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EFFECT OF INVENTORY TURNOVER AND LIQUIDITY ON PROFIT IN PT SGEEDE SOLUSI TEKNOLOGI DECLINED CURRENTLY IN THE DECLINED STAGE

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Abstract

This research aims to determine the impact of inventory turnover and liquidity on the earnings of PT Sgeede Solusi Teknologi from 2018 to 2022. The R Square test results of this study show that 20.8% of the profit can be explained by inventory turnover and liquidity variables, while the remaining 29.2% is explained by other variables not found in the study. The results of the t-test showed that the number of inventories - that < -table or -2.299 < -2.002 and 0.025 < 0.05 significant level, which means that partial inventory turnover has a significant negative effect on profit. Similarly, with the results of t-test of liquidity variable which is 3.159 and significant level of 0.001 <0.05. It means that inventory turnover has a significant negative effect on profit.

Keywords: stock turnover; fluidity; profit

INTRODUCTION

In order to survive and compete in the modern era's rapidly evolving economy and technology, businesses must continue to improve product innovation, staff efficiency, and corporate expansion. Every business that engages in manufacturing, trading, or providing services seeks to make a sizable profit and survive. The profitability of the company itself are just one factor that influences a company's ability to survive. The management should be aware of the elements that have a significant impact on the company's profit in order to obtain the maximum profit. This represents the company's sales and product inventory.

Every business seeks to maximize profits. One of the crucial elements is the company's liquidity, which indicates its capacity to pay existing commitments as they become due. Similar to inventory, excessive current assets will result from excess inventory that is not adequately managed. As a result, inventory turnover is a significant impact as well. The following table shows the statistics for inventory turnover, liquidity, and profit computation from PT Sgeede Solusi Teknologi's financial statements for the years 2013 through 2017.

According to information from the company's financial reports, a declining tendency in the company's earnings was observed between 2013 and 2016. The profit climbed to IDR 2,006,036,752 in 2014 from IDR 1,985,313,901 in 2013. 2015 saw a profit decline to IDR 1,920,415,143; 2016 saw a profit decline once more to IDR 1,920,415,143; and 2017 saw a

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profit grow once more to IDR 1,976,537,617. As can be seen from the computation above, the company's profit was highest in 2013 and lowest in 2015.

While the company's inventory turnover period in 2013 was 34.26 times, it was longer in 2014, at 35.48 times. Inventory turnover time dropped to 26.16 times in 2015. However, the inventory turnover time climbed to 33.15 times in 2016. The inventory turnover period needed only 23.71 times in 2017. According to the figures above, inventory turnover was fastest in 2017 and longest in 2014.

The company's current ratio was approximately 23.3663 in 2013, but it dropped to 57.5777 in 2014. The ratio fell once more in 2015, hitting 72.9334. The company's ratio likewise went up the following year, reaching 73.4812. The current ratio increased once again in 2017 to 77.9000. According to the figure above, the company's liquidity was at its highest in 2017 and its lowest in 2013.

Inventories include both the raw materials the business supplies for production as well as the final products that can meet consumer demand. Inventory turnover is the amount of inventory that is replaced or sold in a certain period of time (1 year). A company's high sales volume can be determined by its high inventory turnover rate. This means that the risk of loss and inventory costs can be reduced to a minimum or kept low with a high level of inventory turnover.

The capacity to obtain or convert assets into cash is known as liquidity. A company's ability to make immediate debt payments may be impacted by the amount of cash flow it generates. The level of liquidity of the company increases with its cash holdings. A firm that has a high level of liquidity will have excess cash investment, which indicates that it is not managing its cash well. Conversely, a company with a low level of liquidity will have a high amount of cash flow.

Profit is the amount of money the business hopes to make. According to Sari, Saragihi, Siregar, Effendi, and Inrawan (2016) "Profit is the excess of income over expenses incurred in conducting business. Loss is the term used to describe an amount when expenses exceed income. The outcome of periodic (periodic) calculations is profit or loss. This gain or loss has not yet been realized. Only after the company has shut down and been wound up can the true profit or loss be determined."

Inventory turnover as defined by: (Sari et al., 2016) "Stock turnover is a ratio used to determine how frequently money invested in this stock is transferred over the course of a given time period. Inventory turnover can alternatively be thought of as a ratio that represents the frequency with which inventory items are changed out each year.

Companies and investors frequently use liquidity to assess a company's capacity to fulfill its obligations. We'll first take a look at how professionals define liquidity to gain a better understanding of it. (2017) Gunde, Pure, and Rogi "A company's ability to meet potential or immediate financial obligations is known as liquidity. Liquidity specifically refers to the company's ability to pay off all existing debts using its own funds.

METHODS

Gunden and others' research (2017) The process of research design is essential to the planning and execution of research. From this perspective, research design is the procedure or design for developing a plan for carrying out the necessary study. The research steps from operationalizing variables, determining data types and sources, choosing data collection techniques (such as surveys), study design, data analysis design, and hypothesis testing all contribute to the development of the research method. When conducting research, a method, a

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method, or a tactic must be used as the actions the researcher must take in order to solve an issue and accomplish the purpose. In this study, the author used a quantitative methodology.

In order to obtain information that will support the creation of research reports, the author uses this method to gather historical data and closely observe various features of the issue under investigation. In order to gain a general grasp of the object and be able to draw conclusions about the topic under study, the gathered data are next processed and analyzed on the basis of the studied theory.

Variable actions

Operational variables in research are variables that are related to those in the study title or that are incorporated into the research paradigm based on the findings of the formulation of the problem, which includes two independent variables and one dependent variable.

Population and sample

The population is determined by the writers based on research linked to the thesis title. According to the aforementioned comprehension, the population and sample of this research are the monthly financial reports of PT Sgeede Solusi Teknologi from 2018 to 2022, which translates to 60 data.

Data collection method

Archival data gathering techniques were used to gather the study's data. The necessary departments are given data in the form of original documents or copies of papers. The submitted information will be used as a source for textual analysis.

RESULTS AND DISCUSSION

Descriptive statistical analysis

Without making judgments, descriptive statistical analysis is used to give descriptions and illustrations of the data being studied. Only data (mean), minimum value, maximum value, and standard deviation are included in descriptive analysis. Table 2 below shows the findings of the study's statistical analysis.

Table 2. Descriptive statistics

Descriptive statistics

	N:	The minimum	The maximum	I mean	std. Deviation
X1_Inventory	60:	1800	3949	2.88842	.627915
X2_Liquidity	60:	3160	109,332	57.88518	27.549199
Y_Profit:	60:	154876895	169997440	164567589.20	3577077162
Valid N (with list)	60:				

is 109 332. Profit (Y) has an average value of Rp. 164,567,589.20; The standard deviation of Rp. 3,577.0477.16; minimum cost IDR 154,876,895; and a maximum value of Rp. 169,997,400.

Normality test

The standardized residual regression histogram, Chi square analysis, and Kolmogorov Smirnov value can all be used to observe the normality test. To ascertain if the residual value under study is regularly distributed or not, this test is utilized. To confirm that the data exactly match the conventional regression assumptions, the graph test, histogram, and Kolmogorov-

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Smirnov test will be utilized in this normality test. Table 3 below shows the results of the study's Histogram Graph test.

Table 3: Kolmogorov-Smirnov. Normality test

One sample Kolmogorov-Smirnov test

		Unstandardized balances
N:		60:
Normal parameters, b	I mean	.0000000
	std. Deviation	3183668.58400000
The most extreme differences	absolute	.102
	Positive	.066
	negative	-.102
Test statistics		.102
asymp. Whitefish. (2-tailed)		.190c

a. The test distribution is normal.
b. Based on calculated data.
c. Lilliefors Significance Correction.

Multicollinearity Test

Agreed(Ghozali, 2016: 103) (Ghozali, 2016: 103) Checking whether the regression model has identified a link between independent variables is the goal of the multicollinearity test (independent). There should be no correlation between the independent variables in a decent regression model. These variables are not orthogonal if the independent variables are correlated with one another. A pair of independent variables is said to be orthogonal if their correlation coefficients are both equal to zero. According to the test criteria used in this study, the research model did not exhibit symptoms of multicollinearity if the Variance Inflation Factor (VIF) value in the multicollinearity test table has a value of less than 10 or utilizes a Tolerance value, which is greater than 0.1; (Sudan, 2011). The multicollinearity test results after SPSS testing can be seen in Table 4 below.

Table 4: Multicollinearity Test

Coefficients

Model		Unstandardized coefficients B:	std. Wrong	Standardized coefficients Betas	Collinearity statistics tolerance	VIF:
1 :	(permanent)	172613887400	2500908.959			
	X1_Inventory	-1615325.508	702485.103	-.284	.914	1094
	X2_Liquidity	-58401.121	16011,395	-.450	.914	1094

a. Dependent variable: Y_Profit

It can be seen from the table above that the inventory variable (X1) and the liquidity variable (X2) both have an inflation factor (VIF) value of 1.094; the variance inflation factor (VIF) value for the two independent variables in this study has a value of 10, while the tolerance value is > 0.1; and the test results show a tolerance value of 0.914 each, so this study does not appear to have multicollinearity symptoms.

Heteroscedasticity test

Agreed(Ghozali, 2016: 134) (Ghozali, 2016: 134) The goal of the heteroscedasticity test is to determine whether the regression model's variance is unequal from one observation residual to another. If the significance level is 0.05, the data are regarded as non-

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heteroskedastic. The dispersion test findings show that the residual data are randomly distributed, do not follow a specific pattern, and are dispersed over or below the value 0 on the Y-axis, proving that this study does not exhibit heteroscedasticity; However, a numerical test will be carried out as stated in Table 5 below to confirm its validity.

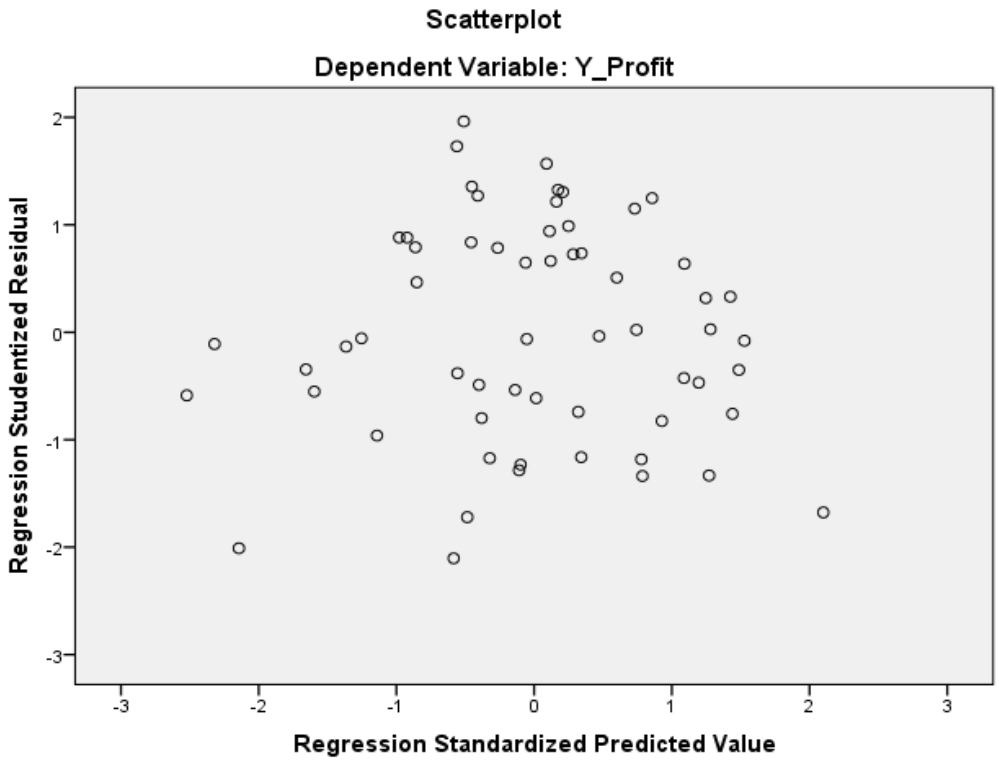

Figure 1: Scatterplot Heteroscedasticity Test

Table 5: Heteroscedasticity test

Coefficients

Model		Unstandardized coefficients B:	std. Wrong	Standardized coefficients Betas	t:	White fish.
1:	(permanent)	-1.397E-9	4679041.308		.000	1000
	X1_Inventory	.000	1445619.265	.000	.000	1000
	X2_Liquidity	.000	576411.615	.000	.000	1000

a. Dependent variable: Y_Profit

From the results of the above numerical test, it can be concluded that the significant value of the two independent variables is 1000; and this shows that the data is not heteroscedastic because the significant value of both variables is > 0.05.

Autocorrelation test

Agreed(Wibowo, 2012: 101)The autocorrelation test aims to see if there is a correlation between the residuals with other observations in the model. The autocorrelation test uses the simplest method, the Durbin-Watson method.

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Table 6: Autocorrelation test

Summary model b

Model	R:	Square R	Adjusted R Square	std. Evaluation error	Durbin-Watson
1:	.456 a	.208	.180	3239040885	1571

a. Predictors: (Constant), X2_Liquidity, X1_Inventory
b. Dependent variable: Y_Profit

It is clear from Table 6 above that the Durbin-Watson test result is 1.571. If the DW value is more than 0.05, a model is said to be free of autocorrelation symptoms. In contrast, the DW value in the table above indicates > 0.05, indicating that there are no signs of autocorrelation in the data.

Multiple linear regression analysis

It is possible to forecast the size of the (non-independent/dependent) value of Y based on a certain value of X using the relationship between two variables given in a linear equation (the independent variable). Multiple linear regression analysis was utilized in this study to demonstrate the magnitude of the impact of the independent variable on the dependent variable. The results of the regression test are obtained as shown in Table 7 below.

Table 7: Multiple linear regression analysis

Coefficients

Model		Unstandardized coefficients B:	std. Wrong	Standardized coefficients Betas	t:	Whitefish.
1 :	(permanent)	172613887400	2500908.959		69,020	.000
	X1_Inventory	-1615325.508	702485.103	-.284	-2299	.025
	X2_Liquidity	-58401.121	16011,395	-.450	-3647	001:

a. Dependent variable: Y_Profit

From the above table, it can be formulated as follows.

Y' = 17,263,887.40 + (1,615,325.50 X1) + (58,401.12 X2)

It can be concluded from the above formula:

1. The fixed price is 17,263,887.40. This is an inventory turnover variable and liquidity has a value of 0 (zero) or does not change, so profit has a value of 17,263,887.40.
2. The variable inventory turnover ratio value is -1,615,325.50. This is the effect of inventory turnover on profits. If the inventory turnover increases by 1% or 1 unit, the profit will decrease by 1,615,325.50.
3. The value of the liquidity variable coefficient is -58401.12. This is the effect of liquidity on earnings. If the liquidity increases by 1% or 1 unit, the profit will decrease by 58401.12.

Hypothesis testing

Partial test (T Test)

Agreed (Sugiyono, 2010) The purpose of the t statistic test is to determine the significance of each independent variable's impact on the model's dependent variable. After the model test is certain, this test can be conducted as a follow-up test. The impact of the

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independent variable on the dependent variable is statistically significant if the analysis's findings reveal an ap value of 0.05. In contrast, if the analysis's findings show an ap value of 0.05, the relationship between the independent and dependent variables is not statistically significant.

Table 8: Partial tests

Coefficients

Model		Unstandardized coefficients		Standardized coefficients	t:	Whitefish.
		B:	std. Wrong	Betas		
1	(permanent)	172613887400	2500908.959		69,020	.000
:	X1_Inventory	-1615325.508	702485.103	-.284	-2299	.025
	X2_Liquidity	-58401.121	16011,395	-.450	-3647	001:

a. Dependent variable: Y_Profit

Based on the above table, it can be concluded about the hypothesis testing of this research.

1. Hypothesis testing 1
   The first hypothesis, inventory turnover has a significant effect on the profit of PT Sgeede Solusi Teknologi. From Table 8 it can be seen that Inventory Turnover has a significant value of 0.025 <0.05. In order for the hypothesis proposed in this study to be accepted (H1 is accepted).
2. Hypothesis testing 2
   The second hypothesis, liquidity has a significant effect on the earnings of PT Sgeede Solusi Teknologi. From Table 4.7 it can be seen that liquidity has a significant value of 0.001 <0.05. In order for the hypothesis proposed in this study to be accepted (H2 is accepted).

Simultaneous test (F test)

Agreed (Sudan, 2015) The presence of a simultaneous effect between the dependent variable and the independent variable is checked via simultaneous testing. This simultaneous test will be significant if the significance probability value is larger than 0.05 and the study hypothesis (Ha) is accepted; otherwise, it will be unimportant if the value is greater than 0.05. The table below shows the outcomes of the simultaneous test:

Table 9 Concurrent tests

ANOVAa

Model		The sum of squares	DF:	Middle square	F:	Whitefish.
1:	Retrograde	156924386600000000	2:	78462193300000.000	7479	.001b
	residual	59800899370000.000	57:	104913858500000	0:	
	That's all	75493338020000000	59:			

a. Dependent variable: Y_Profit
b. Predictors: (Constant), X2_Liquidity, X1_Inventory

3. Hypothesis testing 3
   The third hypothesis: the effect of inventory turnover and liquidity on profit in PT Sgeede Solusi Teknologi. Table 4.8 shows that the significance value is 0.001 < 0.05. Thus, it can be concluded that the hypothesis proposed in this study is accepted (H3 is accepted).

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Coefficient of determination test (R2)

The capacity of all independent variables to account for the variation of the dependent variable is known as the coefficient of determination. The coefficient of determination essentially assesses how well the model can account for variation in the dependent variable. Table 10 below shows the coefficient of determination (R2) results.

Table 10: Coefficient of determination

Summary model b

Model	R:	Square R	Adjusted R Square	std. Evaluation error	Durbin-Watson
1:	.456 a	.208	.180	3239040885	1571

a. Predictors: (Constant), X2_Liquidity, X1_Inventory
b. Dependent variable: Y_Profit

From the table above, it can be seen that the R2 value is 0.208 or 20.8%. This shows that the percentage of inventory turnover and liquidity to profit is 20.8%, while the remaining 79.2% is affected by other factors not discussed in this study.

DISCUSSION

The effect of inventory turnover on profit

According to the first hypothesis, the variables affecting inventory turnover and profit are significantly correlated. According to the t-test results, the t-score value is -2.299, the table value is -2.002, and the significance level is 0.025 0.05. Given that Tcount is negative (-2.299), it can be said that the inventory turnover variable significantly impacted PT Sgeede Solusi Teknologi's earnings from 2018 to 2022. (H1 accepted). This implies that higher inventory turnover will result in lower earnings. A ratio called inventory turnover is used to demonstrate how frequently inventory items are replaced over time. The sooner the inventory turnover, the better because sales activity is picking up speed. Nevertheless.

The effect of liquidity (CR) on earnings

According to the second theory, earnings are impacted by liquidity (CR). According to the t-test results, the tcount, table, and significant value are all -2.299, -2.002, and 0.025, respectively. Given that Tcount is negative (-2.299), it is reasonable to conclude that the CR variable had a materially negative impact on PT Sgeede Solusi Teknologi's profit between 2018 and 2022. (H2 is accepted). This implies that raising CR will result in dropping profits. A company's capacity to repay its obligations with current assets over time is gauged by the CR ratio. It can be assumed that the corporation can pay its current debt if the CR level is high. However, current assets increase in proportion to CR.

Effect of Inventory Turnover and Liquidity (CR) on Profit

The third hypothesis states that inventory turnover and liquidity (CR) have an impact on profits. According to the F test results, Fcount is 7.479 > Ftable is 3.159, and 0.001 0.05 is used to indicate significance. According to the positive 7.479 value of Fcount, inventory turnover and CR factors significantly affect PT Sgeede Solusi Teknologi's profit over the recognized period of 2013–2017. (H3 is accepted). This demonstrates that, between 2018 and 2022, PT

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Sgeede Solusi Teknologi's profit was significantly impacted by inventory turnover and liquidity.

CONCLUSION

This study aims to analyze the impact of inventory turnover and liquidity on PT Sgeede Solusi Teknologi's profit from 2013-2017. Based on the results of data analysis and hypothesis discussion compiled and tested in the previous chapter, it can be concluded as follows:

a) Inventory turnover variable has a partially significant negative effect on profit. Thus, it can be concluded that the first hypothesis is accepted.
b) The liquidity variable has a partially significant negative effect on profit. In order to accept the second hypothesis.
c) Inventory turnover and liquidity variables have partially significant effects on profit. For the third hypothesis to be accepted.
d) The coefficient of determination (R squared) is 0.208 or 20.8% for stock turnover and liquidity (CR) returns and the remaining 29.2% is affected by other factors not discussed in this study.

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