

ABSTRACT

Cash holding is the most liquid asset that has a function to encourage the company in the company's routine operational activities. Having a high amount of cash holding has many uses for the company, namely to finance the unexpected.

The purpose of the study was to examine the effect of the set of investment opportunities, net working capital, and profitability on cash holding partially and simultaneously in companies and beverages listed on the Indonesia Stock Exchange (IDX) for the 2016-2021 period.

This research uses purposive sampling technique in order to obtain 15 companies used in the study. Companies selected through purposive sampling technique have outliers/extreme values so that 54 data are obtained from 9 companies. The analysis used in this study is descriptive statistical analysis and panel data analysis using the Eviews 9 application.

The research that has been done has results that show that the investment opportunity set, net working capital, and profitability affect cash holding simultaneously. Partially, only the set of investment opportunities has an effect on cash holding. Meanwhile, net working capital and profitability have no effect on cash holding.

For further researchers, it is expected to use research populations in other sectors, in order to obtain maximum results regarding cash management in the sector of companies listed on the Indonesia Stock Exchange. For companies, this research is expected as a company's desire to pay attention to cash management properly, because this can help companies meet short-term obligations in urgent situations. For potential investors, this research can be used as a means to make decisions by looking at how companies manage cash holdings as a way to avoid being unable to meet short-term obligations.

Keywords: *cash holding, investment opportunity set, net working capital, profitability.*