

ABSTRACT

This study aims to analyze the effect of ability level in managing assets on profitability of multi-industry sector companies listed on the Indonesia Stock Exchange in 2018-2020. This study used panel data regression method. There are 4 independent variables and 1 dependent variable. The independent variables are Cash Turnover, Account Receivable Turnover, Inventory Turnover, and Total Asset Turnover. The dependent variable is Return on Assets. Data sources come from financial statements posted by the Multi-Industry Sector Companies Listed on the Indonesia Stock Exchange in 2018-2020. Moreover, the financial statements were extracted from Indonesian Stock Exchange's official website (for the financial statements period 2019 and 2020), also from the prospectus and the companies' website (for the financial statements period 2018). The final sample is 17 companies for 3 periods, so the total sample is 51 samples.

*By using panel data regression method, the three method (Common Effect Model / CEM, Fixed Effect Model / FEM, and Random Effect Model / REM) were selected through Chow test, Hausman test, and Lagrange Multiplier test. Finally, REM was chosen as the best method. Through REM, especially *t* test and *F* test, the final result was discovered. The *t* test shows that only Total Asset Turnover that has positive significant effect on Return on Assets while the other three independent variables have no effect. The *F* test shows that Cash Turnover, Account Receivable Turnover, Inventory Turnover, and Total Asset Turnover simultaneously affect Return on Assets.*

Keywords: *Assets, Profitability, Panel Data Regression, Random Effect Model*