

THE EFFECT OF CASH TURNOVER, RECEIVABLE TURNOVER AND TOTAL ASSET TURNOVER TO PROFITABILITY IN FOOD AND BEVERAGE COMPANIES LISTED ON THE IDX DURING THE 2018-2020 PERIOD



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Abstract: This study aims to determine the effect of Cash Turnover, Accounts Receivable Turnover and Total Asset Turnover on Profitability, either partially or simultaneously; The samples used in this study were 22 food and beverage companies listed on the IDX for the period 2018 – 2020. The data used is secondary data. While the method used is multiple linear regression method using the SPSS version 23 program, to obtain a comprehensive picture of the relationship between the independent variables and their dependent variables. The results of this study Cash Turnover has a positive and significant effect on profitability with $t_{count} > t_{table}$ ($2.662 > 1.979$); Receivable turnover has no effect on profitability because $t_{count} < t_{table}$ ($-1.583 < 1.979$) with a significance of $0.064 > 0.05$; and Total Assets Turnover affects profitability, because $t_{count} > t_{table}$ ($3.600 > 1.979$) with a significance of $0.000 < 0,05$. Simultaneously Cash Turnover, Receivable Turnover and Total Asset Turnover affect Profitability because $F_{count} > F_{table}$ ($8.273 > 2.57$) with a significance of 0.000 .

Keywords: cash turnover, receivable turnover, total assets turnover, and profitability

INTRODUCTION

Food and beverage companies can be said to be companies that will always be needed by the community because after all people will always need to eat and drink, it only remains to win over consumer tastes, so that they will always be in demand. Competition in the food and beverage industry must always strive to meet consumer tastes so that they can still obtain profits that will make the company exist.

Big profit alone is not enough for the company because it does not reflect the effectiveness of its operations. What must be achieved is high profitability, because with high profitability it means that the company is working efficiently. However, many factors influence the achievement of profitability, including the company's activities in utilizing its capital which is reflected through cash turnover, accounts receivable turnover and asset turnover.

The activity ratio will show how capable the company is in circulating its capital in a certain period, thus it can be interpreted that the higher the turnover rate, the higher the possibility to increase profits. Cash Turnover is a comparison between the number of sales and the average cash in the same

period, it reflects how much cash circulates to finance sales operations.

While Accounts Receivable Turnover is a comparison between credit sales and average accounts receivable, which reflects how much the level of receivables can support sales. The greater the level of accounts receivable turnover, the more effectively the company manages receivables from credit sales.

Asset turnover is intended as how much total assets can organize sales in a certain period. The greater the level of asset turnover, the more effective the utilization of the company's assets for sales operations. From several previous studies examining the effect of activity ratios (cash turnover, receivables and assets) there are still significant differences in results. The following are several studies with different results (research gaps) which are the reasons for further research, this time on food and beverage companies that are already listed on the IDX.

Table 1 Research Gap

	Positive Influence on Profitability	Negative Influence on Profitability
Cash Turnover	Fibri dkk (2018)	Dewi (2015), Surya dkk (2017), Natasha (2019)
Accounts Receivable Turnover	Fibri dkk (2018)	Lucky dkk (2019)
Turnover of Total Assets	Fibri dkk (2018)	Muhamad Syahwildan(2020)

RESEARCH METHODS

The population in this study were all food and beverage companies listed on the Indonesian Stock Exchange during the period 2018 to 2020, namely 30 companies. While the sample in this study was taken using the purposive sampling method, namely by using certain criteria (considerations) (Bintarti, 2015). As follows:

Total number of food & beverage companies listed on the IDX	= 30
Companies that are not active in a row in the research year	= (2)
Companies that do not always get Profit	= (6)
Total Companies that meet the criteria	= 22

The results obtained from a sample of 22 food and beverage companies listed on the Indonesia Stock Exchange.

Variables in research

The design of this study uses a quantitative approach with causality associative relationships, namely research that looks for causal relationships/influences from the independent variable (the influencing variable), namely X on the dependent variable (the affected variable, namely Y).

Variable X consists of: Cash Turnover, Receivable turnover and total asset turnover

The Y variable is Profitability

Table 2 Operational definitions and variable indicators

Variabel	Definisi operasional	Indikator
X ₁ Cash Turnover	Cash Turn Over is the cash turn over rate for holding sales in one period (Bambang Riyanto 2010)	CTO = Net sales/ Average Cash (Bambang Riyanto 2010)
X ₂ Accounts Receivable Turnover	Receiveble turn over is the rate accounts receivable turnover, how much the level of receivables can organize sales (Kasmir 2012)	RTO = Credit sales / average receivables (Kasmir 2012)
X ₃ Total Assets Turn Over	Total Assets Turn Over is how much the level of assets can organize sales in one period (Kasmir 2012)	TATO = Sales /Total Assets (Kasmir,2012)
Y Profitabilitas	Profitabilitas (ROA= Rate of Assaets) is how much the total assets owned can generate profits (Sawir 2012)	ROA = Net profit after interest and taxes/ Total Aset (Sawir 2012)

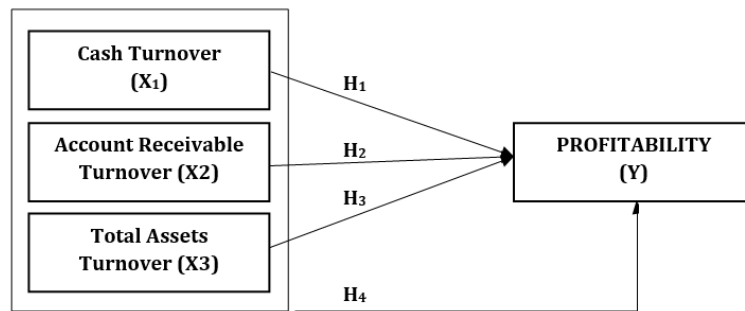


Figure 1 Framework

Hypothesis :

- H₁: It is Suspected that Cash Turnover has an effect on Profitability in Food and Beverage companies listed on the IDX 2018- 2020
- H₂: It is Account Receivable Turnover has an effect on Profitability in Food and Beverage companies listed on the IDX 2018- 2020
- H₃: It is Total Assets Turnover has an effect Profitability in Food and Beverage companies listed on the IDX 2018- 2020
- H₄: It is suspected that Simultan Cash Turnover, Receivable Turnover and Total Asset Turnover affect Profitability in Food and Beverage companies listed on the IDX 2018- 2020

RESULT AND DISCUSSION

Classic Assumption Test

The regression model used shows a significant and representative relationship if the regression model meets the basic assumptions of classical regression. So before testing the hypothesis, the classic assumption test must be carried out which includes testing data normality, multicollinearity, heteroscedasticity and autocorrelation.

Normality Test

The Normality Test serves to test whether in the regression model, the dependent variable (X) and the independent variable (Y) have a normal distribution or not. To achieve a good regression model, that is, it must have a normal or close to normal distribution. The normality test of this data can be seen from the histogram image below, the curve shows that the data used in this study does not have extreme data so that the data is normally distributed

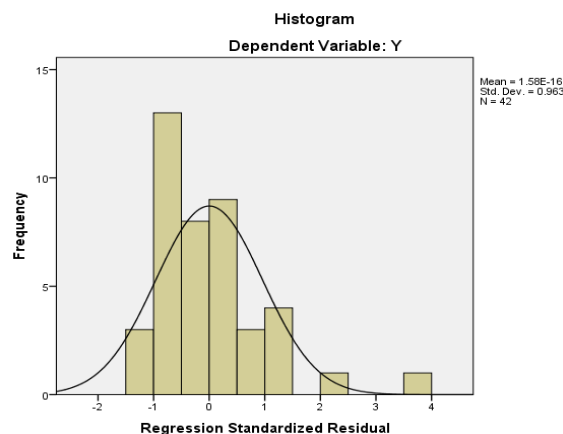


Figure 2 Normality Test

Multicollinearity Test

According to Gendro (2011: 157) the Multicollinearity Test is used to determine whether or not there is a deviation from the classical assumption of multicollinearity, namely the existence of a linear relationship between the independent variables or independent variables in the regression model. The requirements that must be met in this regression model are the absence of multicollinearity. Whether there is multicollinearity in the regression model can be detected by looking at the tolerance value, which is to measure the selected independent variables and the variance inflation factor. This value is generally used if the tolerance value is > 10% and the

variance inflation factor value is <10%. in this study Vif it was concluded that there was no multicollinearity between the independent variables in the regression model. This can be seen in the table below:

Table 3 Multicollinearity Test Result

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
		B	Std. Error	Beta	Tolerance	VIF
1	(Constant)	12.704	2.742			
	X1	-.041	.062	-.107	.094	1.006
	X2	-.113	.194	-.094	.096	1.004
	X3	.056	.343	.000	.065	1.064

a. Dependent Variable: Y

Heteroskedastisity Test

According to Gendro (2011: 160), the heteroscedasticity test is used to determine whether there is a deviation from the classical assumption of heteroscedasticity, namely the variance of the residuals for all observations in the regression model. A good regression model is one that has homoscedasticity or does not have heteroscedasticity. This detection can be done by using a graphical model test, namely by looking at the presence or absence of certain patterns depicted on the scatterplot. The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. If the residual variance from one observation to another observation remains, then it is called homoscedasticity and if it is different it is called heteroscedasticity.

A good regression model is a regression model that has homoscedasticity or does not have heteroscedasticity (Imam Ghozali, 2011: 139). In this study, the heteroscedasticity test used the Scatterplot test. If the independent variable is statistically significant affecting the dependent variable then heteroscedasticity occurs, otherwise the regression model does not contain heteroscedasticity if the significance probability is above the 5 percent confidence level (Imam Ghozali, 2011: 143).

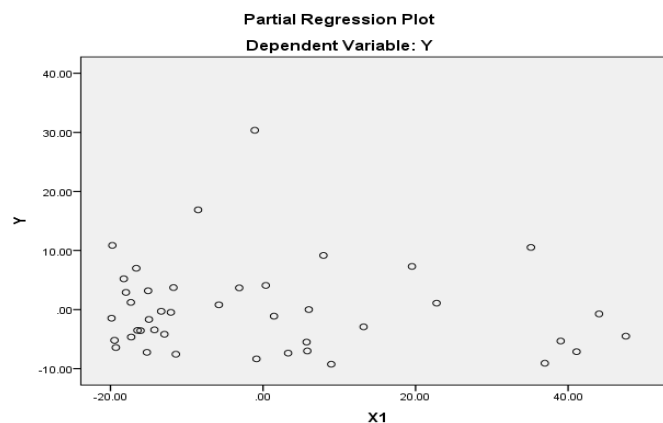


Figure 3 Heiteirokeidastisity Test

Autocorrelation Test

According to Gendro (2011: 165) the autocorrelation test is used to determine whether or not there is a deviation from the classic assumption of autocorrelation, namely the correlation that occurs between the residuals in one observation and other observations in the regression model. Autocorrelation arises because there are sequential observations over time that are related to one another. This will be found in the time series. on data cross section, the problem of relative autocorrelation does not occur. The way to detect the presence of autocorrelation symptoms is by looking at the Durbin Watson value.

With the following criteria:

If $dU_i < DW < 4 - dU_i$: then there is no Autocorrelation

Research Result:

$dU_i < DW < 4 - dU_i$: 1,905 < 1,973 < 4-dU_i

: then there is no Autocorrelation

Table 4 Result Test Autocorrelation

Model Summary ^b				
Model	Change Statistics			Durbin-Watson
	R Square Change	F Change	Sig. F Change	
1	.021	.273	1.844	1.973

a. Predictors: (Constant), X3, X2, X1
b. Dependent Variable: Y

The Results of Multiple Linear Regression Analysis

Table 5 Result Multiple Regression Analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.704	2.742		4.633	.000
	X1	.041	.062	.107	2.662	.012
	X2	.113	.194	.094	1.583	.064
	X3	.566	.343	.600	3.600	.000

a. Dependent Variable: Y

$$Y = 12,704 + 0,041X1 + 0,113X2 + 0,566X3 + e$$

- 1) The formula shows that if the Cash Turnover variable; Receivable turnover and Total Asset Turnover are considered equal to zero (0) then the profitability is 12.704
- 2) The value of the regression coefficient X1 (Cash Turnover) is 0.041, meaning that every 1% increase in Cash Turnover will increase Profitability by 0.041 assuming the other variables are constant.
- 3) The value of the X2 coefficient (Receivable Turnover) is 0.113, this means that every 1% increase in Receivable Turnover will increase Profitability by 0.113 assuming the other variables are constant.
- 4) The value of the coefficient X3 (Total Assets Turnover) is 0.566, meaning that every 1% increase in Assets Turnover will increase Profitability by 0.566 assuming the other variables are constant.

Partial Significance Hypothesis Test (t test)

Based on table 4.1 it can be seen that the partial results of the hypothesis are as follows;

1. Cash Turnover with a t count level of 2.662 > 1.979 (t table) with a significance coefficient of 0.012 < 0.05, it can be concluded that H1 is accepted, meaning that Cash Turnover has a positive and significant effect on Profitability.
2. Accounts Receivable Turnover with a t count rate of 1.583 < 1.979 with a significance of 0.064 > 0.05, it can be concluded that H2 is rejected, meaning Receivables Turnover has no effect on Profitability.
3. Total Assets Turnover with a t count level of 3.600 > 1.979 with a significance of 0.000 < 0.05, it can be concluded that H3 is accepted, meaning that Total Assets Turnover has a positive and significant effect on Profitability.

Simultaneous Test Result (Test F)

Table 6 Result Test F

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.337	3	17.446	8.273	.000 ^b
	Residual	2427.265	38	63.875		
	Total	2479.603	41			

a. Dependent Variable: Y

b. Predictors: (Constant), X3, X2, X1

In the results of the F statistical test in table 4.3 above, it can be seen that the F count is 8.273 > from F table (2.57) with a significance value of 0.000 < 0.05. It can be concluded that Cash

Turnover, Receivable Turnover and Total Assets Turnover simultaneously affect Profitability.

Determination Coefficient Test (R^2)

This test is conducted to find out how much the dependent variable (Profitability) is related to the independent variables, namely Cash Turnover, Accounts Receivable Turnover and Totals Assets Turnover. The following is the result of the calculation

Table 7 Result Determination Coeffisien Test

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.745 ^a	.590	.560	1.99221
a. Predictors: (Constant), X3, X2, X1				
b. Dependent Variable: Y				

From Table 4.3 above it can be seen that the coefficient of determination of Adjusted R² is 0.56, this means that 56% Profitability can be explained by the three independent variables (Cash Turnover, Receivable Turnover and Total Assets Turnover). While the remaining 0.44% is influenced by other variables not discussed in this study.

DISCUSSION

Effect of Cash Turnover (X1) on Profitability (Y)

The results of the analysis show that there is a positive and significant influence between Cash Turnover and Profitability, this can happen because the company is able to use cash for its sales activities optimally. For example, cash is used to cover losses - existing losses or accounts payable and other operating expenses.

Influence of Accounts Receivable Turnover (X2) on Profitability (Y)

The above analysis shows that Receivables Turnover has no effect on Profitability, this shows that even though Receivables Turnover partially does not have a significant effect on profitability, the company must be able to manage it properly so that uncollectible accounts do not occur which will have an impact on reduced profitability.

Effect of Total Assets (X3) on Profitability (Y)

The results of the analysis show that asset turnover has a positive and significant effect on profitability. This means that a high total asset turnover can create profit for the company, so that its profitability also increases. In other words, it means that there is an efficient use of assets in generating income or sales.

CONCLUSION

Based on the results of the analysis above it can be concluded several things as follows:

1. Cash turnover has a positive and significant effect on profitability in food and beverage companies listed on the Indonesia Stock Exchange; with a t count > t table and a significance level of $0.012 < 0.05$
2. Accounts Receivable Turnover has no effect on Profitability in food and beverage companies listed on the Indonesia Stock Exchange, because the calculated t value < t table value and the significance level is $0.064 > 0.05$
3. Total assets turnover has a positive and significant effect on profitability in food and beverage companies on the Indonesia Stock Exchange; with t count > t table and a significance level of $0.000 < 0.05$

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