

## ABSTRACT

Every company must want to generate maximum profit, therefore the company must pay attention to aspects of liquidity and profitability, because both of these aspects play an important role in a company. Liquidity is used to measure the company's ability to meet its short term obligations. Profitability measures the ability of the company to earn a return on the resources owned by the company or assets.

Animal feed industry plays an important role in supporting the domestic livestock industry in providing the availability of consumption of meat and meat products to the community as an additional source of protein. PT Charoen Pokphand Indonesia Tbk and PT Japfa Comfeed Indonesia Tbk are two similar companies engaged in animal feed. Based on the analysis of financial ratios of this study aims to determine the fluctuations in the level of liquidity and profitability of the company. The research method used is the gross profit margin, net profit margin, return on assets, return on equity, current ratio and quick ratio.

Results of this study indicate that the state of PT Charoen Pokphand Indonesia Tbk seen from the level of liquidity for five years showed good numbers despite a decline in 2008. In terms of liquidity, PT Charoen Pokphand Indonesia Tbk showed good numbers from 2007 to 2011 to meet its short term obligations. While for Indonesia Tbk PT Japfa Comfeed also showed good numbers from 2007 to 2011 both liquidity and profitability. But if compared, PT Charoen Pokphand Indonesia Tbk when viewed from the level of liquidity and profitability are better than Indonesia Tbk PT Japfa Comfeed as has profitability and liquidity ratios are higher.

***Keyword: gross profit margin, net profit margin, return on assets, return on equity, current ratio dan quick ratio.***