

ABSTRACT

The Influence of Working Capital Management on ROA in Food and Beverage Sector Companies Listed on the Indonesia Stock Exchange for the 2020–2023 Period

This study investigates the impact of Days Sales Outstanding (DSO), Days Inventory Outstanding (DIO), and Days Payable Outstanding (DPO) on Return on Assets (ROA) for food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2020-2023 period. The research focuses on manufacturing companies within the food and beverage sub-sector listed on the IDX. Employing a quantitative approach with panel data regression analysis, secondary data from annual financial reports were processed using Eviews 12. The optimal model selection, determined through the Chow Test, Hausman Test, and Lagrange Multiplier Test, consistently recommended the Random Effect Model (REM). The study's findings indicate that DSO has a significant negative effect on ROA, suggesting that longer receivable collection periods reduce asset profitability. Conversely, DPO significantly and positively affects ROA, implying that extended payment terms to suppliers can enhance cash efficiency and profitability. However, DIO shows no significant impact on ROA. Managerial implications recommend accelerating receivable collection and optimizing payable periods to improve corporate financial performance.

Keywords: *Working Capital Management, Days Sales Outstanding (DSO), Days Inventory Outstanding (DIO), Days Payable Outstanding (DPO), Return on Assets (ROA), Profitability.*