

CHAPTER V

CONCLUSION AND SUGGESTION

A. Conclusion

1. Based on the data that has been analyzed, it can be concluded that working capital in PT Indocement Tungal Prakarsa Tbk is not good enough because it showing from the calculation result of the financial ratios in last three years, still not achieve the ideal measurement especially for the component of working capital like cash ratio, turnover and collection period of account receivable, and inventory. The result of cash ratio is still too high which is over the standard 5%-15%. Account receivable turnover and collection period also not showing good result because the receivable turnover is too big and average collection period is too small. Meanwhile for the inventory itself it has already show good result of financial ratio measurement.
2. Based on the projection results of financial ratios that used which is liquidity ratios, activity ratios, profitability ratios, and debt ratios it showing that if PT Indocement Tungal Prakarsa Tbk have better result for 2012. The component of working capital has already shows better result like account receivable turnover and collection period shows the better measurement significantly. The result of inventory also still can be categorized as good ratios. On the other hand, cash is still too high and over the standard. Overall, for the

measurement of net working capital it not showing big change. For the other ratios which is activity ratios, profitability ratios, and debt ratio also shows better result in 2012.

B. Suggestion

1. Regarding the calculation of working capital in order to achieve ideal standard, PT Indocement Tunggul Prakarsa Tbk should decrease the amount of cash because the current condition of cash is still too high. Therefore when the amount of cash decrease, it will support the ideal result for cash ratios and achieve the standard which is 5%-15%.
2. In order to prevent idle fund, company also can distribute their cash to other sector like short term investment.
3. In order to increase profitability, the company should be able to manage the weaknesses that can influence working capital. The researcher suggest to manage the component of working capital well, such as cash, inventory, and account receivable.
4. Managing the whole component of current assets and liabilities is also important because it can give benefit for the company in giving good profitability. Therefore when the factors that influence working capital can be managed well it will give good profitability for the company.