastructure, utilities and transportation in Indonesia stock exchange (idx), in addition to having the characteristics of the different companies, the sector is currently experiencing rapid development.

Based on the foregoing, there is supposed to be a positive relationship between the potential of the company with an increasing number of investors so that it becomes a great business opportunity for the company to do the expansion, especially in the presence of support the development of the Government. Infrastructure projects that keep running and expansion perusahaan, became the reason of occurrence of increased gross working capital every year, but in fact the profit obtained by the company has decreased. This research aims to analyze the company's performance, policies on working capital and solvency, as well as working capital and solvency against the profitability and value of the company. The object of this research is the company's infrastructure sector, utilities and transport registered in BEI and correspond to the criteria, the research done during the period of 2010-2016 and the method used is regression of the data panel.

Based on the results of the estimation of the regression suggests that the best approach is with the fixed effect model. The influence of the variables are independent of the level of profitability indicates that model NOP has R-Square. The results of the estimation of the regression of the company showed that a third model has a value of R-Square. Companies in the telecommunications subsector has the highest fifth subsector of NOP found in the sector of infrastructure, utilities and transportation. Based on the results of the analysis, the average firm implement a policy of aggressive working capital, working capital owned steer for the purchase of fixed assets every year that show the company tried expanding to boost profits. The study results suggest investors to invest in the telecommunications subsector, but did not close the possibility to invest in another subsector saw the development of the company respectively.

Keywords: profitability, solvability, Tobin's Q, working capital