The Effect of Receivable Turnover and Total Asset Turnover on the Profitability of Registered Food and Beverage Companies on the Indonesian Stock Exchange

Ida Ayu Dinda Priyanka Maharani[1], Dewi Soraya[2]

[1, 2]Faculty of Economics and Business, Warmadewa University, Denpasar, Bali, Indonesia

Email address: iadindapriyanka@gmail.com

***Abstract**— The purpose of this study was to determine the effect of Receivable Turnover and Total Asset Turnover on Profitability in food and beverage companies listed on the Indonesia Stock Exchange. The population in this study are all food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2015-2019. The sample used in this study used a purposive sampling technique, totaling 11 companies. The data source uses secondary data obtained by the documentation method through the website www.idx.co.id. The analysis technique used is multiple linear regression analysis. Statistical test results, namely Receivable Turnover and Total Asset Turnover have a significant effect on Profitability.*

***Keywords**— Profitability, Receivable Turnover, Total Asset Turnover.*

I. INTRODUCTION

In general, every company has the same goal, namely to make a profit and maintain the company's sustainability in the future. The success of the company in carrying out its activities is based on the level of profit earned. But the profit earned is not a measure that the company has worked efficiently. The level of efficiency can be determined by comparing the profit earned with the wealth or capital used to generate the profit which is often referred to as profitability. Companies can maximize their profits if the company's financial managers understand the factors that can affect profitability. All factors contained in a company have an influence on the company's ability to earn profits. To maximize each factor, it is necessary to have asset management, cost management and debt management. In this study, profitability will be measured using Return On Assets (ROA), namely the ratio that shows the return (yield) on the total assets used in the company. If the value of Return On Assets (ROA) is higher, the greater the profit the company will receive and the better the company will be in terms of asset use. Other ratios used in this study are activity ratios in the form of Receivable Turnover and Total Asset Turnover.

Receivable Turnover according to Kasmir (2018: 176) is the ratio used to measure how long it takes to collect receivables during one period or how many times the funds embedded in these receivables rotate in one period. However, Receivable Turnover does not have a significant effect on

Profitability because several other activity ratios have more influence on Profitability. Supported by previous research by Nurjanah & Hakim (2018), Yaqin, et al (2019) and Kelvin, et al (2019) which found results that Receivable Turnover had no significant effect on Profitability.

Total Asset Turnover is the ratio used to measure the turnover of all assets owned by the company and measures how many sales are obtained from each rupiah of assets. Research conducted by Suputri (2019), Nurjanah & Hakim (2018) and Suwandi, et al (2019) resulted that Total Asset Turnover has a positive and significant effect on Return On Assets. The higher the Total Asset Turnover, the more efficient the use of all company assets in generating sales.

One of the sectors in the manufacturing companies listed on the Indonesia Stock Exchange is the consumer goods industry sector. The consumer goods industry sector is the main contributor to Indonesia's economic growth. In its implementation, the consumer goods industry sector is divided into five types of sub-sectors including the food and beverage sub-sector, the cigarette sub-sector, the pharmaceutical sub-sector, the cosmetics and household goods sub-sector, and the household appliances sub-sector.

This research was conducted at companies in the consumer goods sector, especially in the food and beverage subsector. This is because the food and beverage sub-sector companies are quite attractive, products in the food and beverage sub-sector companies are needed every day by the public, and are one of the companies that can trigger a country's economic growth.

II. LITERATURE REVIEW

Profitability

Profitability is the company's ability to generate profits or profits during a certain period. Based on the opinions of these experts, it can be concluded that profitability is the ability of a company to earn profits or profits in a certain period by using the amount of assets or capital it has. Therefore, the essence of using this ratio is to measure the effectiveness of the company.

Receivable Turnover

According to Kasmir (2018: 176), receivable turnover is the ratio used to measure how long it takes to collect

receivables during one period or how many times the funds embedded in these receivables rotate in one period. Companies that have a large receivables turnover ratio are good companies and are fast in collecting their debts.

Total Asset Turnover

Total asset turnover is the ratio used to measure the turnover of all assets owned by a company and measures the amount of sales earned for each rupiah generated. Meanwhile, according to J.P. Sitanggang (2017: 27), total asset turnover, namely the ratio that measures how all the assets owned by the company are operated in supporting the company's sales. Based on this understanding, it can be concluded that total asset turnover is the ratio used to measure the efficiency of using all assets to increase sales volume by dividing sales by total assets.

Research Hypothesis

A hypothesis is a provisional assumption or a temporary answer to a problem that is presumptive because it still has to be proven true. Based on the background, theoretical basis, previous research results and framework, the following hypotheses can be built:

H1: Receivable Turnover and Total Asset Turnover have a significant effect on Profitability.

H2: Receivable Turnover has no significant effect on Profitability.

H3: Total Asset Turnover has a significant effect on Profitability

III. RESEARCH METHODS

The data collection technique used in this research is through the documentation method which is done by collecting documentary data sources such as company history, company profiles, company annual reports that have been audited as samples of this study, namely food and beverage listed on the Indonesia Stock Exchange, namely *www. idx.co.id.*

IV. RESULTS AND DISCUSSION

Simultaneous Significant Test Results (F-Test Test)

Based on the calculation results and the test criteria, the F-count value is 2.879 which is greater than the F-table, namely 2.79 is in the area of Ho rejection, then Ho is rejected or Hi is accepted. This means that at the level of $\alpha = 5\%$ simultaneously Working Capital Turnover, Receivable Turnover, and Total Asset Turnover have a significant effect on Profitability in food and beverage companies listed on the Indonesia Stock Exchange in 2019-2022 and were obtained not by chance.

Partially Significant Test Results (t-test)

The individual parameter significance test (t test) is used to test whether each independent variable in the form of Receivable Turnover and Total Asset Turnover has a significant influence on Profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2022. Receivable Turnover (X2) partially has a

significant effect on Profitability (Y) in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2022. Total Asset Turnover (X3) partially has a significant effect on Profitability (Y) in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2022

Discussion of Hypothesis Test Results

Effect of Receivable Turnover and Total Asset Turnover on Profitability.

The results of the study show that there is a significant influence between Receivable Turnover (X1) and Total Asset Turnover (X2) on Profitability (Y) in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2022. This is indicated by the F-count value which is 2.879 greater than the F-table value, namely 2.79 which is in the area of Ho rejection, then Ho is rejected or Hi is accepted. This is consistent with the hypothesis which states that Receivable Turnover and Total Asset Turnover have a positive and significant effect on Profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2022. The activity ratio is used to describe the extent to which a company uses its resources to support company activities, where the maximum use of this activity is carried out with the intention of obtaining maximum results (Irfan Fahmi, 2017: 136).

This identifies that if the value of activity ratios such as Working Capital Turnover, Receivable Turnover and Total Asset Turnover is higher, the higher the level of company profitability because the company is efficient in utilizing its assets in the company's operational activities, giving rise to an increase in the level of profitability/increase company performance. The results of this study are in accordance with research conducted by Nurjanah & Hakim (2018) which states that the Receivable Turnover and Total Asset Turnover variables have a positive and significant effect on the Profitability variable (Return On Assets).

Effect of Receivable Turnover on Profitability

The results showed that Receivable Turnover has a significant effect on Profitability as indicated by t count -2.695 and a significance value of 0.009 is less than 0.05, then Ho is rejected. This means that Receivable Turnover has a significant effect on Profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2022. This is not in accordance with the hypothesis which states that Receivable Turnover has no significant effect on Profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2022

The results of this study support the theory (Sutrisno, 2016: 220) which states that the faster the turnover of receivables, the more effective the company is in managing its receivables. The results of this study are not in accordance with the research of Nurjanah & Hakim (2018), Yaqin, et al (2019), and Suwandi, et al (2019) which state that Receivable Turnover has no significant effect on Profitability (Return On Assets). The Effect of Liquidity on the Efficiency of Banking Issuers

Effect of Total Asset Turnover on Profitability.

The results showed that Total Asset Turnover has a significant effect on Profitability as indicated by t count 2.549 and a significance value of 0.039 is less than 0.05, then Ho is rejected. This means that Total Asset Turnover has a significant effect on Profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2022. This is consistent with the hypothesis which states that Total Asset Turnover has a positive and significant effect on Profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2022.

The faster the turnover rate of a business' assets, the higher the amount of net profit generated (Zulbiadi, 2018: 25). The results of this study are in accordance with the research of Suputri (2019), Nurjanah & Hakim (2018) and Kelvin, et al (2019) which state that Total Asset Turnover has a positive and significant effect on Profitability (Return On Assets).

V. CONCLUSION

Based on the results of the analysis and discussion that have been described, it can be concluded as follows:
a. Receivable Turnover and Total Asset Turnover have a significant effect on Profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2022.
b. Receivable Turnover has a significant effect on Profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2022.
c. Total Asset Turnover has a significant effect on Profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2019-2022.

VI. LIMITATIONS AND SUGGESTIONS

For further researchers, they can develop this research by adding other variables to determine the effectiveness of these variables on profitability so that other models can be obtained to determine the development of company profitability.

REFERENCES

[1]   Fahlevi, dkk. 2019. *Perputaran Modal Kerja Dan Perputaran Piutang Terhadap Return on Asset Pada Perusahaan Manufaktur Sub Sektor Otomotif*. Jurnal Ilmu Manajemen. 2(1): 114-126.
[2]   Fahreza, D. 2017. *Ratio Keuangan-Arti, Jenis dan Rumusnya*. Diakses pada tanggal 4 Januari 2020. Tersedia dalam https://zahiraccounting.com/id/blog/ratio-keuangan-arti-jenis-dan-rumusnya/
[3]   Hery. 2016. *Analisis Laporan Keuangan*. Jakarta: PT Grasindo.
[4]   Ika Nissa., Astrid Dita. 2018. *Pengaruh Working Capital Turn Over, Receivable Turn Over, Inventory Turn Over Dan Total Asset Turn Over Terhadap Profitabilitas Perusahaan (Studi Empiris Pada Perusahaan Manufaktur Sub Sektor Otomotif Dan Komponen Yang Terdaftar Di Bursa Efek Indonesia Periode 2011-2015)*. Jurnal Akuntansi dan Keuangan. 7(1): 24-37.
[5]   Imron. 2019. *Analisa Pengaruh Kualitas Produk Terhadap Kepuasan Konsumen Menggunakan Metode Kuantitatif Pada CV. Meubele Berkah Tangerang*. Indonesian Journal on Software Engineering. 5(1): 21.
[6]   Kasmir. 2018. *Analisis Laporan Keuangan*. Depok: PT RajaGrafindo Persada
[7]   Meithasari, Rio. 2017. *Analisis Faktor-Faktor Yang Mempengaruhi Profitabilitas*. Skripsi. Universitas Negeri Yogyakarta.
[8]   Sandi, Kurnia. 2017. *Pengaruh Intellectual Capital, Current Ratio, dan Total Asset Turnover Terhadap Profitabilitas (Studi Kasus Pada Perusahaan Perdagangan Eceran di Bursa Efek Indonesia Periode 2011-2016)*. Skripsi. Universitas Islam Negeri Syarif Hidayatullah.
[9]   Tiong, P. 2017. *Pengaruh Perputaran Piutang Terhadap Profitabilitas Pada Perusahaan PT Mitra Phinastika Mustika Tbk*. Journal of Management & Business, 1(1): 3-6.
[10] Zulbiadi. 2018. *Receivable Turnover-Contoh Soal & Rumus Rasio Perputaran Piutang Yang Baik Menurut Para Ahli Saham*. Diakses pada tanggal 5 Januari 2020. Tersedia dalam https://analis.co.id/receivable-turnover.html
[11] www.idx.co.id

153