

Vol. 17 No. 3 2023

Influence Debt Defaults, Current Ratio, Return On Assets And Sales Growth On Acceptance Of Audit Opinion Going Concern Subsector Textiles And Garments

Windy Winata¹⁾, Helmina Putri Bungsu²⁾, Helena Lestari Sibuea³⁾,
Ramlan Am Silitonga⁴⁾, Benny Rojeston Marnaek Nainggolan^{*5)},
Dokman Marulitua Situmorang⁶⁾
¹²³⁴⁵Universitas Prima Indonesia

⁶Institut Teknologi dan Bisnis Kristen Bukit Pengharapan

* Corresponding Email: benny.bppk@gmail.com

Abstract

Submit :
13/15/2023

accept :
26/07/2023

Publish :
08/09/2023

This research aims to make the textile and garment industry make a significant contribution to economic growth as well as creating sizable job opportunities, and industry this Also push enhancements investment in the And outside country. method data collection in this study was carried out by means of a documentation study which is technique collections with method, notes, gather, And learn data company related problem which currently researched. population used in study this is 43 financial statements of textile and garment companies listed on the Indonesia Stock Exchange with taking sample which based on consideration amount sample which meet the sample selection criteria of 10 companies with 3 years of observation so that the research sample obtained as many as 30 samples for research data DER.CR partially has a significant effect on GCAO in textile and sub-sector companies garment while ROA, SG partially have no significant effect on GCAO (Y) on company subsector textiles And garment so that Debt default, Current ratio, ROA And Sales growth simultaneously affects GCAO in textile subsector companies And garment.

Keyword : Failure Debt, Ratio Fluent, ROA, Enhancements sales, Reception opinion going Concern for the Textile and Garment Subsector



INTRODUCTION

The textile and garment industry in Indonesia is one of the backbones of the manufacturing industry and also a national priority industry which is still prospective for development. In addition, the textile and garment industry gave a large enough contribution to economic growth as well as creating a field of work which was large enough, and this industry also pushed investment enhancement inside and outside the country.

In maintaining business continuity (going concern) can be done by assuming going concern. Survival is always associated with management abilities in managing the company in order to survive. So that's what happened one of the considerations of investors in making decisions is the audit opinion on its financial reports. The auditor is responsible for evaluating whether there is an internal entity maintain survival (Kartika, 2012).

Debt default is a situation when the debtor (company) experiences a financial failure to pay off or repay debts or obligations up to the interest at maturity. The debt status of something company is Wrong One matter Which is researched by auditors in measuring the financial condition of something company (Achyarsyah 2016). Default status can increase the possibility of auditors issuing going concern reports Imani et al (2017).

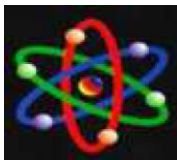
The current ratio is one of the most commonly used ratios to measure a company's liquidity or ability to fulfill a short period of obligation without reward difficulties. In relation to liquidity, the smaller the current ratio,

the smaller the liquid company so that it cannot pay its creditors, therefore the auditor has the possibility will give opinion audits going concern to the company (Simamora & Hendarjono, 2019). Other factors Which influence auditors in disclosing opinion audits going concern that is returns on assets. return on assets role as an indicator of company efficiency in using assets to produce profit (Nuryuwono, 2017). The more big ratio This

shows the company's performance is getting better to generate profits so it doesn't raises the auditor's doubts about the company's ability to continue its business and can reduce the chances of acceptance of opinion going concern audits. Apart from debt default, current ratio, and return on assets, other influencing factors are sales growth. Sales growth is one of the important factors determining the continuity of a company's life. The growth rate of something company will influence the ability to maintain profit in the mark of chance- future opportunities (Rachman, 2018). The higher the sales growth ratio of auditees, the more less likely the auditors to publish opinions going audit concern.

A number of phenomenon which is happening lately This is related to the continuity of life of the company including the manufacturing company which is researched among them PT. ADMG Tbk in year 2019 experience sale as big IDR 1,506,880 And There is an increase in year 2020 as big Rp . 3,981,766. Likewise PT. ARGO has experienced a decline in sales for 3 consecutive years, namely, sales in 2019 of Rp. 773,131, in 2020 it was





IDR 171,778 and in 2021 it was IDR 19,249. and a decrease in net profit from 2019 of IDR 6,558,591 to 2020 IDR 5,362,674 And also decrease in year 2021 as big IDR 1,132,191. Whereas, PT. INDR Tbk in 2019 generated sales of IDR 7,653,838 and decreased in 2020 as big Rp. 5,807,812 and in 2021 the increase has become as big as Rp. 6,922,770. And for net profit in 2019 of IDR 37,468,843 there was a decrease in 2020 only of IDR 8,563,386 will but increase back on in 2021 of Rp. 83,824,074.

From the condition on can is known to maintain business continuity (going concern) done with long period And No experience bankruptcy in short period. In giving an audit opinion, which should be considered by the auditor to make a better assessment of the company's ability to ensure business continuity in the future. If condition If the financial statements are unhealthy, the more likely the company will receive an opinion going concern audits.

METHODS

This study uses a quantitative approach, which is the study method which is used for researching a certain population or sample. Characteristic study This is a causal connection, namely a causal relationship between the independent variables (variables that influence) and the dependent variable (influenced variable). The method of collecting data in this research was carried out with the study of documentation which is a collection technique by logging, collecting, and studying company data related to problems being researched. The type of data used in this

research is secondary data, namely in the form of financial statements of manufacturing companies in the textile and garment sub-sector that are registered at the Indonesia Exchange Effect year 2019-2021. Researchers conducting research on textile and garment sub-sector manufacturing companies registered on the Indonesia Stock Exchange for the 2019-2021 period through internet media and websites www.idx.co.id.

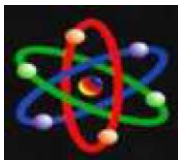
RESULTS

Results Analysis common effects Model

| Total panel (balanced) observations : 30 | | | | |
|---|-----------|------------------|----------------|---------|
| Variable | coefficie | std. Error | t-Static Prob. | |
| C | 0.6289320 | 0.131894 | 4.768360 | 0.00012 |
| X1 | 0.0026800 | 0.003710 | 0.720440 | 0.4779 |
| X2 | - | 0.04782- | - | 0.0104 |
| | 0.1324901 | | 2.77052 | |
| X3 | - | 0.00117- | - | 0.1912 |
| | 0.0015742 | | 1.34340 | |
| X4 | - | 0.01287- | - | 0.3476 |
| | 0.0123244 | | 0.95729 | |
| | | | | 6 |
| Rs | 0.311961 | Mean | 0.36666 | |
| quared | | dependent var | 7 | |
| adjusted | 0.201875 | SD dependent | 0.49013 | |
| Rs | | var | 3 | |
| quared | | | | |
| SE of | 0.437874 | Akaike info | 1.33724 | |
| regress | | criteria | 0 | |
| sion | | | | |
| sum | 4.793339 | Schwarz criteria | 1.57077 | |
| squared | | | 3 | |
| res id | | | | |
| Logs | - | Hannan- Quinn | 1.41195 | |
| likelihoo | 15.05860 | critier . | 0 | |
| d | | | | |
| Fs | 2.833786 | Durbin-Watson | 0.54642 | |
| statistics | | stat | 8 | |
| Prob(Fs | 0.045742 | | | |
| statistics | | | | |

Table 1. Common Effect Models





From the results of the Hausman test above, it can be seen that the probability value is equal to $0.0944 > 0.05$, this indicates that H_0 is rejected so it can be concluded that it is regression Random effect model own results more Good compared to with fixed effect models .

Dependent Variable: Y
 Method: Panel EGLS (Cross-section random effects)
 Date: 03/21/23 Time: 19:50
 Sample: 2019 2021
 Periods included: 3
 Cross-sections included: 10
 Total panel (balanced) observations: 30
 Swamy and Arora estimator of component variances

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|----------|-------------|------------|-------------|--------|
| C | 0.416492 | 0.154830 | 2.690000 | 0.0125 |
| X1 | 0.000483 | 0.001842 | 2.651192 | 0.0098 |
| X2 | -0.025897 | 0.042914 | -2.603464 | 0.0015 |
| X3 | 0.000239 | 0.000654 | 3.365550 | 0.0002 |
| X4 | -0.003368 | 0.006833 | -3.492949 | 0.0002 |

| Effects Specification | | S.D. | Rho |
|-----------------------|--|----------|--------|
| Cross-section random | | 0.381319 | 0.7523 |
| Idiosyncratic random | | 0.201153 | 0.2177 |

| Weighted Statistics | | | |
|---------------------|----------|--------------------|----------|
| R-squared | 0.523028 | Mean dependent var | 0.106828 |
| Adjusted R-squared | 0.479977 | S.D. dependent var | 0.203541 |
| S.E. of regression | 0.216365 | Sum squared resid | 1.170345 |
| F-statistic | 6.165062 | Durbin-Watson stat | 1.223656 |
| Prob(F-statistic) | 0.000000 | | |

| Unweighted Statistics | | | |
|-----------------------|----------|--------------------|----------|
| R-squared | 0.110176 | Mean dependent var | 0.366667 |
| Sum squared resid | 6.199110 | Durbin-Watson stat | 0.231017 |

Figure 1. Linear Regression Test

- a. In this regression model, the constant value listed at 0.416492 can be interpreted if the independent variables in the model are assumed to be equal to zero, the average variable outside the fixed model will increase GCAO by 0.416492 one-unit or with say other If variable DER, CR, ROA as big 0.416492.
- b. The regression coefficient b1 value of 0.000483 in this study can be interpreted that variable DER (X1) own connection Which positive to GCAO. Matter This showthat when the DER increases by one unit, the GCAO will increase experience enhancement as big 0.000483.
- c. The value of the regression coefficient b1 is -0.025897 in this study which means that CR variable (X2) has a negative relationship with GCAO. It shows that when the CR

increases by one unit, the GCAO will increase experience decline as big -0.025897.

- d. The value of the regression coefficient b3 of -0.000239 in this study can be interpreted that variable ROA (X3) own connection Which positive to GCAO. Matter this shows that when ROA increases by one unit, it will increase GCAO as big -0.000239 .

Dependent Variable: Y
 Method: Panel EGLS (Cross-section random effects)
 Date: 03/21/23 Time: 19:50
 Sample: 2019 2021
 Periods included: 3
 Cross-sections included: 10
 Total panel (balanced) observations: 30
 Swamy and Arora estimator of component variances

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|----------|-------------|------------|-------------|--------|
| C | 0.416492 | 0.154830 | 2.690000 | 0.0125 |
| X1 | 0.000483 | 0.001842 | 2.651192 | 0.0098 |
| X2 | -0.025897 | 0.042914 | -2.603464 | 0.0015 |
| X3 | 0.000239 | 0.000654 | 3.365550 | 0.0002 |
| X4 | -0.003368 | 0.006833 | -3.492949 | 0.0002 |

| Effects Specification | | S.D. | Rho |
|-----------------------|--|----------|--------|
| Cross-section random | | 0.381319 | 0.7523 |
| Idiosyncratic random | | 0.201153 | 0.2177 |

| Weighted Statistics | | | |
|---------------------|----------|--------------------|----------|
| R-squared | 0.523028 | Mean dependent var | 0.106828 |
| Adjusted R-squared | 0.479977 | S.D. dependent var | 0.203541 |
| S.E. of regression | 0.216365 | Sum squared resid | 1.170345 |
| F-statistic | 6.165062 | Durbin-Watson stat | 1.223656 |
| Prob(F-statistic) | 0.000000 | | |

| Unweighted Statistics | | | |
|-----------------------|----------|--------------------|----------|
| R-squared | 0.110176 | Mean dependent var | 0.366667 |
| Sum squared resid | 6.199110 | Durbin-Watson stat | 0.231017 |

Figure 2. T-Test

t_{table} from the panel regression model can be searched using the t or Ms table. Excel with formula =tinv (0.05;df). Mark df obtained from formula $df = n - k$. n is amount data observation and k is the number of variables. The value of n in this study is 30 (10 companies x 3 years) and k is 5 (the number of independent and dependent variables), so $df = n - k = 30 - 5 = 25$. With typing =tinv (0 .05 ;26) on Ms. Excel then obtained a t_{table} of 2.042. Taking decision from results test t in on can Look on discussion as following:

Influence DER (X1) to GCAO (Y)

The results of the t test show that the probability value of the Current Ratio variable (X₁) is equal to 0.0006 , where this value is much smaller than the significant threshold of 0.05. Then





accept H_a and reject H_o . So it can be concluded that partially there is influence Which significant from DER (X_1) against the GCAO (Y).

Influence CR (X_2) to GCAO (Y)

The results of the t test show the probability value of the CR variable (X_2) of 0.0015, where mark This Far smaller than threshold limit significant that is as big 0.05. So accept H_a and reject H_o . So it can be concluded that partially there is a significant influence significant from CR(X_2) to GCAO (Y).

Influence ROA (X_3) to GCAO (Y)

The results of the t test show the probability value of the ROA variable (X_3) of 0.0002, wherethis value is far greater than the significant threshold of 0.05. Then thank H_o and reject H_a . So it can be concluded that partially there is no effect Which significant from ROA (X_3) to GCAO (Y).

Influence SG (X_3) to GCAO (Y)

The results of the t test show the probability value of the SG variable (X_3) of 0.0002, where this value is far greater than the significant threshold of 0.05. Then thank H_o and reject H_a . So it can be concluded that partially there is no effect Which significant from SG (X_3) to GCAO (Y).

CONCLUSION

Debt default in a manner partial debt default variable, the current ratio has an effect significant to GCAO while ROA, sales growth has no effect on

GCAO on sub sector companies textiles And garment.

BIBLIOGRAPHY

Chandra, I., Cianata, S., Rahmi, N. U., Zai, F. S., Alvina, A., & Coal, M. (2019).

The Influence of Audit Quality, Debt Default and Company Size on Acceptance of Going Concern Audit Opinion on the Textile Company Sub-Sector & Garments Which Registered In Exchange Effect Indonesia on Period 2014-2017. Owners: Research and Journal Accounting, 3 (2), 289-300.

Yulyvia, Y., & Nurbaiti, A. (2021). Effect of Debt Default, Disclosure and Audit Opinion Previous Year Against Going Concern Audit Opinion Receipt (study on Company Manufacture Subsector textiles And Garment Which Registered In Exchange Effect Indonesia Period 2015-2019). eProceedings of Management, 8 (5).

Daughter, R. P E., & Helmayunita, N. (2021). Influence Debt Defaults, Financial Distress And Size Company to Reception Opinion audits Modification going Concern. Exploration Journal Accounting, 3 (1), 50-66.

Purba, IR, & Mahendra, A. (2022). Effect of working capital turnover (wct), current ratio (cr), debt to equity ratio (der), and return on assets (roa) to firm





- value in property and real estate company listed on the Indonesian stock exchange period 2017-2020. *Research Journal Accounting & Finance* , 61-76.
- Lutfi, AM, & Sunardi, N. (2019). influence of current ratio (cr), return on equity (roe), and sales growth on stock prices that have an impact on financial performance company (In the Food and Beverage Sector Manufacturing Company Yang registered in Exchange Effect Indonesia). *Journal SECURITIES (Share, Economy, Finance And Investment)* , 2 (3), 83.
- Nuryuwono, Q R. (2017). Influence return On Assets (ROA), Current Ratio (CR) And Net Profit Margin (NPM) Against Share Prices in Manufacturing Companies Registered In Exchange Effect Indonesia Period 2013-2015. *Journal accounting* , 1 , 1-12.
- Hidayat, MR (2019). Effect of Sales Growth Rate, Leverage, and Profitability To Reporting Decline Goodwill On Company Agriculture Which Registered In Exchange Effect Indonesia (Doctoral dissertations).
- Kesumojati, S. C. I., Widyastuti, T., & DARMANSYAH D. (2017). Influence Quality audits, Financial distressed, Debt Defaults To Reception Opinion audits going Concern. *JIAFE (Journal Scientific Accountancy Faculty Economy)* , 3 (1), 62-76.
- Rizky, M. Y., & Triyanto, D. N. (2021). Influence Quality audits, Financial Distress And Default Debt Against Acceptance of Going Concern Audit Opinion (Empirical study Transportation Sub-Sector Service Industry Companies Listed on the Stock Exchange Indonesia 2015-2019). *eProceedings of Management* , 8 (5).
- Fadillah, N., & Eforis, C. (2020). Effect of Return On Assets, Debt To Equity Ratio, Earnings Per Share, and the Current Ratio to the Dividend Payout Ratio. *british journal* , 1 (1), 32-49.
- Lutfi, Q I. (2022). Influence Liquidity And Growth Company To Opinion audits going Concern (Studies On Company Infrastructure Sector, utility And Transportation Which Registered In Bei Year 2016-2018) (Doctoral dissertation, STIEequity).
- Yulianti, R. (2020). INFLUENCE RETURN ON ASSETS, DEBT TO EQUITY RATIO AND RETURN ON EQUITY TO STOCK PRICE IN THE COMPANY MANUFACTURE SECTOR INDUSTRY FOOD AND DRINK IN





- IDX. *Journal Study Economy Accountancy (JENSI)* , 4 (2), 134-145.
- Siregar, QR, Rambe, R., & Simatupang, J. (2021). Effect of Debt to Equity Ratio, Net Profit Margin and Return On Equity on the Company's Share Price Properties And Real estate Which Registered in Exchange Effect Indonesia. *Journal AKMAMI (Accountancy Economic Management)* , 2 (1), 17-31.
- Hutagalung, M. B. B., & Setyawati, L. W. (2019). Analysis Influence Profit Clean, Sales growth, Managerial ownership, And leverage To Dividend. *BALANCES: Journal Accountancy, Auditing And Finance* , 16 (2), 190-211.
- Kartika, A. (2012). The influence of financial and non-financial conditions on acceptance of opinions going concern on manufacturing companies on the IDX. *Dynamics of Financial Accounting And Banking* , 1 (1).
- Indrawan, B., & Goddess, R. K. (2020). Influence Net Interest margins (NIM) To return on Asset (ROA) at PT Regional Development Bank West Java and Banten Tbk Period 2013-2017. *E-Bis Journal* , 4 (1), 78-87.
- Astika, IG, Suryandari, NNA, & Putra, GBB (2019, December). Influence profitability, dividend policy and firm size on firm value in manufacturing companies listed on the Indonesia Stock Exchange (IDX) Period 2015-2018. In the National Seminar on Innovation in Science, Technology and Research Humaniora-InoBali (pp. 574-585).
- Tan, M., & Hadi, S. (2020). Effect of CR, DER, TATO, and company size on profitability of pharmaceutical companies listed on the IDX. *Exchange: Journal of Accounting, Entrepreneurship And Business* , 5 (1), 58-69.
- Setyaningsih, ED, & Cunengsih, C. (2018). Effect of debt to equity ratio and current ratio on return on assets at PT. Midi Utama Indonesia, Tbk. *ACCOUNT: Journal Accountancy Finance and Banking* , 5 (2).
- saladin, H., & Oktariansyah, O (2020). Analysis Ratio Profitability And Ratio Growth (Growth) In Pulp And Paper Sub Sector Companies which are listed on the Stock Exchange Indonesia. *Journal Media Economics Forum* , 17 (3), 257-270.
- Lowensky, M. (2020). Analysis Influence Growth Company, return On equity And Debt To Total Assets for Giving Going Concern Audit Opinion on Basic Industry and Chemical Sector Companies on the Indonesia Stock Exchange. *FIN-ACC (Finance Accounting)* , 5 (1).





- Aulia, BN (2018). The influence of interest rates, yield to maturity and debt to equity ratio to price of bonds Which circulating on the Exchange Effect Indonesia Period 2015-2016 (Doctoral dissertation, University Islam Country Maulana Malik Abraham).
- Husnia, N. (2016). Influence Factor Internals And Factor external To Profitability Sharia Commercial Bank Period 2012-2015 (Bachelor's thesis, Faculty of Sharia and Law UIN Sharif Hidayatullah Jakarta).
- Rosiadi. (2016). Method Management Research, Accountancy, and Economy Development, Draft, Case And Application SPSS, Eviews, Amos, Listrel. Medan: USU press
- Magic., Q P E., (2022) Influence debt default, quality audit, priors opinions, growth company on going concern audit opinion. INOVASI: Journal of Economics, Finance and Management, 18(2), 385-392
- Indriyani (2019) Influence Current Ratio And return On Assets (ROA) To Opinion audits Going Concern Shipping Companies Going Public Period 2012 – 2016. Media Economy, 19(1), 182-189
- Olivia (2021) Influence return on Assets (Roa), Debt to equity Ratio (Der), And earning Per Share (Eps) Against Sharia Share Prices in Companies Registered at Jakarta Islamic Index (Jii). Kalimantan: ePrintis Uniska
- Kartika (2012) Influence Size Hood, Condition Finance company, Opinion audits Year Previously, Company Growth To Opinion audits going Concern. mode 27 (1), 1-12

