

## ABSTRACT

*PK. Pramesty Mandiri Kuningan is a company engaged in the wood industry. . Problems that occur in PK. Pramesty Mandiri, namely in managing financial reports that are not in accordance with accounting principles so that they do not have a profit and loss report and balance sheet, therefore the company has not carried out a profitability level analysis.*

*The purpose of this study to determine the level of profitability on the PK. Pramesty Mandiri Kuningan and to find out the obstacles in increasing the level of profitability. The method used in this study is a quantitative method with a descriptive approach. Primary data collection techniques were carried out using non-participant observation and structured interview guidelines while secondary data were obtained from data in the form of documents, journals and the internet. The data analysis technique used is to analyze the income statement and balance sheet with profitability ratio analysis and conclude the results by comparing the standard profitability ratios according to cashmere.*

*The results of this study indicate that based on the profitability ratio: (a)Gross Profit Margin In 2020-2021, there was a decrease of 4% from 2020 of 51% in 2021 of 47% due to rising raw material prices and companies carrying out developments. (b)Net Profit Margin in 2020-2021 it has decreased by 1% from 2020 of 19% in 2021 of 18% so that based on the standard ratio the company is in the sufficient criteria. (c)Return on Investment in 2020-2021 decreased by 4% from 2020 of 38% in 2021 of 34% due to increased operational costs, despite experiencing a decline the company was able to utilize its assets to earn good profits (d)Return on Equity in 2020-2021 it has decreased by 3% from 2020 of 38% in 2021 of 35% due to the company increasing capital in its business so that based on the company's ratio standard it is in sufficient criteria.*

*Suggestions for PK. Pramesty Mandiri Kuningan is expected to be able to determine the selling price in accordance with raw material costs and operating expenses so that the company does not experience a decrease in income based on the ratio of profitability andPK. Pramesty Mandiri Kuningan is expected to be able to take into account when increasing capital or developing a business so that it will not reduce the return on assets in obtaining profit.*

**Keywords :Profitability Ratio**