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Influence Return on Assets, Cash Turnover and Receivable Turnover Against Liquidity of Automotive Companies Listed on the Indonesia Stock Exchange

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Abstract

This research aims for know and analyze influence return on assets, cash turnover and receivable turnover to liquidity company. Population this research is company automotive listed on the Indonesia Stock Exchange. Retrieval technique sample use purposive sampling with determination criterion, that is company Consistent automotive recorded in accordance period observation For done analysis in research . Types of research data with secondary data which method collection using report data auditing finance. Method data analysis with analysis panel data regression. The results of this study determine the best model, ie fixed effect and proven that return on assets own influence negative and significant to liquidity company. Whereas cash turnover and receivable turnover No influential significant to liquidity company.

Keywords: cash turnover, liquidity, receivable turnover, return on assets .

INTRODUCTION

Industry automotive own role important as delivering industry contribution for National economy. Activity the business start from making component until assembly ending, distribution, and service full sell including National gas station network so that whole activity the business is part from industry automotive in Indonesia. This show along with need community that has vehicle personal. Development industry automotive the more rapidly in matter This has interesting interest for start up investors pouring capital/funds into industry Indonesian automotive. The company continues make an effort proactive, creative and innovative to use increase efficiency and productivity in face

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intense market competition. Significant impact to investors willingness to invest capital/funds into easy company company in fulfil funding external for increase investment, working and operational capital so that company can reach level success the business in dominate the industrial market. Growth production experienced by the company the compared straight with increasing profitability and liquidity. Besides it, company with source its internal and external funding can fulfil need For do innovation (Rudini, 2015) .

Ability company for fulfil obligations and pay the tax in period long called liquidity liquidity. Practice standard need use ratio liquidity for evaluate health finance company. For investors to make decision educated investment, they are need information about leadership company and how much Good they can operate business. Investor confidence in ability company for return the money invested by investors in time period long. Illustration liquidity company like river can dry up When only, if happened, then company experience potency crisis impact liquidity inability company for pay the bill in a manner full. With thus, the company must guard liquidity in order to get fulfil all his obligations.

Liquidity for measure mark inventory, cash / cash and assets owned company. Besides that is, liquidity is ability company in fulfil need operational, and fulfil obligation in period perfect time. Company can declared liquid, if company have cash / cash and assets enough available and capable increase amount capital with fast For fulfil his obligations in payment finance appropriate time. Wasiuzzaman (2018) state less company profitable no will capable holding cash much and precisely will increase debt for fund the project. On the other hand, a profitable company will increase its liquidity. when A company Already arrived at level high liquidity will also have an impact indication problem agency in resulting company waste cash flow for chance more investment profitable. High level of liquidity can in accordance with agency motives. When a company invest more Lots in assets fixed, then the working capital becomes few available for activity other.

Daisy (2021) state level ability company in fulfil its obligatory obligations quick fulfilled in time near is liquidity. Trust creditor own connection with liquidity in period short to company. It can means creditor will the more believe if company own level high liquidity. Liquidity company showed with big or its small assets smoothly. Temporary Amanda (2019) state company can decide in determine working capital with sufficient amount big can reviewed from level fixed liquidity awake, however chance company For obtain profit will reduce so that resulted decline profitability. Rather, companies that want maximizing its profitability can influence height level its liquidity. Liquidity can be measured with

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different ratio but ratio liquidity in a manner whole generally no give adequate picture about liquidity real something company, because there is difference in type assets current and liability smoothly owned company, then necessity evaluate activity or liquidity account giro certain so that there is various existing ratio for measure activity and or liquidity accounts receivable and company cash (Kontus & Mihanovic, 2019) .

Ratio rotation receivables give how many accounts receivable collected during year and days outstanding sales with determine the average number of days required company for charge sale credit. If more height rotation accounts receivable, then the more well because company gather with fast from these customers and funds can invested (Kontus & Mihanovic, 2019) . Meanwhile, Jaya & Syahriani (2021) state if rotation receivables own conditions of high working capital, then stated liquid. Rotation increasing debt tall so will increase company capital so company can stated liquid. Otherwise, if happen rotation low debt so can resulting in company capital reduced, so company said no liquid. Whereas Amanda (2019) state rotation receivables have connection between sale clean with receivables. It is stated with comparison sale clean with average receivables clean. If the more tall rotation accounts receivable, then the more ok. Otherwise, if the more slow rotation accounts receivable, then the more bad.

Liquidity refers to current incoming and outgoing cash flow through company as acquisition product, production, sales, payment and collection processes going on from time to time. Liquidity protective refers to ability For adapt with fast to cash requests that do not unexpected and have means available reserves For collect cash (Kontus & Mihanovic, 2019) . Cash turnover can interpreted as comparison between sale with average cash amount. The rate on cash turnover means size power to use use of cash by the company. If the amount of cash relatively small so company own potency bankruptcy. cash flow is cash turnover be cashback. Cash turnover is size cash capacity used by the company Because level cash turnover describe speed return on cash invested in working capital (Amanda, 2019) . Whereas Jaya & Syahriani (2021) state report company cash circulation as tool that can measure height level liquidity in the company. Knowledge about cash circulation for evaluate ability company in generate cash flow. cash flow be base for management company for take decision about is will pay dividend to holder share or maintain funds for expansion and growth future company.

Return on assets (ROA) or return of an asset company must increase from time to giving time profit for company. The decline in ROA shows ability of the total assets available within company No produce optimal profit for company. Big its small level return shares produced by the company as reject measuring power company in obtain profit in

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a manner whole. Therefore, it is necessary done in this research for analyze causative factors change Good increase nor ROA decline in the company. (Samo & Murad, 2019) . Meanwhile, Kurniwan (2021) stated ROA is ability company can interesting more many investors for put capital in the company. Ratio showing profitability level profit earned company with whole or with an average number available assets is ROA for measure how much effective something company in manage active for produce profit how much time (Prabowo & Sutanto, 2019) . This is consistent with that stated ROA is ratio profitability for measure how much big ability company in produce profit from availability many source power or owned assets company (Hediati & Hasanuh, 2021) .

Nasution *et al* .,(2022) stated cash is most liquid assets or is one capital element with own high liquidity means companies that have large cash number, then the more tall level its liquidity. In addition, Nasution *et al* .,(2022) state rotation receivables used for measure how many times the amount of cash coming in to in obtained company from receivables. If receivables the more fast obtained company, then the more good can increase liquidity company. meanwhile, rotation accounts receivable too harm liquidity when amount receivables increase so will lower level liquidity. If more tall amount the ratio of capital invested in accounts receivable, then condition company will the more. this will showing big its small level liquidity affected by turnover receivables. This means rotation receivables influential to liquidity. (Rusdiyanto *et al* ., 2019)

Hypothesis Development

Influence *Return on Assets* to Liquidity

Availability amount assets used company can help for taking decision Because level return on assets used to measure something effectiveness management in manage investment company. Investment return can create efficiency company. If level return on assets the more small, then the more not enough good for ongoing company. On the contrary If return on assets company high, then will the more Good for company. Nasution & Lumbantoruan (2021) state there is influence positive and significant between level return *return on assets* to liquidity company. hypothesis first (H_1) in this research, namely:

H_1: Influence positive *Return on Assets* to Liquidity.

Effect of Cash Turnover on Liquidity

The company uses deep cash period near as tool payment for increase level liquidity company. Rivandi & Zunaifah (2021) stated that cash turnover shows how many times the company's cash turn in something period through sales. Cash turnover can

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used for see how much company cash size capable produce sales. Wijaya (2018) stated cash turnover has influence to liquidity that is ability company in pay term debt in short. In addition, cash turnover as well influential negative and significant to ratio current and ratio fast company. Wijaya (2018) state cash turnover has influence negative and significant to liquidity company. hypothesis second (H_2) in this research, namely:

H_2: Influence negative *Cash Turnovers* to Liquidity.

Effect of Receivable Turnover on Company Liquidity

Rotation receivables used for measure activity from receivables company. If so rotation high accounts receivable, then reflect happening activity previous refund There is in the receivables be cash back for finance company. Refunds to in cash finance company that can used for sales credit or give loan. Wijaya (2018) state that rotation receivables influential positive and significant to liquidity company. Nasution & Lumbantoruan (2021) state receivables own influence positive and significant to liquidity company. Something company have level rotation high accounts receivable, then the more fine too level management receivables on the company. Besides, company in condition rotation high accounts receivable, then can showing company the more effective in management receivables that can placed on cash so liquidity company can maintained (Ammy & Alpi, 2018) . Rusdiyanto *et al.,* (2019) state that rotation receivables influential to liquidity company. hypothesis third (H_3) in this research, namely:

H_3: Influence positive *Receivable Turnover* to Liquidity .

RESEARCH METHODOLOGY

This research with approach quantitative. Activity study done by with determine the calculation process numbers inside report finance company in evaluate ratio finance for analyze performance influencing finance liquidity company. This research is decisive characteristics to be observed (variable). Furthermore before analyze results research, especially formerly determine measurement every variable, as following:

Table 1. Definitions operational Variable

No	Variable	Definition Variable	Formula
1	Return on Assets (X1)	Measuring tool ability company in produce possible profit ensure mark company	*Return on Assets* = Profit Net / Total Assets

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		called as *return on assets* (ROA). Return on assets can counted with method compare total assets with profit clean (Husna & Satria, 2019) .	
2	Cash Turnovers (X2)	Cash turnover can used as comparison between average cash amount with sales. Performed cash turnover rate company can become reject measuring use of cash by the company. If company use small amount of cash so happening high cash turnover so that happen bankruptcy at some point company (Nasution *et al.* , 2022) . Fast or slow level withdrawal of cash that has been invested into working capital can reflect as cash turnover (Jaya & Syahriani, 2021) .	*Cash Turnovers = Sales Net / Average Cash*
3	Receivable Turnover (X3)	Jaya & Syahriani (2021) state rotation receivables is condition If have high capital so will the more tall That can said liquid. Increasing company capital increase caused Because rotation high debt so that company Can stated liquid vice versa if the company's capital reduced by rotation low accounts receivable, company still can said liquid.	*Receivable Turnover = Sales / Receivables*
4	Liquidity (Y)	Liquidity is tool that can used for evaluate company succeed or	Race io Fast = Asset current –

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		no in do obligation assets smoothly. if a company able finish not quite enough he replied in pay off that is finance Want to period short or period already long approach time past due in the past year determined so company said can said liquid (Jaya & Syahriani, 2021) .	(Inventory/Current Accounts Payable)

Source: From various opinion expert (2023)

RESEARCH RESULTS AND DISCUSSION

Selection Of Panel Data Regression Model Technique

Study this set technique determination sample by purposive sampling, company automotive during year observation study consistent period 2018 – 2021. Method data analysis used is analysis panel data regression. There are three approach for analyze panel data regression: *common effect*, *fixed effect*, and *random effect*.

Determination of the best panel data model, as following: (a) Chow's test determines the *common effect* model or *fixed effect*. (b) Hausman's test determines *fixed effect* or *random effect*. (c) *Lagrange multipliers* determine is *random effect* or *common effect*. The results of determining the model in Table 2, as following :

Table 2. Model Test

Effect Test		Statistics		df	Prob.
Cross-section F		4,529,414		12,32	0.0003
Test Summary		Chi-Sq. Statistics		Chi-Sq. df	Prob.
Cross-section random		50,957,144		3	0.0000

Source : Processed data (2023)

Based on Table 2, shows chow test with the probability value F of 0.003 is smaller than 0.05, then H_0 is rejected and H_a is accepted, which means that the *fixed effect model* is better than the *common effect model*. Furthermore shows the Hausman test with probability value *chi-square* of 0.000, less of 0.05, then H_0 is rejected and H_a is accepted,

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means that the *fixed effect* model is better used for estimating panel data regression than the *random effect model*.

Panel Data Regression Estimation

Estimation of the three panel data regression models, the aim is to strengthen the conclusions of the paired test, which recommends the use of a *fixed effect model* which will be analyzed further. Testing estimation of this regression model for analyze influence variable free to variable bound from model suitability (*goodness of fit*) as following:

Table 3. Common Effect Models

t test (Coefficient)				
Variables	**Coefficient**	**t-Statistics**	**Probability**	**Information**
Constanta	2.550662	6.836832	0.0000	
Return on Assets	0.242545	4.210388	0.0001	Positive and Significant
Cash Turnovers	0.094045	0.998134	0.3236	No Significant
Receivable Turnover	2.448844	0.678630	0.5008	No Significant
F test (Anova)				
Variables	**t-Statistics**	**Probability**	**Information**	
Return on Assets , Cash Turnover , Receivable Turnover	0.201586	0.894738	No Significant	
Adjusted R Square			**Information**	
-0.053699			No There is Contribution	

Source : Processed data (2023)

Based on Table 3, test *goodness of fit* in the *common effect model* show mark probability of 0.8947 more big of 0.05, then all variables The independent ones used in this study were not jointly influential significant to liquidity company, means this research model is not worthy with an *Adjusted R-squared* value of -0.0536, it means that all independent variables, namely *Return on Assets, Cash Turnover* and *Receivable Turnover* No can explain the changes liquidity company by -5.36%.

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Table 4. Fixed Effect Models

t test (Coefficient)				
Variables	**Coefficient**	**t-Statistics**	**Probability**	**Information**
Constanta	1.550512	8.255742	0.0000	
Return on Assets	-2.002530	-6.850351	0.0000	Negative and Significant
Cash Turnovers	0.067249	0.933881	0.3574	No Significant
Receivable Turnover	-3.501536	-1.377111	0.1780	No Significant
F test (Anova)				
Variables	**t-Statistics**	**Probability**	**Information**	
Return on Assets , Cash Turnover , Receivable Turnover	3.702656	0.000915	Significant	
Adjusted R-Square			**Information**	
0.463102			Less Strong	

Source : Processed data (2023)

Based on Table 4, test *goodness of fit* on the *fixed effect model* show mark probability of 0.0000 more small of 0.05, then all variables The free assets used in this study together significantly affect liquidity company, it means that this research model is feasible with an *Adjusted R-squared* value of 0.4631, it means that all independent variables, namely *Return on Assets, Cash Turnover* and *Receivable Turnover* can explain the changes liquidity company of 46.31%, while the remaining 53.69 % is explained by other factors not included in this model.

Table 5. Random Effect Models

t test (Coefficient)				
Variables	**Coefficient**	**t-Statistics**	**Probability**	**Information**
Constanta	2.550662	9.557832	0.0000	
Return on Assets	0.000985	0.023302	0.9815	No Significant
Cash Turnovers	0.015624	0.325065	0.7467	No Significant

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Receivable Turnover	-1.915410	-1.024134	0.3114	No Significant
F test (Anova)				
Variables	**t-Statistics**	**Probability**	**Information**	
Return on Assets , Cash Turnover , Receivable Turnover	0.201586	0.894738	No Significant	
Adjusted R Square			**Information**	
-0.204856			No There is Contribution	

Source : Processed data (2023)

Based on Table 5, test *goodness of fit* in the *random effect model* show mark probability of 0.8947 more big of 0.05, then all variables The independent ones used in this study were not jointly influential significant to liquidity company, means this research model is not worthy with an *Adjusted R-squared* value of -0.2048, it means that all independent variables, namely *Return on Assets, Cash Turnover* and *Receivable Turnover* No can explain the changes liquidity company by -20.48%.

Effect of Return on Assets on Liquidity

Return on assets show probability of 0.000 more small of 0.05, mean *return on assets* influential negative and significant to liquidity company. Empirical results different research with Husna & Satria (2019) state *return on assets* influential positive and significant to liquidity. Findings empirical This means increase *return on assets* by 1%, vice versa will lower liquidity company by 200%. Possibility the more tall mark *return on assets*, temporarily company more prioritize increase equity and finance activity operational compared to pay term debt short growing company increase. This is what causes happening decline liquidity company.

Influence *Cash Turnovers* to Liquidity

Cash turnover shows probability of 0.357 more big of 0.05, mean *cash turnover* no influence liquidity company. Empirical results study This different with Nasution & Lumbantoruan (2021) ; (Nasution et al., 2022) state that influential *cash turnover* positive and significant to liquidity. Findings empirical This means every change *cash turnover*, experience increase decline no influence liquidity company.

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Influence *Receivable Turnover* to Liquidity

Receivable turnover show probability of 0.178 more big of 0.05, mean *receivable turnover* no influence liquidity company. Empirical results different with (Nasution & Lumbantoruan, 2021) ; (Ammy & Alpi, 2018) ; (Rusdiyanto et al., 2019) state that *receivable turnover* influential positive and significant to liquidity. Findings empirical This means every change *acceptable turnover*, good experience increase decline no influence liquidity company

CONCLUSION

This research model does analysis panel data regression with results study determine the best fixed effect model compared to common effect and random effect models, as following: a) *Return on Assets* influential negative and significant to liquidity company. Findings empirical this no in accordance with hypothesis stated research that *Return on Assets* influential positive and significant to liquidity company automotive. b) *Cash Turnover* is not influential significant to liquidity company. Findings empirical This No in accordance with hypothesis stated research that *Cash Turnover* matters negative and significant to liquidity company automotive. c) *Receivable Turnover* no influential significant to liquidity company automotive. Findings empirical This no in accordance with hypothesis stated research that *Receivable Turnover* influential positive and significant to liquidity company automotive.

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