.

Effect of Working Capital Turnover, Cash Turnover, Debt To Equity Ratio (DER) and Total Asset Turnover on Profitability

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Abstract

Study This done For test Good in a manner simultaneous or partial . Effect of Working Capital Turnover, Cash Turnover, Debt to Equity Ratio, Total Asset Turnover Against Profitability (ROA) on banking sector companies listed on the Indonesia Stock Exchange on period 2019- 2021. Any data required official data from report finance originating year _ from IDX. Method in sampling using _ purposive sampling method . Tests used _ consists from test assumption classic that part That test normality , test multicollinearity , test autocorrelation , test heteroscedasticity , test multiple linear regression part That test coefficient determination (R2), test hypothesis in a manner partial (T test), test hypothesis in a manner simultaneously (test F). the adjusted R Square value has influence of 12.5% against profitability (ROA) and the remaining 87.5% is influenced by other variables . Results from his research are : the working capital turnover variable has an effect negative on ROA, the Cash Turnover variable has an effect positive on ROA, the Debt To Equity variable has an effect No influential positive , variable Total Assets Turnover is not influential positive . WCT, CT, DER, TATO, effect in a manner simultaneous against ROA .

Keywords: Working Capital Turnover, Cash Turnover, Debt to Equity Ratio, Total Asset Turnover; Profitability (ROA).

INTRODUCTION

Banks are usually the main source of financing for the corporate world and banking plays a very important role, one of which is lending to the corporate world. The current outbreak of the Covid -19 pandemic in Indonesia has affected almost all areas of life, both in terms of the economy, politics, social and culture. The same thing is also experienced by one of the economic sectors which is the heart of the country's economy, namely the banking sector (Adeabah and Andoh 2020). One of the financial ratios that influence the profitability of banking companies is working capital turnover. With good Working Capital Turnover in the banking sector, the profitability will be higher.

Where Working Capital Turnover is often used to fund daily operations. These funds are used for company needs, such as buying raw materials, paying salaries, and other operational costs (Agnes, 2015: 42). Banking companies must be wise in managing their debts and assets so that the company's liquidity can be met properly, one of which is cash. Good and fast cash turnover, then the profitability will be maximized.

With good cash turnover, this will reflect the company's financial performance, one of which is in the banking sector. According to Gill in Kasmir (2017: 140) cash turnover is a measure of whether a company has sufficient working capital to pay bills and finance its sales. The increase in the company's sales value is affected by the increasing value of TATO. Likewise with banking, where the total asset turnover increases, the profitability will also increase.
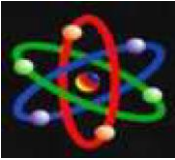
In general, the Debt to Equity Ratio or debt to capital ratio is an important indicator to see the financial situation of a bank. According to Werner R. Murhadi (2013: 61) debt to equity ratio is a ratio that shows a comparison between debt and equity. In line with total asset turnover (TATO), which according to Herry (2017: 143) is used to measure the amount of sales generated from each rupiah included in total assets. Funds embedded in banking are commonly referred to as capital, one of the ratios used to measure total debt and own capital is DER.

Therefore, higher company profitability indicates better company performance (Haryanto et al. 2018). Companies can maximize their profits if financial managers know the factors that have a major influence on company profitability.

Code Issuer	Year	Capital	Cash	Debt	Total Asset	Profit
bni	2019	125,003,948	15,361,703	688,489,442	845605208	18,383,939
	2020	112,872,199	17,324,047	746,235,663	891,337,425	4,192,722
	2021	126,519,977	13,683,598	838,317,715	964,837,692	11,722,436
BRI	2019	208,784,334	30,219,214	1,183,155,672	1,416,758,840	39,498,595
	2020	199,911,376	32,161,564	1,278,346,276	1,511,804,628	21,757,779
	2021	291,786,804	26,299,973	1,386,310,930	1,678,097,734	30.333354
	2019	5,548,977	25,421,406	7400671 27	771,037,510	31,138,261

B C A	202 0	5,548,97 7	24,322,335	885,537, 919	915,409, 231	31,036, 451
	202 1	5,548,97 7	23,615,635	1,019,77 3,758	1,048,93 8,370	31,867, 065

Table 1. **Phenomenon**

Based on Table above PT Bank Negara Indonesia Tbk . Active _ until now on the IDX shows that on period time 2019 – 2020 cash experience increase by 12.77 % , meanwhile profit precisely experience decline by 77.2%. This is not in accordance with the theory Haryanto et.all (2018) that the more tall sale so current cash the more.

RESEARCH METHODS

Based on framework conceptual has _ outlined so hypothesis used as following :

• H1 : Working Capital Turnover has an effect Partial to profitability

• H2 : Cash Turnover has an effect Partial to profitability

• H3: The Debt To Equity Ratio (DER) has an effect Partial to profitability

• H4: Total Asset Turnover has an effect Partial to profitability

• H5: Working Capital Turnover, Cash Turnover, Debt To Equity Ratio (DER) and Total Asset Turnover have an effect simultaneous to profitability

Descriptive analysis to determine the minimum value, maximum value, average value and the standard deviation value. The following results explain the minimum, maximum, mean, and values mark standard deviation on loyal observation variables:

	N	Your minim	Maximum	Means	std. Deviation
Working Capital turnovers	72	12386	161639107	15642859.97	25810116.101
Cash turnovers	72	53626	1979431637	221289578.57	349697306.913
Debt To Equity Ratio	72	0	9962789675	3648556423.24	2631751529.047
Total Asset turnovers	72	16899	99880805	9985916.14	23724369750
ROA	72	104148	96815506	12424499.67	19597456.465
Valid N (listwise)	72				

Table 2. Descriptive Statistics

1. Working Capital Turnover Variable have sample as many as 72, with a minimum value of 12386, a maximum value of 161639107, a mean value of 15642859.97 and mark standard the deviation of 25810116.101.

2. Cash Turn Over Variable own sample 72 , with a minimum value of 53626, a maximum value of 1979431637, a mean value of 221289578 .57 And mark standard deviation of 349697306.913.

3. Variable Debt To Equity Ratio has sample as many as 72, with a minimum value of 0, a maximum value of 9962789675 , a mean value of 3648556423.24 and mark standard deviation of 2631751529,047.

4. Variable Total Assets TurnOver own sample as many as 72, with a minimum value of 16899, a maximum value of 99880805, a mean value of 9985916.14 and mark standard deviation of 2372436.750.
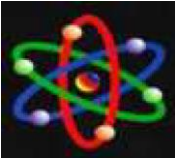
5. Variable Return On Assets has sample as many as 72, with a minimum value of 104148, value maximum 96815506, mean value of 12424499.67 and mark standard deviation 19597456,465.
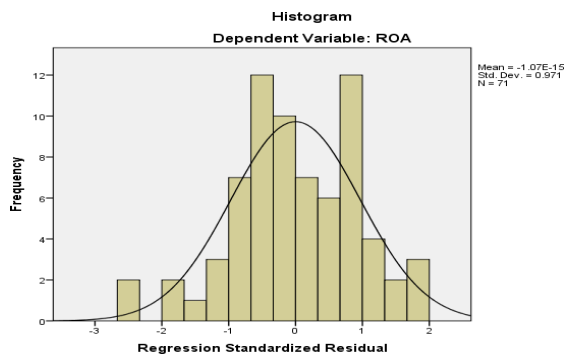
RESULTS AND DISCUSSION

Figure 1. Test Normality Histogram Graph

Based on picture above it can be seen that the test normality which is normally distributed the histogram chart follows curve shaped symmetrical .

Figure 2. Test Normality Probability Plot

|		Unstandardized residual
N		71
Normal Parameters [a,b]	Means	.0000000
	std. Deviation	1.38491879
Most extreme Differences	Absolute	059
	Positive	038
	Negative	-.059
Kolmogorov-Smirnov Z		.500
asymp. Sig. (2-tailed)		.964

Table 3. One-Sample Kolmogorov-Smirnov Test

Based on Kolmogorov Smirnov results , that the value of Kolmogorov Smirnov is 0.500 and Asymp. Sig . (2-tailed) of 0.964. It says data has distribution normalif mark Assymp.Sig > 0.05 with a ratio of 0.964 > 0.05 then on test this distributed data normally .

Model	R	R Square	adjustedR Square	std. Error of the estimate	Durbin-Watsons
1	.354 [a]	.125	072	1.42627	1954

Table 4. Model Summary [b]

Based on results test on Durbin-Watson value of 1.954 meanwhile mark from table DW DU value of 1.7054 . _ And for 4-DU it is 2.2946 . This means DU = 1 .7054 < DW = 1.954 < 4-DU = 2.2946. So
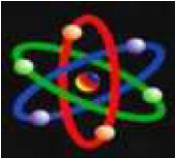
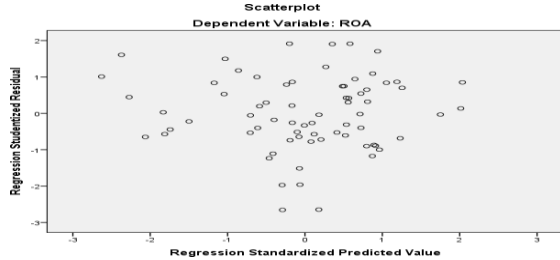hypothesis zero accepted meaning it doesn't exist autocorrelation on research .

Figure 3. Scatterplot test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Beta		
(Constant)	1,780	1,538		1.157	,251
Working Capital turnovers	-,011	,057	-.025	-,189	,851
1 Cash turnovers	.076	.041	,242	1,861	,067
Debt To equity Ratio	-.025	,057	-.051	-,436	,664
Total Asset turnovers	-.094	.047	-,244	-1,982	.052

Table 5. Heteroskedity Glejer

Based on results test above it can be seen that the independent variable namely Working capital turnover , Cash turnover, Debt to equity ratio and Total assets turnover value significance his above 0.05 means nothing happening error on moment testing. test results on then we get the equation regressionas following :

$Y = 10.971 -0.141X1 + 0.154X2 + 0.079X3 + 0.155X4 + e$

Model	R	R Square	adjusted RSquare	std. of	Error the Estimates
1	.354 [a]	,125	.072		1.42627

Table 6. coefficient Determination

Model	sum ofSquares	Df	Means Square	F	Sig.
1 Regression	19,194	4	4,799	4,359.042 [b]	
residual	134,260	67	2,034		
Total	153,454	71			

Table 8. Test Partial

kindly Partial influence each variables can be seen from direction sign And level significant (Profitability) 0 ,05 on degrees free n – k (72-4=68 or 1.99547). Results testing hypothesis each variable independent in a manner Partial to variable dependents can be analyzed as following :

1. Testing in a manner partial (Test -t) for Working Capital Turnover to ROA is the value tcount < ttable with value tcount of -1400 and mark t table 1 ,99547 . It means tcount < ttable with value level significantly 0.166 more big from 0 .05 . Working Capital Turnover Turnover has no effect and not significant on ROA.
2. Testing in a manner partial (Test -t) for Cash Turnover to ROA is the value tcount > ttable with values tcount of 2.117 and
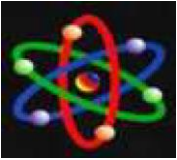
mark t table 1 ,99547 . It means tcount > ttable with values level significantly 0.038 more small from 0 .05 . Working Capital Turnover Turnover influential And significant on ROA.

3. Testing in a manner partial (Test -t) for the Debt To Equity Ratio to ROA is the value tcount < ttable with value tcount of 0.783 and mark t table 1 ,99547 . It means tcount < ttablewith mark level significantly 0.436 more larger than 0 .05 . So the Debt To Equity Ratio has no effect However significant on ROA.

4. Testing in a manner partial (Test -t) for Total Assets Turnover to ROA is the value tcount < ttable with value tcount of 1.848 and mark t table 1 ,99547 . It means tcount < ttable with value level significantly 0.069 more big from 0 .05 . Then the Total Assets Turnover has no effect However significant on ROA.

Based on results testing in a manner partial (t test) with the data obtained result with value tcount < ttable (-1400 < 1.99547) with value significant 0.166 > 0.05. Thus it can be concluded that Working Capital Turnover has an effect negative and not significant against ROA on sub sector companies banking listed on the Indonesian Stock Exchange Period 2019-2021. Based on results testing in a manner partial (t test) with the data obtained result with value tcount > ttable (2.117 > 1.99547) with value significant 0.038 <0.05. Thus it can be concluded that Cash Turnover has an effect positive And significant against ROA on sub sector companies banks listed on the Indonesia Stock Exchange for the 2019-2021 period . Based on results testing in a manner partial (t test) with the data obtained result with value tcount < ttable (0.783 < 1.99547)

with value significant 0.436 > 0.05. Thus you can concluded that the Debt To Equity Ratio has no effect positive and not significant against ROA on sub sector companies banking listed on the Indonesian Stock Exchange Period 2019-2021. Results testing This in line with theory according to study concludes that the Debt To Equity Ratio has negative effect on Return On Assets. The more DER height affects The magnitude Profit achieved by the Company (Melinda Afriyanti : 2011).

CONCLUSION

Based on results study about effect of Working Capital Turnover, Cash Turnover, Debt to equity ratio, Total Assets Turnover on Return On Assets on banking subsector companies listed on the Indonesia Stock Exchange for the 2019-2021 period it can be concluded as following :

1. Results testing in a manner Partial shows that Working Capital Turnover has no effect and not significant on Return On Assets on subsector company banks listed on the Indonesia Stock Exchange for the 2019-2021 period .

2. Results testing in a manner Partial shows that Cash Turnover has an effect significant on Return On Assets on listed banking subsector companies _ on the Exchange Indonesian securities for the period 2019-2021.

3. Results testing in a manner Partial shows that Debt to Equity has no effect and not significant on Return On Assets on banking subsector companies listed on the Indonesia Stock Exchange for the 2019-2021 period .
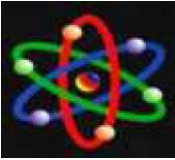
4. Test results in a manner Partial shows that Total Assets Turnover has no effect and not significant on Return On Assets on banking subsector companies listed on the Indonesia Stock Exchange for the 2019-2021 period .

5. Test results in a manner simultaneous shows that Working Capital Turnover, Cash Turnover, Debt To Equity Ratio and Total Asset Turnover are together _ _ effect but not significant .

6. Based on testing coefficient determination it is known that the value of R Square is equal to 0.125. It means that variable independent can explain variable dependent of 12.5 % against _ Return On Assets And the remaining 87.5% is influenced by variable other .

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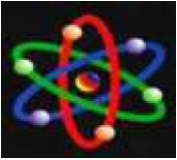
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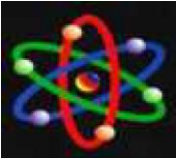
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