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The Effect of Receivables Turnover, Inventory Turnover and Cash Turnover on Profitability in Food and Beverage Companies Listed on the Indonesia Stock Exchange in 2019-2022

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Abstract
The study was conducted to determine the effect of accounts receivable turnover, inventory turnover and cash turnover on the profitability of food and beverage companies listed on the Indonesia Stock Exchange in the period 2019-2022. The independent variables in this study are accounts receivable turnover, inventory turnover and cash turnover. The dependent variable in this study is the company's profitability calculated from Return on Asset (ROA). This study uses quantitative research with descriptive statistical research types. The sample in this study was 22 food and beverage companies with sampling using purposive sampling techniques. This study uses secondary data. Data analysis used in this study is using multiple linear regression analysis. The results shown in this study are that accounts receivable turnover (X1) has a negative and significant effect on profitability with a Tcount value of (-16.090) < Ttable (1.663) and Sig 0.001 <0.05, inventory turnover (X2) has a positive and significant effect on profitability with a Tcount value of (4.358) > Ttable (1.663) and Sig 0.001 <0.05, cash turnover (X3) has a negative and significant effect on profitability with a Tcount value of (-11.969) < Ttable (1.663) and Sig 0.001 <0.05. There is a significant effect between accounts receivable turnover, inventory turnover and cash turnover on the company's profitability as indicated by the Fcount value > Ftable, namely 219.848 > 2.713 and Sig 0.001 <0.05.

Keywords: Cash turnover, accounts receivable turnover, inventory turnover, profitability

1. Introduction

Companies can be divided into several industrial sectors, namely the food and beverage industry, electronics industry, chemical industry, textile industry, pharmaceutical industry and automotive industry. The food and beverage industry is able to support and balance the entire economy of a country because this industry has an important role in the survival of society. According to Abdullah and Siswanti (2019) [1] Companies are required to be able to develop organizations in order to continue their business activities and implement their strategies. In carrying out these business activities, companies must make sufficient profits to survive. A company's ability to generate profits is one measure of its profitability. There are several ways to calculate the Influence of Profitability, namely: Return on Assets (ROA) and Return on Equity (ROE). According to Brigham & Houston (2018) [3] ROA measures how effectively a company uses its assets to generate profits. The higher the ROA, the better the efficiency of assets in creating profits. Meanwhile, Return on Equity (ROE) according to Brigham & Houston (2018) [3] ROE is a ratio that measures the rate of return generated by a company from shareholders' equity, which reflects the company's efficiency in managing its own capital to generate profits. This is because Return on Asset (ROA) is an influence that can determine the company's success in obtaining maximum profit. ROA is also able to provide a measurement of the company's ability to maximize profits in the past to be projected in the future.

According to research conducted by Abdullah and Siswati (2019) [1] and the results of the research conducted are that there is a large positive and significant influence from inventory turnover and no influence from cash turnover, then the results of the simultaneous hypothesis of cash turnover and inventory turnover variables show that both variables together have an effect on profitability. Meanwhile, according to Winda Adriani and Supriono (2022) [2] said that the results of this study are that cash turnover has a negative effect on company profitability, accounts receivable turnover has a positive effect on company profitability and inventory turnover has a positive effect on company profitability. Then the results of the simultaneous hypothesis of the three variables cash turnover, accounts receivable turnover and inventory turnover together have an effect on the company's profitability.

Table 1: Table of phenomena for the period 2019-2022

NO	KODE EMITEN	NAMA PERUSAHAAN	Tahun	Kas (Rupiah)	Piutang (Rupiah)	Persediaan (Rupiah)	Laba Bersih (Rupiah)
1	CAMP	Campina Ice Cream Tbk	2019	348,062,973,183	184,781,701,838	171,000,649,858	76,758,829,457
			2020	473,895,329,325	126,722,103,853	138,318,505,104	44,045,828,312
			2021	610,486,160,979	126,135,745,007	196,967,227,625	99,607,320,878
			2022	506,458,110,482	127,628,459,125	125,459,113,933	121,257,336,904
2	GOOD	GarudaFood Putra Putri Jaya Tbk	2019	485,136,396,267	658,453,222,306	804,886,752,999	435,766,359,519
			2020	398,338,384,174	558,135,955,482	811,957,159,581	245,103,761,991
			2021	494,325,920,495	506,053,350,522	1,005,419,097,419	492,637,672,186
			2022	1,073,175,070,556	810,862,801,394	1,273,691,356,964	521,714,035,585
3	ULTJ	Ultra Jaya Milk Industry and Trading Company Tbk	2019	2,040,591	652,067	987,927	1,035,856
			2020	1,649,669	656,244	924,693	1,167,825
			2021	1,598,901	686,952	681,983	1,276,793
			2022	1,248,642	686,527	1,637,361	965,486

From table 1.1 above, the phenomenon that occurred at PT. CAMP in 2020, the company's cash increased but net profit decreased. In 2021, cash increased and net profit also increased. The phenomenon that occurred at PT. GOOD in 2020, the company's receivables decreased and net profit decreased. In 2021, the company's receivables increased and net profit increased. The phenomenon that occurred at PT. ULTJ in 2021, the company's inventory decreased but net profit increased. In 2022, the company's inventory increased but net profit decreased.

2. Literature Review

The literature review of this study as follows:

Cash Flow

Cash is one of the sources with the highest liquidity, so it can be said that the greater the amount of cash owned by the company, the higher its level of liquidity. According to Septiana (2019:73) [7] cash turnover is a ratio that functions to measure the level of adequacy of the company's working capital needed to pay bills and finance sales. This means that this ratio is used to measure the level of cash availability in paying bills (debts) and costs related to sales. The higher the cash turnover rate, the faster the cash returns to the company so that it can be reused by the company.

Accounts Receivable Turnover

Receivables are a company's right to pay a party because it has received a product/service but has not paid for it in full. Receivables turnover is the frequency or how many times receivables or investments in receivables turn over in one period, for example one year. The higher the frequency of receivables turnover or the faster the receivables turn over indicates the more effective and efficient management of investment in receivables. Conversely, the lower the receivables turnover rate achieved by the company indicates the less effective or efficient the company is in managing its investment in receivables (Sugeng, 2017:81) [9].

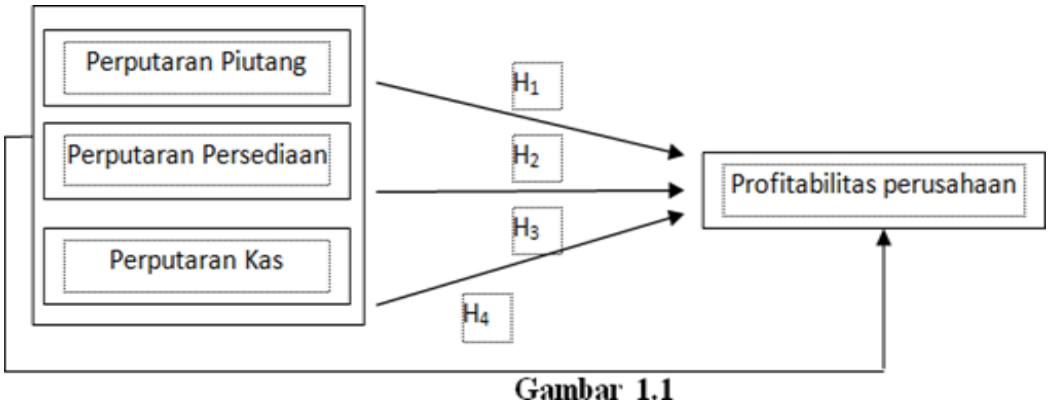
Inventory Turnover

Inventory is one of the important components in a company, it can be in the form of finished goods or in the form of raw materials and equipment to be used in the production of goods to be traded by the company. Inventory turnover is a ratio used to measure how much funds are invested in inventory that rotates in one period or how many days on average inventory is stored in the warehouse until it is finally sold. The greater the inventory turnover indicates that the working capital stored in the inventory of merchandise is getting smaller and this means the better for the company (Hery, 2017:308) [5].

Profitability Ratio

Profitability is the ability of a company to generate profit or gain at a certain time or period. Profitability is one of the most important factors in a company, because profitability is one of the factors for the survival of the company. According to Herlinda and Rahmawati (2021) [6] Profitability is a benchmark for a company in managing assets to generate profit in the current year. Indicators that can be used to determine the company's ability to generate profit are calculated using ROA (Return On Asset) by dividing profit after tax by the total assets owned by the company.

3. Conceptual Framework



Gambar 1.1

Fig 1

4. Hypothesis

H1: There is an influence between accounts receivable turnover and profitability of food and beverage companies listed on the Indonesia Stock Exchange 2019-2022

H2: There is an influence between inventory turnover and profitability of food and beverage companies listed on the Indonesia Stock Exchange 2019-2022

H3: There is an influence between cash turnover and profitability of food and beverage companies listed on the Indonesia Stock Exchange 2019-2022

H4: There is an influence between accounts receivable turnover, inventory turnover, cash turnover on the profitability of food and beverage companies listed on the Indonesia Stock Exchange 2019-2022

5. Method

This study uses a quantitative method based on secondary data in the form of annual financial reports issued by companies and can be accessed via www.idx.co.id or using the website of each company. Sampling technique, in this study, is non-probability sampling using purposive sampling. The data collection technique was obtained by collecting annual financial reports of the food and beverage sub-sector listed on the IDX and the financial data was taken from www.idx.co.id. Data analysis techniques by using Normality Test, Multicollinearity Test, Auto Correlation Test, Heteroscedasticity Test, F-Test Simultaneous and T-Test Partially.

6. Data analysis and interpretation

The author analyzes the research data obtained so that it can then be summarized and rewritten in the resulting article.

The data analysis techniques by using Normality Test, Multicollinearity Test, Auto Correlation Test, Heteroscedasticity Test, F-Test Simultaneous and T-Test Partially.

7. Results and Discussion

Normality Test

Table 2: Kolmogr of-Smirnov

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		88
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	3.52962430
Most Extreme Differences	Absolute	.075
	Positive	.075
	Negative	-.051
Test Statistic		.075
Asymp. Sig. (2-tailed)		.200[c,d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Based on the table above, it can be seen that the probability value or Asymp. Sig (2-tailed) obtained is greater than 0.05 or 0.200 > 0.05, which means that the residual data is normally distributed.

Multicollinearity Test

Table 3: Multicollinearity Result

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Perputaran_Piutang	.476	2.102
	Perputaran_persediaan	.434	2.301
	Perputaran_kas	.822	1.217
a. Dependent Variable: Y			

From the Multicollinearity test presented in the table above, it shows that there is no Multicollinearity between the research variables, this can be shown in the VIF (Variance Inflation Factor) figure < 10 or VIF is below 10 and the Tolerance value> 0.10 or the Tolerance value is above 0.10

Autocorrellation Test

At a significance level of 5%, the number of observations (N) is 88 and the number of independent variables (k) is 3, so in the Durbin-Watson table the DL value is 1.5836 and the DU value is 1.7243.

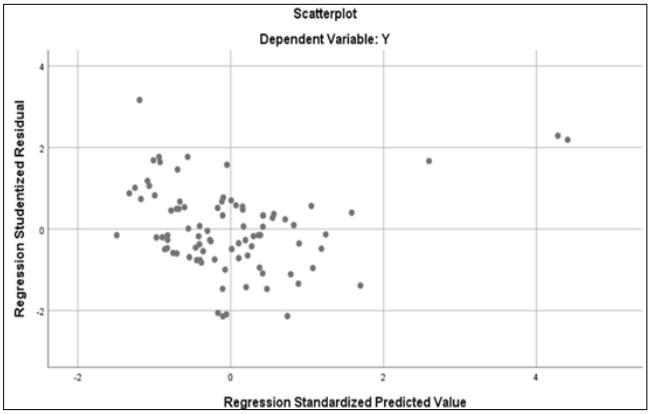
Table 4: Autocorrellation Test

Model Summary[b]					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**
1	.942[a]	.887	.883	3.592618	2.221
a. Predictors: (Constant), X3, X1, X2					
b. Dependent Variable: Y					

Based on the table above, it can be seen that the Durbin-Watson value of 2.221 shows that the DW value is between DU and 4-DU, namely 1.7243 < 2.221 < 2.275, which means that the result is that there is no autocorrelation in this study.

Heteroscedasticity Test

Table 5: Heteroscedasticity Test



Based on the table above, it can be concluded that there is no heteroscedasticity problem. This can be concluded from the graph where the points in the graph do not form a clear pattern and the points are spread randomly above and below the 0 line on the Y axis.

Linear regression analysis

Table 6: Linear Regression Analysis

Coefficients[a]				
Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	25.844	.719	
	X1	-1.634	.102	-.855
	X2	.427	.098	.242
	X3	-.634	.053	-.484
a. Dependent Variable: Y				

Based on the table above, the regression equation that can be formed is

Y= 25,844-1,634 X1+0,427 X2-0,634 X3

1. The constant value (α) of 25.844 indicates that Return will be worth 25.844 if the variables Receivables Turnover, Inventory Turnover and Cash Turnover are worth 0
2. The coefficient value of Receivables Turnover (RTO) is

-1.634. This shows that if there is a Receivables Turnover of 1 time, then Profitability will decrease by 1.634.
3. The coefficient value of Inventory Turnover (ITO) is 0.427. This shows that if there is a Inventory Turnover of 1 time, then Profitability will increase by 0.427
4. The coefficient value of Cash Turnover (CTO) is -0.634. This shows that if there is 1 Cash Turnover, then profitability will decrease by 0.634.

To test the hypothesis by using F-Test as follows:

F-Test

Table 8: F-Test

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8512.672	3	2837.557	219.848	.001[b]
	Residual	1084.180	84	12.907		
a. Dependent Variable: Y						
b. Predictors: (Constant), X3, X1, X2						

Based on the table data above, it is known that the calculated F value obtained is 219.848 with a Sig of 0.001. The F value based on the table (with df1 = 3 and df2 = 88-3-1) is 2.713. Therefore, it can be concluded that Receivables Turnover, Inventory Turnover and Cash Turnover have a stimulant effect on Profitability.

8. Conclusion

Based on the discussion that has been discussed and the analysis of the influence of Receivables Turnover, Inventory Turnover and Cash Turnover on Profitability in the previous chapter, the conclusions that can be drawn are as follows:

1. Receivables Turnover has a negative and significant effect on Profitability.
2. Inventory Turnover has a positive and significant effect on Profitability
3. Cash Turnover has a negative and significant effect on Profitability
4. Receivables Turnover, Inventory Turnover and Cash Turnover have a stimulating effect on the company's profitability.

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