The Effect of Working Capital on Company Liquidity on Property and Real Estate Sub Sector Indexed on The Indonesia Stock Exchange

Karnila Ali[1], Suwarto[2]
karnila.ali85@gmail.com [1], wartok_umm@yahoo.co.id [2]

Muhammadiyah Metro of University, Lampung, Indonesia[1,2]

Abstract. This study is motivated by issues with property and real estate sub sector companies indexed on the Indonesia Stock Exchange (IDX), which experience a decrease in working capital and liquidity every year, specifically between 2018 and 2020. The goal of this study was to determine the impact of working capital on company liquidity through a case study of companies indexed on the Indonesia Stock Exchange (IDX) on the property and real estate sub-sector. This study is motivated by issues with experience a decrease in working capital and liquidity every year, specifically between 2018 and 2020. This study employs a quantitative approach. According to the results of tests conducted by researchers using descriptive statistical data analysis tools and testing requirements analysis using the normality test, testing the requirements for classical regression assumptions using the multicollinearity test, autocorrelation test, and heteroscedasticity test, as well as testing the hypothesis using multiple linear regression analysis, t test , F test, and R2 determination test show that there is an effect of receivables turnover on the company's liquidity (current ratio) in the property and real estate sub-sectors indexed on the IDX, but there is no effect of inventory turnover on the company's liquidity (current ratio) in this sector, and there is an effect of cash turnover, receivables turnover, and inventory turnover on the company's liquidity (current ratio).

Keywords: CashTurnover, Account Receivable Turnover, Inventory Turnover, Liquidity (Current Ratio)

1. Introduction

Working capital is adaptable, big or small amounts of working capital may be raised or lowered to meet the demands of the business. Working capital is made up of cash, receivables, and inventory, all of which must be used as much as feasible. Because excess or shortage of working capital can have a negative influence on the firm, the quantity of working capital must be in accordance with demands of the organisation. Because working capital and current assets account for a sizable portion of a company's assets, working capital management may be a significant issue. The firm need working cash to finance its activities. Working capital is capital used to finance everyday activities or current assets such as cash and securities,

Every business aspires to achieve the optimal level of liquidity. In order to achieve visionary liquidity, The company must provide a tool that shows the value of current assets (which can be converted into cash immediately) as well as several other factors that can be used to determine the optimal level of liquidity. The current ratio is employed in this study to determine the amount of corporate liquidity. According [16], "current ratio (current ratio) is the comparison of the quantity of current assets with current liabilities".

The property and real estate industry is critical to the Indonesian state's economy and growth. This subsector is also a significant metric for assessing the country's economic progress. Property and real estate is a large sub-sector with significant workforce penetration and ongoing influence. Despite the fact that working capital and liquidity continue to fall in this sectors, enterprises in this sub-sectors remain very liquid. Long-term investment in the property and real estate sub-sector [9]. Investors are interested in investing in this sub-sector since the prices of land and structures tend to rise when land supply is fixed while demand is continually growing. The rising demand corresponds to the growing population and the community's need for homes and places of activity. As a result, while the property and real estate sub-sector index has declined in recent years, the fact that public demand for property remains strong and population growth shows that the property and real estate sub-sector is still the preferred subsector for medium and long-term investment. Companies on the property and real estate sub-sector build houses, buildings, roads, and other structures.

Table 1.Working Capital and Liquidity Ratio in Sub Sector property and Real Estate 2018-2020

Year	Working capital (Rp)	Current asset (Rp)	Current liabilities (Rp)	Liquidity Ratio *(Current Ratio)*
2018	51,491,198,649,453	84,017,728,206,151	32,526,529,556,698	2.58
2019	50,237,353,667,487	88,277,5311,964,220	38,040,178,296,733	2.32
2020	42,010,232,949,784	93,545,759,611,873	51,535,526,662,089	1.81

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Source: (www.idx.co.id data processed, 2022)

The liquidity ratio (current ratio), defined as current assets divided by current debt, was 2.58 in 2018, 0.26 in 2019, and 0.51 in 2020, according to a computation utilising the liquidity ratio (current ratio). Every year, from 2018 to 2020, property and real estate sub-sector businesses indexed on the Indonesia Stock Exchange (IDX) see a reduction in working capital and liquidity. Researchers aim to determine what is causing these difficulties by examining factors that impact working capital, such as cash turnover, receivables, and inventory, on corporate liquidity.

2. Literature Review

2.1 Financial management

As stated by [5] stated that “financial management is related to financial management such as budgets, financial planning, cash, credit, investment analysis, and efforts to obtain funds”. Meanwhile, according to [3] stated that “financial management is related to planning, directing, monitoring, organizing and controlling financial resources”.

2.2 Working capital

According to [12], the term of "working capital" is defined as the funds can be use to support a company's day-to-day operation, particularly those with a short time horizon. The term "working capital" is also defined as all current assets owned by a corporation, or working capital is an investment in current assets for example cash, banks, receivables, inventories, and current other asset. Working capital was typically employed for many tasks at the same time. Regarding the aforesaid perspective, Riyanto (2015: 57) proposes three (three) types of working capital ideas, including:

1) Qualitative Design This concept is based on the amount of funds embedded in current assets, where assets are assets that once revolved back into their original form or assets where the funds embedded in them will be free again in the short term. Working capital, as stated this concept, is the sum of all current assets. Total current assets, also known as gross working capital. It is used in this scenario to finance the requirement for ongoing or short-term corporate operational funds.
2) Qualitative idea, whereas in the quantitative concept, Working capital is simply related to the quantity of current assets, but it is also related to the amount of current debt or debt that must be paid promptly in this qualitative concept. As a result, in order to maintain liquidity, a portion of current assets must be set aside to cover financial obligations that must be met promptly, and this portion of current assets may not be used to finance the company's activities. As a result, according to this concept, working capital is a component of current assets that is used to finance the company's operations without affecting its liquidity, which is the difference between current assets and current liabilities. Working capital is frequently used in this context.
3) The Functional Concept This concept is centred on the role of finances in the generation of income (Income). Every fund managed or utilised by the organisation is designed to create revenue (Income). There are some funds that are used in a specific accounting period and generate all of the income for that period (Current Income), and there are some other funds that are also used during that period but do not generate all of the income (Current Income).

Working capital is capital used to finance daily operations or current assets in the form of cash, securities, receivables, and inventory, then decreased by current liabilities used to finance current assets.

a) Cash Turnover

Cash, that is, money and other assets that may be cashed at any moment, as well as other extremely recent securities that match the following criteria: It may be turned into cash at any moment, the maturity term is quite short, and there is little danger of value changes due to market movements. [8].

b) Accounts Receivable Turnover

As stated by [11] “Accounts receivable turnover is a ratio that calculates how many times the monies in accounts receivable will rotate in a given period. In other words, this ratio reflects how rapidly receivables are converted into cash”.

c) Inventory Turnover

According to [20] stated that "the ability of funds embedded in (inventory) to rotate within a specific time period, or the liquidity of (inventory) and the proclivity for (overstock")." If the inventory turnover rate is high, it indicates that the company's ability to work efficiently and its liquidity are improving.

2.3 Liquidity

Liquidity is a ratio that indicates a company's capacity to require its short term obligation. “The liquidity ratio is also known as a ratio that may be used to determine how far a company's capabilities in funding its short-term commitments that will mature is” [10]. The current ratio was employed in this investigation. The

current ratio, according to [13], was a ratio used to gauge a company's capacity to satisfy short-term commitments or debts that will soon be due when invoiced in full.

3. Research methods

This study employed a quantitative methodology. This study is classified as associative research and is regarded from the level of explanation. Associative study seeks to understand the link between two or more factors [19]. The subject of this study is a corporation in the sub-sector of property and real estate indexed on the IDX, and the variables include cash turnover, accounts receivable turnover, inventory turnover, and liquidity.

3.1 Sampling Technique

According to [18] "The population's sample size and characteristics are represented by the sample. The sampling method is determined by determining sample selection criteria and using a non-probability sampling technique with a purposive sampling method for conditional samples". The sample in this study is not significantly different from the population, namely property and real estate sub-sector companies indexed on the IDX; however, the population is reduced due to the criteria used by researchers to find samples.Companies that will be sampled are companies that meet the following criteria:

1) Companies active on the property and real estate sub sector that were indexed on the IDX between 2018 and 2020.
2) Companies that present complete financial reports on that sector on the IDX between 2018 and 2020.
3) Companies that were not delisted from the IDX's property and real estate sub-sector during the observation period, namely 2018-2020.

Table 2. Purposive Sampling Techniques in Determining Samples

No	Criteria	Total
1.	Population	59
2.	Companies that were not indexed on the IDX during the observation period, namely 2018-2020	(4)
3.	Companies that do not present complete financial reports on the property and real estate sub sectors indexed on the IDX during the observation period, namely 2018-2020	(11)
4.	Companies that did not present full financial reports on property and real estate subsectors during the observation period, namely 2018-2020	(2)
5.	Number of Samples	42

Source: (Data processed, 2022)

3.2 OperationalVariable

1) Cash Turnover (X1)

As stated by [6] the typical amount of cash is compared to the cash turnover. The cash turnover rate describes how quickly cash flows so that the company's efficiency improves. Based on this understanding, it is possible to conclude that cash turnover was a comparison of net sales divided by the average amount and the level of cash inventory owned by the company, which will describe the efficiency or inefficiency of cash use in a company. The following formula is used to calculate cash turnover: Riyanto, [1]:

$$\text{Cash Turnover} = \frac{\text{Sale}}{\text{Average Cash}} \quad (1)$$

2) Accounts Receivable Turnover (X2)

As stated by [11] "Accounts receivable turnover is a ratio that calculates how many times the funds in accounts receivable will rotate in a given period." In other words, this ratio describes how quickly receivables are converted to cash. According to the following understanding, receivables turnover is a ratio used to calculate how long it will take to convert receivables into money. Receivables are created when goods or services are sold on credit. Cashmere" (2019: 127). The following is the formula for calculating accounts receivable turnover:

$$\text{Cash Turnover} = \frac{\text{Credit sales}}{\text{Receivables}} \quad (2)$$

3) Inventory Turnover (X3)

As stated by[13], Inventory turnover is a percentage that measures how many times the funds invested in inventory rotate in a given period. Based on this understanding, inventory turnover is a ratio used to determine how long funds invested in inventory will rotate. The higher the turnover rate, the higher

the profits of the company, and in reverse, the lower the turnover rate, the lower the profits of the company. The formula for calculating accounts receivable turnover is as follows: [11]:

$$\text{Inventory Turnover} = \frac{\text{Cost of goods sold}}{\text{Average Inventory}} \quad (3)$$

4) Liquidity

The ratio of liquidity is calculated by comparing total current assets to total current liabilities. The current ratio can be used to calculate liquidity using the formula below [14]:

$$\text{Current Ratio} = \frac{\text{Current asset}}{\text{Current Debt}} \quad (4)$$

3.3 Data collection technique

1) Literature review

In this study, the researcher examines the theory obtained from the literature of books, articles, journals, and the results of previous studies so that researchers can understand the literature related to the research concerned.

2) Documentation

In this study, researchers collect data on an annual basis from 2018 to 2020 through the annual financial reports of property and real estate sub-sector companies published on the IDX's official website www.idx.co.id

3.4 Data analysis technique

1) Descriptive Statistical Analysis

The average value, standard deviation, maximum, minimum, range, kurtosis, and skewness are all descriptive statistics (skew of distribution), according to [7].

3.5 Testing Requirements Analysis

1) Normality test

Data normality testing is required before using parametric or nonparametric statistics on the data. This test can be used to determine whether the data distribution is normal or non-normal, [15]

3.6 Regression Classic Assumption Requirements Test

1) Multicollinearity Test

To determine the presence or absence of multicollinearity, the quantity of variance inflation factor (VIF) and Tolerance can be used. A regression model with no multicollinearity should have a tolerance near the VIF limit of 5. There is no multicollinearity if the VIF value is 5.

2) Autocorrelation Test

The Durbin-Waston test (DW test) can only be used for level one autocorrelation and requires the presence of an intercept (constant) in the regression model and the absence of any other variables among the independent variables. The following table Durbin Watson can be used to determine autocorrelation:

3) Heteroscedasticity Test

The purpose of this Heteroscedasticity test is to see if there is a difference in variance between the residuals of one observation and the residuals of another observation. If the variance from one observer's residual to another observer does not vary, it is termed homoscedasticity; if it does, it is called heteroscedasticity. Because this data includes data of diverse sizes, an useful regression model is a homoscedasticity regression model or there is no heteroscedasticity. The Glejser test was employed to examine heteroscedasticity with a significance level of = 5%. There is no heteroscedasticity if the result is bigger than t-significance, [17].

3.7 Hypothesis test

1) Multiple Linear Regression Analysis

In this study, multiple linear regression analysis was performed to investigate the influence of cash turnover (X1), accounts receivable turnover (X2), and inventory turnover (X3) on liquidity (Y) in enterprises in the property sub-sector as well as real estate that is indexed on the Indonesia Stock Exchange.

2) Partial Test (t Test)

If there are controlled variables, the t-test is used to test the hypothesis of a relationship between two or more variables. If the value of sig 0.05 and the regression coefficient agree with the hypothesis, the hypothesis is accepted [18].

3) Simultaneous Test (F Test)

The F test seeks to determine the effect of the independent variables at the same time. This model is considered feasible if its Sig F value is less than or equal to 0.05 [14].

4) Coefficient of Determination Test (Adjusted R2)

The value of determination indicates how important the independent variables are in determining the dependent variable. The percentage of determination ranges from 0% to 100%. The closer to 100 % is the better the regression equation's determination [4].

4. Results and Discussion

4.1 Descriptive Statistical Analysis

Table 3. Descriptive Statistical Analysis Results

Descriptive Statistics						
	N	Minimum	Maximum	mean	Std. Deviation	Variance
Cash Turnover	42	209061768.00	9424872722.00	2892087191.0000	2281846475000000	520682333500000050 0,000
Accounts Receivable Turnover	42	17382723.00	9607173214.00	3442626456.0000	2698371936000000	728121110700000050 0,000
Inventory Turnover	42	6465421.00	8642788123.00	763975747.9000	1584529647000000	251073420300000000 0000
Current Ratio	42	97745837.00	9894851659.00	3009494197.0000	2181089573,000000	475715172300000050 0.000

Source: (SPSS output 24.0)

4.2 Normality test

Table 4. Normality Test Analysis Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Predicted Value
N		42
Normal Parameters, b	mean	3009494197.000000
	Std. Deviation	339815485.800000
Most Extreme Differences	Absolute	-124
	Positive	.093
	negative	-124
Test Statistics		-124
asymp. Sig. (2-tailed)		.101c
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: (SPSS output 24.0)

According to table 4, the significance value for data on cash turnover, accounts receivable turnover, inventory turnover, and liquidity is 0.101, which means > 0.05, implying that all variables tested are normally distributed.

4.3 Multicollinearity Test

Table 5. Multicollinearity Test Analysis Results

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3551108383,000	709872039.600		5.002	.000		
	Cash Turnover	-127	.159	-.133	-.797	.430	.924	1.082
	Accounts Receivable Turnover	-.050	.132	-.062	-.379	.707	.956	1.046
	Inventory Turnover	-.002	.227	-.002	-.009	.993	.945	1.058
a. Dependent Variable: Current Ratio								

Source: (SPSS output 24.0)

The output in table 5 above shows that the VIF value for cash turnover is 1.082, accounts receivable turnover is 1.046, and inventory turnover is 1.058. Because the VIF value is less than 5, it can be concluded that the regression model does not detect any problems with multicollinearity.

4.4 TestAutocorrelation

Table 6 . Autocorrelation Test Analysis Results

Model Summaryb					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	156a	.024	-.053	2237884125000000	1,538
a. Predictors: (Constant), Cash Turnover, Accounts Receivable Turnover, Inventory Turnover					
b. Dependent Variable: Current Ratio					

Source: (SPSS output 24.0)

The DW value resulting from the regression value is 1.538, while the DL value is 1.3573 and the DU is 1.6617 from the DW table with a significance of 0.05 and the amount of data (n) = 42, seta k = 3. Because DW (1,538) is between DL and DU, it can be interpreted that there is no autocorrelation or draw a meaningful conclusion in the area of doubt; therefore, additional tests can be performed.

4.5 Heteroscedasticity Test

Table 7. Results of Heteroscedasticity Test Analysis

Correlations					
		Unstandardized residual	Cash Turnover	Accounts Receivable Turnover	Inventory Turnover
Unstandardized residual	Pearson Correlation	1,000	.919	.545	.127
	Sig. (2-tailed)		**.476**	**.586**	**.422**
	N	42	42	42	42
Cash Turnover	Pearson Correlation	.919	1	171	-.200
	Sig. (2-tailed)	.476		.278	.203
	N	42	42	42	42
Accounts Receivable Turnover	Pearson Correlation	.545	171	1	.085
	Sig. (2-tailed)	.586	.278		.593
	N	42	42	42	42
Inventory Turnover	Pearson Correlation	.127	.200	.085	1
	Sig. (2-tailed)	.422	.203	.593	
	N	42	42	42	42

Source: (SPSS output 24.0)

The correlation between cash turnover and unstandardized residual has a significance value of 0.476, while the correlation between accounts receivable turnover and unstandardized residual has a significance value of 0.586 and inventory turnover has a significance value of 0.422. Because the correlation significance value is greater than 0.05, the value in the regression model does not exhibit any heteroscedasticity issues.

4.6 Multiple Linear Regression Analysis Test

Table 8. Multiple Linear Regression Analysis Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3484,861	1802,701		1,933	.056
	Cash Turnover	2.850	.742	.381	3.840	.000

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	Accounts Receivable Turnover	.086	.035	.229	2.422	.017
	Inventory Turnover	-.307	.626	-.049	-.490	.625
a. Dependent Variable: Current Ratio						

Source: (SPSS output 24.0)

The following equation was derived from the results of multiple linear regressions:

Y = 3484.861 + 2.850 + 0.086– 0.307 + e

From the multiple linear regression equation above, it can be analyzed as follows:

a) The constant value indicates that the liquidity ratio (current ratio) is 3484.861 if there are no independent variables, namely cash turnover, receivables turnover, and inventory turnover.
b) According to the cash turnover regression coefficient of 2.850, each additional 1% cash turnover increases the liquidity ratio (current ratio) of 2.850.
c) A regression coefficient of accounts receivable turnover of 0.086 indicates that every 1% increase in receivables turnover increases the liquidity ratio (current ratio) of 0.086.
d) A regression coefficient of -0.307 for inventory turnover states that every 1% increase in inventory turnover reduces the liquidity ratio (current ratio) by -0.307.

4.7 TestPartial (t-test)

Table 9. Partial Test Results (t Test)

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3484,861	1802,701		1,933	.056
	Cash Turnover	2.850	.742	.381	3.840	.000
	Accounts Receivable Turnover	.086	.035	.229	2.422	.017
	Inventory Turnover	-.307	.626	-.049	-.490	.625
a. Dependent Variable: Current Ratio						

Source: (SPSS output 24.0)

The results of the t-statistical test can be seen in the table above which shows that:

a) Effect of Cash Turnover on Liquidity (Current Ratio)

The significance value for the partial test to test the effect of cash turnover is 0.000 0.05, based on the results of the partial test. Multiple regression calculations yielded a tcount value of 3.840 and a ttable value of 2.022, or (3,840 > 2.022). This means that if Ho is rejected and Ha is accepted, the figure shows a significant value, indicating that cash turnover has a significant effect on liquidity (current ratio) in sub-sector companies and Real Estate property year 2018-2020.

b) Effect of Accounts Receivable Turnover on Liquidity (Current Ratio)

The significance value is 0.017 0.05 based on the results of the partial test to test the effect of accounts receivable turnover. Calculations on multiple regressions yielded a tcount value of 2.422 and a t table value of 2,022 or (2,422 > 2,022). This means that if Ho is rejected and Ha is accepted, the figure has a significant value, indicating that receivables turnover has a significant influence on liquidity (current ratio) in the sub-sector companies, property and Real Estate year 2018-2020

c) Influence of Inventory Turnover on Liquidity (Current Ratio)

The significance value is 0.625 > 0.05 based on the results of the partial test to examine the influence of inventory turnover. The results of repeated regression computations yielded a tcount value of -0.490 and a ttable value of 2.022, or (-0.490 2.022). This indicates that if Ho is accepted and Ha is denied, the chart shows a

negligible value, indicating that inventory turnover has no substantial influence on liquidity (current ratio) in sub-sector enterprises Year of Property and Real Estate 2018-2020.

4.8 Simultaneous Test (F Test)

Table 10. Simultaneous Test Results (F Test)

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4253249058.000	3	1417749686.000	6,880	.000b
	Residual	18957446740,000	38	206059203,600		
	Total	23210695790.000	41			
a. Dependent Variable: Current Ratio						
b. Predictors: (Constant), Cash Turnover, Accounts Receivable Turnover, Inventory Turnover						

Source: (SPSS output 24.0)

According to table 10, the Fcount value of the data processing results is 6.880 with a significance value of 0.000, and this becomes a statistical test that will be compared to the value of Ftable. The Ftable value is 2.852 based on table F at = 0.05 and degrees of freedom (3:38). Because Fcount 6.880 is greater than Ftable 2.852, at a 5% error rate (= 0.05), it was decided to reject Ho and accept Ha. This means that, with a 95% confidence level, it is possible to conclude that cash turnover, accounts receivable turnover, and inventory turnover have a significant effect on the liquidity ratio (current ratio) in sub-sector companies in the property and Real Estate year 2018-2020.

4.9 Coefficient of Determination Test (Adjusted R2)

Table 11. Coefficient of Determination Test Results (Adjusted R2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.428a	.183	.157	14354.76240
Predictors: (Constant), Cash Turnover, Accounts Receivable Turnover, Inventory Turnover				

Source: (SPSS output 24.0)

According to table 11, the Adjusted R Square of 0.157 indicates that the three variables, namely cash turnover, accounts receivable turnover, and inventory turnover, influence the liquidity ratio by 15.7 percent, the remaining 84.3 percent (100 percent -15.7 percent).

Discussion

1. The Effect of Cash Turnover on the Company's Liquidity (Current Ratio)

According to the study's findings, there is an influence of cash turnover on a company's liquidity (current ratio). The degree of cash turnover has an influence on firm liquidity in the property and real estate sub-sectors indexed on the Indonesia Stock Exchange, according to a partial test. This is because cash is a comparison of net sales divided by the average amount, and the quantity of cash inventory possessed by the firm will represent the efficiency or inefficiency of the company's use of cash.

According to Gede Puja Redana's 2018 research entitled "The Effect of Working Capital on Liquidity of the KUAT Subak Guama Cooperative, “working capital which includes cash turnover, receivables turnover and turnover inventory is able to affect liquidity by 89.3%, while the remaining 10.7% is influenced by other variables not included in this s, the remaining 10.7% is influenced by other variables that are not included in this study”.

2. The Effect of Accounts Receivable Turnover on the Company's Liquidity (Current Ratio)

According to the study's findings, receivables turnover has an impact on the company's liquidity (current ratio). The degree of receivables turnover has an influence on the company's liquidity (current ratio) in the property and real estate sub-sectors indexed on the Indonesia Stock Exchange, according to a partial test. Receivables are a revolving component of working capital, meaning cash, commodities processing, sales, receivables, and cash. The sooner receivables are turned over, the better the company's financial health. Accounts receivable turnover is a ratio that determines how long it takes to convert receivables into cash.

This is also supported by the results of previous research conducted by Wati Aris Astuti and Rosa Maelona in 2013 entitled The Effect of Working Capital and Accounts Receivable Turnover on Liquidity Case Study at PT. Mayora Indah Tbk Indexed on the Indonesia Stock Exchange for the Period 2001-2012, which

resultshis research “shows that the relationship between receivables turnover and liquidity is 0.616 in a positive direction. This means that receivables turnover has a strong/close relationship with liquidity. The direction of the positive relationship indicates that when receivables turnover increases, liquidity will increase. This means that receivables turnover has a major influence on liquidity”.

3. Influence of Inventory Turnover on Company Liquidity (Current Ratio)

According to the study's findings, inventory turnover has no influence on the company's liquidity (current ratio). The inventory turnover rate has no influence on the company's liquidity (current ratio) in the property and real estate sub-sectors indexed on the Indonesia Stock Exchange, according to a partial test. Inventory is a component of working capital that is constantly in motion. However, the property and real estate sub-sector enterprises suffered a decrease in inventories of products or structures from 2018 to 2020 due to poor investor demand. As a result, property and real estate sub-sector firms do not supply as many items or buildings as in past years. If an investor wishes to purchase a quantity of goods or structures from the firm, the company will first examine the inventory stock to determine whether the amount needed by the investor is sufficient with the inventory offered to the company. If the inventory is insufficient, the corporation might provide more time to suit the expectations of investors. Although the property and real estate sub-sector index has declined in recent years, public demand for property and real estate is increasing, despite the fact that the property and real estate sub-sector is still the preferred sub-sector for medium and long-term investment. .

This is also supported by the results of previous research conducted by Indra Wiyaja 2018 entitled The Effect of Cash Turnover, Accounts Receivable Turnover and Inventory Turnover on the Liquidity of Metals and Similar Sub-Sector Companies Indexed on the Indonesia Stock Exchange 2011-2016, whose research results “show that inventory turnover has no effect significantly positive effect on the current ratio and significantly positive effect on the quick ratio”.

4. The Effect of Cash Turnover, Accounts Receivable Turnover and Inventory Turnover Together on the Company's Liquidity (Current Ratio)

According to the study's findings, there is an effect of cash turnover, accounts receivable turnover, and inventory turnover on liquidity at the same time (current ratio). This demonstrates that, with a 95% confidence level, cash turnover, accounts receivable turnover, and inventory turnover all have a significant effect on the liquidity ratio (current ratio) in property and real estate sub-sector enterprises in 2018-2020.

This is also supported by the findings of previous research by Indra Wiyaja 2018 titled The Effect of Cash Turnover, Accounts Receivable Turnover, and Inventory Turnover on the Liquidity of Metal and Similar Sub-Sector Companies Indexed on the Indonesia Stock Exchange 2011-2016, the findings of which show that research conducted by Indra Wiyaja 2018 shows that cash turnover, receivables turnover, and inventory turnover have a significant simultaneous effect on liquidity.

5 Conclusions and recommendations

5.2 Conclusion

The following conclusions may be formed based on the findings of the study discussed in this thesis:

1. The cash turnover to liquidity (current ratio) of companies indexed on the Indonesia Stock Exchange in the sub-sector property and real estate has an impact.
2. The company in the sub-sector property and real estate indexed on the Indonesia Stock Exchange has an impact on receivables turnover to liquidity (current ratio).
3. Inventory turnover has no effect on the liquidity (current ratio) of companies indexed on the Indonesia Stock Exchange in the sub-sector property and real estate.
4. There is a simultaneous effect of cash turnover, accounts receivable turnover, and inventory turnover on the liquidity (current ratio) of companies indexed on the Indonesia Stock Exchange in the sub-sector property and real estate

5.3 Recommencations

The researcher has made numerous recommendations to improve the next study based on the findings presented above. The following are the recommendations:

1. Future researchers are hoped to be able to add other independent variables that can have a greater influence on company liquidity, such as current liability turnover, sales growth, capital intensity, and others, in order to produce diverse research and facilitate further research to seek and find references.
2. It is hoped that the next researcher will not use the inventory turnover variable because it has no effect on the company's liquidity.
3. It is hoped that the next researcher will use more diverse samples, such as the finance sub-sector, infrastructure sub-sector, and consumer goods industry sub-sector, and will use year-end data for a period of more than three years.

4. It is expected that the company's management will manage cash and receivables as well as possible in order to improve the company's ability to meet its short-term obligations and maintain the company's liquidity level well, because if the liquidity level is good, the company will be better as well.

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