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Effectiof Cash Turnover, Receivable Turn over, Inventory Turnover and GrowthOpportunity on Profitability

Abd. Rauf Wajo[1*]

Abstract

The purpose ofthis study is to analyze cash flow accounts receivable turn over, inventory turnover, and growth opportunity forthe profitability of manufacturing companies listed on the Indonesian Stock Exchange. This research was conducted at manufacturing companies listed on the Indonesia Stock Exchange. This study's population were manufacturing companies listed on the Indonesia Stock Exchange in 2013 -2016 , totaling 137 companies. The number of samples used in this study was 16 companies using the purposive sampling method. The data was collected using the documentattion method. The type of data used is quantitative, while the data source used is secondary data. This study indicates that cash turnover has a positive and significant effect on profitability, accounts receivable turnover has a positive and significant impact on profitability, has a positive and significant impact on profitability, and growth opportunity has a positive and insignificant effect on profitability.

Keywords: Profitability Cash Turnover, Receivable Turnover , Inventory Turnover, Growth Opportunity .

1. Introduction

Every business strives to achieve its primary objective of profit maximization (Wiranata & Nugrahanti , 2013; Ahmad et al., 2018 ; Hala , 2020; Mira , 2020; Anwar & Gunawan, 2020; Amran et al., 2021). Working capital iscritical or businesses , and its management must be highly valued and closely monitored. This is because working capital is typically used tocover operational costs associated with a business. Excessive working capital indicates that funds are being wasted and will ultimately harm the business by squandering the opportunity to earn profits Working capital's effectivenes is a metric that indicates the most efficient use of a business's working capital to maximize profitability Abesty & Puspitasari, 2014). Given the critical nature of working capital in a business financial managers must budget forit appropriatelly. If capitalis either excessive or insufficient,it willhurt itsprofitabilitiy (Supriyadi & Fazriani2011).

Competition in all industrial sectors is getting tighter so that the number of manufacturing companies is increasing every yea Manufacturing companies carry out the production process from purchasing raw materials and processing raw materials to inished products to get the maximum profit. On the Indonesia Stock Exchange, there are 137 companies from the manufacturin industry that are engaged in the chemical industry, consumer goods, and various other industries . In industrial companies, problems often arise in managing working capital, a driving force for poor management, such as slow inventory turnover. Even though many factors cause it, an inventory turnover that is too slow or a small value can indicate that product management and other related components are not in the best condition.Working capital is divided into three components: cash, accounts receivable, and inventory. These three components of working capital can be managed in various ways to increase profitability or foster business growth Lazaridis & Tryfonidis, 2006). Growth opportunities exist for the future expansion of a business (Humaira & Sagoro 2018). Profitability and growth of previous assets will indicate future profitability and growth (Hermuningsih & Wardani, 2009). Businesses with significant growth potential have a high investment value, particularly in fixed assets with a longer economic life than one year.

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This research refersi toi the pecking order and trade-offi theories. The peckinig order theory advanced by (Frank & Goyal, 2003) explains why businesses prefer to finance activities with internal sources of funding (retained income), specifically retained earnings and depreciation, rather than external sources of funding (debt, shares). Meanwhile, the pecking order theory explains a relationship between the use of debt, taxes, and bankruptcy costs due to the business's capital structure (Surjadi & Sinambela, 2017).

Theoretically , there is a strong correlation between working capital effectiveness and firm profitability. Effective working capital management demonstrates that the available working capital is sufficient to meet the business's operations' needs without being excessive Effective workin capital management enables a business to operate economically and profitably . The research will focus on manufacturing companies listed on the Indonesian Stock Exchange between 2013 and 2016. Manufacturing companies manage the entire production process , from the acquisition of raw materials to the processing ofraw materials and the final form of finished goods to maximize profit.

Effectiveness is defined as the quantity , quality , and duration of accomplishments (Putra & Badjra, 2015). Working capital is a long- term financing source primarily used to fund a business's daily operations (Nuriyani & Zannat i, 2017). Working capital is defined by Ayunitha (2020) as the difference between current assets and current liabilities. Working capita l effectiveness is a metric that indicates how effectively a business uses its working capital to accomplish its objectives (high return on assets) (Ridwan & Sandy , 2019). Risyaldi et al., 2017) proposed several concepts for working capital, including 1) Liquidity is a quantitative concept that refers to the total amount of liquid assets 2) According to this concept, working capital is included in current assets and can be used to fund business operations without jeopardizing the compannny's liquidity 3) Thisis a functional concept; itis based on funds' role in generating income .

The working capital can be classified according to its requirements (Risyaldi et al., 2017). Thus, working capital can be classified into two types: (fixed working capital and variable working capital). Working capital continues to be the amountof money that a business must have to operate normally during an accounting period . Meanwhile , variable working capital refers to the working capital required over a specified time perio which varies according to changes in the external environment over that time period. The term "working capital" is frequently used to refer to the difference between current assets and liabilities . This means that by comprehending current assets and liabilities' contents, ascertaining which components of working capital are (Oktavia & Nugraha , 2020).

Current assets include cash and other assets that can be readily converted to cash , sold , or used within a year . Cash , securities , account receivable , inventories , and prepaid expenses comprise it . Current liabilities are expected to be paid off within a short period of time , typically one year . Trade payables, notes payable, short-term bank loans, tax payable, accrued expenses, and the current portion of long-term debt are included . Saraswati , (2012) categorizes working capital's role in businesses as protecting them from working capital crises caused by the decline in the value of current assets , enabling them to meet their obligations on time , and enhancing their credit standing. They enabled it to maintain sufficient inventory to meet consumer demand and to operate more efficiently.

Saraswati, (2012) also provides the view three kinds of ratios can be used to measure the effectiveness of working capital, namely cash turnover, accounts receivable turnover , and inventory turnover. Cash turnover is used to determine how effective the company is in managing its cash funds to generate income or sales . Receivable Turn Over is used to measure a company's ability to manage funds embedded in rotating receivables in a certain period (Nuriyani & Zannati , 2017). Furthermore , inventory turnover is used to show how many times the inventory can rotate in a year (Demeter & Matyusz , 2011).

A growth opportunity is a growth ratio that indicates a business's ability to maintain its economic position in the face ofeconomic growth and changes in its industry (Permana, 2017). Businesses with high growth rates should finance themselves through equity to avoid agency costs between shareholders and management. On the other hand, businesses with slow growth rates should consider debt as a financing source, as debt requires the business to pay interest regularly (Rahman et al., 2015). Changes in total assets are used to determine a company's growth . Asset growth can be defined as the change in or annual growth rate of a company's total assets from one year to the next.

Profitability is defined as the relationship between revenue and expenses generated by the efficient use of company assets that remain in productive activities (Permana, 2017). The profitability ratio measures a company's ability to earn profits from all of its existing capabilities and sources, including sales activities, cash, capital, employee count, and branch count (Permana, 2017). According to (Permana, 2017), profit ratios come in a variety of forms. One such ratio is the gross profit ratio, which indicates the percentage of net profit earned on each sale. Profit margin, which isexpressed as a percentage of revenue before taxes and interest. The net profit margin isthe percentage of sales remaining after interest and taxes are deducted Earnings pershare or EPS , is a ratio that indicates the profitability or profit of a single share unit . Retur non assets(ROA which is used to calculate the return on equity or return on investment of common stockholders, and return on equity (ROE) are used to determine management's effectiveness in managing the company's assets.

ROA can be used to determine the efficiency with which available assets generate profits or the capacity to generat return on investe capitall (Hornee & Wachowiczz 1998). The highe the ROA, thi betterr the perrformance, as the rerturn on equiity is more importantt in attracting investors seiking a return rate on their iinvestment in thhe business. The ROA indicatoriss a financiaal metricc that is frequentliy used to evaluatee a companny's performannce.

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H1 : Cash Turnover has a positive and significant effect on profitabilitty.

Accounts receivablle are created when a busines sellss on creditt to increasse its busines volume . With a high turn over of accountss receivablle, the capital inaccounts receivablee will dwindlle. The capital can then beinvested in profitable activitiesto maximize the companys profitabilitiy. This isbacked upby researcch (Zahroh & Nuzula, 2014), demonsstrating that accounnts receivablle turn over affeccts profitabiliity.

H2: Accounts Receivable Turn over has apositive and significant effect onprofitability

The primariy component inventory is working capital assets that are constantly rotating and changing (Supriyadi & Fazriani, 2011). The higherr the inventoriy turn over rate , the lower the maintenancce costss. The loweer the companiy's fees , the more profitable itis (Supriyadi & Fazriani, 2011). Yanthi & Sudiartha's (2017) researcch demonstrates that inventoriy turn over affects profitabilitiy.

H3: Inventory Turn over has a positive and significannt effectt on profitabilitiiy

Growth potential is ameasure of acompany's ability to maintain its economic position in the faceof competition (Chen & Zhao, 2006). Increased sales, followed by improved operating results, will bolster outsiders' confidence in the company. With the increase inexternal trust (creditors), theproportion of debt has surpassed equitiy. This is based on creditorss' confidience that the companiy's funds are secure due tothe size of its assets; healthy growth indicatess the companiy's continued growth and profitabilitiy. This study's findings are corroborated by research conducted by (Lestari & Hermanto 2015), which demonstrates that growth opportunitiy affeccts profitabilitiy.

H4: Growth Opportuniity has a positive and significant effecct on profitability

2. Research Design and Method

This research was conducted at manufacturing companies listed onthe Indonesia Stock Exchange. This study's population were manufacturing companies listed on the Indonesia Stock Exchange in 2013 - 2016, totaling 137 companies . Atthe same time, the sample used inthis study amounted to 16 manufacturinng companis. The data was collecteed using the documentation method . The type of data used inthis research isquantitative data. While the data used in this study are secondariy, nameily data inthe form ofi writing or companiy documents. The analysiss method used totest the hypothesis is the classical assumption test analysiss method, multiple regression analysis test, and hypothesis testing.

3. Results and Discussion

Result Analysis

From the observation of table1, it canbe seen thatthe lowest cash turn over valuein manuffacturing companies lissting onthe Indonesia Stock Exchange inthe 2013 period is PT. Indocement Tunggal Prakarsa Tbk with the company codeINTP of3.11 Inthe2014 and2015 periods, the company PTIndo-Rama Synthetics Tbk with companny codes INDR of2.56 and4.18.And inthe 2016 period, PT Indocement Tunggal PrakarsaTbk withthe companny code INTP of2.76. Mean while, the highhest cash turn over value in manufacturing companies listing onthe *Indonesia* Stock Exchange inthe2013 period is PT.IndoKordsa,Tbk withthe company code BRAMof18.34. Inthe2014 period, PT.Selamat Sempurna, Tbkwith thecompanycode SMSMof16.95. Inthe2015 period, PT Goodyear Indonesia, Tbk with the company code GDYR of 16.86. And inthe2016 period,PT. IndoKordsa, Tbk with thecompany code BRAM of19.34. This shows that thehigher thecompaniy's cashturn over, thelesspossible risk ofthe companiy's inabilitiy to pay its obligations, which means that cash ismore efficient and increases the possibiliitiy ofthe companiy obtaining high profitabilitiy. The lowest receivable turnover value for manu facturingcompanies listing onthe Indonesia Stock Exchange forthe2013 and2014 periods is PT.Indo Kordsa,Tbk with the companycode BRAM of2.41 and2.01. In the2015 period, PTGoodyear Indonesia, Tbk with thecompany code GDYR of1.44. Andinthe2016 period, PT.Nipress, Tbk with thecompany code NIPS of2.21. Meanwhile, thehighest receivable turn over value inmanufacturring companies listed onthe Indonesia Stock Exchange forthe2013-2015 period isPT. Indomobil Sucses

Internasional, Tbk with thecompany code IMAS. Inthe2013 period amounted to20.54. Inthe period2014 amounted to 22.55. Inthe 2015period, itwas 25.32, and in the 2016 period, PT. Gajah Tunggal, Tbk with the company code GJTL, whichis 20.87. This shows that the higher the turnover rate of accounts receivable, the more likely the company will obtain high profitabilitiy. The lowest inventory turnover value for manufacturing companies listiing on the Indonesia Stock Exchangein the2013 period isPT. Gajah Tunggal, Tbk with the company code GJTL of1.49. Inthe 2014 period, PT. Indospring, Tbk with the company code INDS of 2.17. In the 2015 and 2016 periods, PT.Holcim Indonesia, Tbk with theCompany codes SMCB of1.49 and1.47. Meanwhile, the highest inventoriy turnover value for manufacturing companies listing on the Indonesia Stock Exchange for the 2013 and 2014 periods is PT. Astra Otoparts Tbk, with the company code AUTO, nameliy8.51 and8.82. Inthe 2015 period, PT. Indo Kordsa, Tbk with thecompaniy code BRAM of 8.76. And inthe 2016 period, PT. Multistrada Arah Sarana, Tbk with the company code MASA of 6.59. This shows thatthe higher the inventoriy turnover,the costs incurred for maintenannce and maintenance of small inventoiry to save cost .

Table. 1. Manufacturinng Companiy Cash Turnoveer 2013 - 2016

No.	Code Company	Cash Turnover				Receivable Turnover				Inventory Turnover			
		2013	2014	2015	2016	2013	2014	2015	2016	2013	2014	2015	2016
1	ARGO	13,98	13,35	14,46	12,72	6,8	3,45	2,46	2,25	6,8	3,45	2,46	2,25
2	BRAM	18,34	14,23	16,62	19,34	2,41	2,01	3,48	6,84	2,41	2,01	3,48	6,84
3	GDYR	17,12	10,7	16,86	10,04	6,33	2,97	1,44	5,67	6,33	2,97	1,44	5,67
4	SMSM	12,34	16,95	5,98	11,01	4,35	4,69	4,73	4,01	4,35	4,69	4,73	4,01
5	SMCB	16,14	3,75	6,19	8,04	10,13	10,17	8,39	9,24	10,13	10,17	8,39	9,24
6	GJTL	14,67	13,88	4,4	3,56	6,64	18,93	16,76	20,87	6,64	18,93	16,76	20,87
7	IMAS	14,33	11,37	6,98	6,61	20,54	22,55	25,32	18,11	20,54	22,55	25,32	18,11
8	INDR	6,9	2,56	4,18	5,87	6,23	4,22	8,41	6,55	6,23	4,22	8,41	6,55
9	INDS	12,27	11,81	12,14	13,23	6,98	6,78	5,91	5,85	6,98	6,78	5,91	5,85
10	INTP	3,11	3,35	4,46	2,76	11,8	8,45	6,46	4,58	11,8	8,45	6,46	4,58
11	MASA	4,81	8,08	6,62	9,34	8,43	6,19	8,24	8,86	8,43	6,19	8,24	8,86
12	MYTX	7,14	10,17	11,43	10,54	12,64	11,87	13,09	12,51	12,64	11,87	13,09	12,51
13	NIPS	10,69	11,25	12,98	11,81	2,45	2,89	2,93	2,21	2,45	2,89	2,93	2,21
14	ADMG	6,14	3,85	6,29	8,61	8,19	10,35	8,55	9,67	8,19	10,35	8,55	9,67
15	ASII	14,89	12,48	14,4	13,56	8,45	6,59	6,89	7,83	8,45	6,59	6,89	7,83
16	AUTO	12,83	11,97	16,18	16,61	10,42	10,87	11,19	10,45	10,42	10,87	11,19	10,45

Tablle 2 illustrates the calculation of growth opportunities from 2013-2016 in manufacturing companies listed on the Indonesia Stock Exchange.

Table 2. Growth Opportunitiy and Profitabilitiy of Manufacturing Companyes 2013 - 2016

No	Code Company	Growth Opportunity				ROA			
		2013	2014	2015	2016	2013	2014	2015	2016
1	ARGO	6,63	6,34	5,47	4,9	21	13	6	6,56
2	BRAM	4,48	3,82	9,1	9,84	6,91	5,13	13,8	11,4
3	GDYR	10,34	10,78	11,64	14,6	11	8,5	5	6,3
4	SMSM	5,12	4,27	4,59	5,09	9	10	4	17,74
5	SMCB	9,05	9,61	35,46	25,24	15,05	12,83	9,8	8,63
6	GJTL	42,54	48,53	51,76	73,49	9,27	37,8	39,47	35,87
7	IMAS	10,23	8,93	9,3	4,65	57,3	56,4	53,4	31,78
8	INDR	6,61	6,42	6,55	6,34	6,89	2,58	8,78	3,68
9	INDS	6,77	6,23	6,73	7,34	14,9	12,41	13,96	14,62
10	INTP	6,68	6,38	5,37	4,15	15,4	13,21	16,11	16,56
11	MASA	4,28	4,32	4,21	4,45	6,51	4,33	3,82	8,4
12	MYTX	10,84	13,88	11,74	14,62	11,13	10,5	8,23	9,3
13	NIPS	2,12	4,57	2,51	4,49	12,12	10,1	12,4	12,78
14	ADMG	6,15	7,61	8,87	9,24	13,05	12,73	16,85	18,43
15	ASII	6,54	8,53	6,76	7,49	35,29	34,89	36,87	35,34
16	AUTO	8,83	8,63	6,13	6,35	52,34	51,42	53,44	52,26

From the observattion of table2, itcan beseen thatthe lowest growtth opportunitiy value inmanufacturing compannies listinng on the Indonesian Stock Exchange inthe2013 period isPT. Nipress, Tbk withthe Company codeNIPSof

2.12. In the 2014 period, PT.Indo Kordsa, Tbk with the companiy code BRAM of3.82. In the 2015 period, PT. Nipress, Tbk withthe Companiy code NIPS of2.51. Inthe 2016 period, PT. Indocement Tunggal Prakarsa, Tbk with the company code INTPof4.15. Mean while, the highesst Growth Opportunitiy value in manufacturing companies listiing on the Indonesian Stock Exchange forthe 2013-2016 period isPT. Gajah Tunggal, Tbk with thecompaniy code GJTL. Inthe2013 period amountedto42.54. The 2014 period amounted to48.53. Inthe 2015 period, itwas 51.76, and inthe 2016 period, itwas 73.49. This shows that companis withhigh growth opportunitis have alarge amount ofinvestment value, especialliy infixed assets whose economic ageis more than oneyear. The lowest return on assets (ROA) value for manufacturing companies listing on the Indonesian Stock Exchange inthe 2013 period isPT. Multistrada Arah Sarana, Tbk with theCompany code MASA of6.51. In 2014, PT. IndoRama Synthetics, Tbk with thecompany code INDR of2.58. In2015, PT. Multistrada Arah Sarana,Tbk with theCompany code MASA of3.82. And in2016 is PT. Indo-Rama Synthetics, Tbk with thecompany code INDR of3.68. Meanwhile, the highest return onassets (ROA) value for manufacturing companies listing onthe Indonesia Stock Exchange forthe 2013-2016 period isPT. Astra Otoparts, Tbk withthe company code AUTO. Inthe 2013 period amounted to 52.34. In the 2014 period, itwas 51.42. Inthe 2015 period, itwas 53.44. And inthe 2016 period of52.26. This shows thatcompanis with high profitabilitiy can attract creditors to provide credit and issuerrs to issue securitis to the companiy.

The normalitiy test inthis study aims totest whether there are confounding variables (error) or residuals that have a normal distributiion inthe regression model. This study will conduct aOne-Sample Kolmogorov-Smirnov Test (KS) statistical test todetect the data's normalitiy. If the value is Asymp.Sig. (2-tailed) ≥5% signify cance value, thenthe data is considered tobe normalliy distributed. Meanwhile, ifthe value ofAsymp.Sig. (2-tailed)≤5%, then theinformation is considereed tobe not normalliy distributed . The results of theOne-Sample Kolmogorov-Smirnov Test (KS) statistical test canbeseen intable3:

Tabblee 3. Normalitiy Test Results

		Unstandardized Residual
N		64
Normal Parameters a,b	Mean	,0000000
	Std. Deviation	11,13550027
Most Extreme Differences	Absolute	,084
	Positive	,084
	Negative	-,071
Kolmogorov- Smirnov Z		,672
Asymp. Sig (2-tailed)		,757

a. Test distribution is Normal.
b. Calculated from data.

Based onthe resultsof normalitiy testing intable3, it can beseen that the research data is normalliiy distributted. This canbe seen from Asyimp. Sig (2-tailed)of0.757> a significance value of0.05 (5%). Multicollinearitiy test thistest aims to test whether there isa correlation between independent variables. Themulticollinearitiy test results canbe seen in table 4:

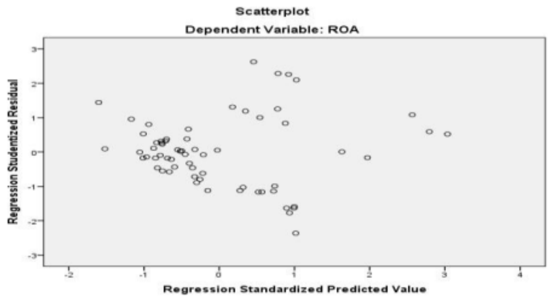
Tablee 4.Multicollinearitiy Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
Cash Turnover	,628	1,592
Receivable Turnover	,865	1,157
Inventory Turnover	,741	1,349
Growth Opportunity	,623	1,605

a. Dependent Variable: ROA

Based ontable4, it isknown that there isno multi collinearitiy in testing cash turn over onreturn on assets (ROA). This can beseen from the VIF value of cash turn over, which is1.592, which means no more than 10. This can alsobe seen from thecash turnover tolerance value of0.628 , which means not less than0.1. There isno multicollineanrity in testting receivables turn over on return on assets (ROA). This can be seen the VIF value ofthe accounts receivable turn over amounting to1.157, which means nomore than10. This can also be seen from the value of the receivables turn over tolerance value of0.865, which means notless than0.1. There isno multicollinearitiy intesting inventoriiy turn over onreturn on assets (ROA).This canbeseen fromthe VIF valueof the inventoriy turnover amounting to1.349, which means nomore than 10. Thiscan also beseen from the inventoriy turnover tolerannce value of0.741 , which means less than0.1. Testing growth opportunnitiy on return onassets (ROA) doesnot show multicollinnearity. This can beseen from the VIF value ofthe growth opportunitiy, which is1.605, which means no more than10. This canalso beseen from thetolerannce growth opportunitiy value of0.623,which means less than0.1.

A heteroscedasticitiy testis carried out totest whether the regression model has inequalitiy ofvariants fromthe residualsofone observation to another. Heteroscedasti city testing can beseen with a scatterplot graph which can beseen



inFigure1 :

Figure 1. Heteroscedasticcity Test Results

The heteroscedasticitiy test results inFigure 1 show that thedata used doesnot experience heteroscedasticitiy. The dots spread above and below the 0 onthe Y -axis and do not form a specific, straightforward pattern. The determination coefficient test was conducted to determine how much influence the independent variables used in the study were cash turn over, accounts receivable turn over, inventoriy turn over, and growtth opportunitiy.

Table 5. Resuls of Testing the Coefficient of Determination (R2)

Model	R	R Square	Adjusted R Square	Std. Error of theEstimate	Durbin- Watson
1	,698[a]	,488	,453	11,50679	,658

Table 5 shows thecoefficcient of determinatiion of0.453. This indicates that thecontribution of cash turn over accounts receivable turn over, inventory turnover, and growth opportunitiy to profitabilitiy proxied byreturn on assets (ROA)is 45.3%.Th remaining 54.7% is influenced byother variables, not inthis studey. Further more, a simultaneous test iscarried out to testwhether there isan effect of the independent variable as a whole onthe dependent variable. This test uses α5%. With provisions, if the significance ofthe Fcount <0.05, theproposed hypothesis can be accepted.

Table 6. Simultaneous Test Results

Model		Sum of Squares	df	Mean Square	F	Sig .
	Regression	7435,861	4	1858,965	14,040	,000[b]
1	Residual	7811,960	59	132,406		
	Total	15247,821	63			

Table 7. Multiple Linear Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig	Collinearity Statistics	
		Std. Error	Beta			Tolerance	IF
(Constant)	9,817	5,965		3,322	002		
Cash Turnover	,629	,350	,547	4,656	000	,628	1,592
Receivable Turnover	,064	,346	,308	3,077	003	,865	1,157
Inventory Turnover	,422	,930	,282	2,605	012	,741	1,349
Growth Opportunity	129	,146	,105	,886	379	,623	1,605

a. Dependent Variable: ROA

Table6 shows that the significance level is smaller than0.05; So itcan besaid that cash turn over, accounts receivable tum over, inventoriy turn over, and growt opportunitiy simultaneousliy (together) influence profitabilitiy, with a probabilitiy of0.000 . Since the chance is smaller than the significant valueof 0.05, a regression model can be used to predict profitabilitiy . Multiple Linear Regression Test was conducted to determine the effect of cash turn over, accounts receivable turn over, inventoriy turn over, and growth opportunitiy on return on assets. The relationship between the independent variable and the dependent variable can be formulated into the following equation:

$$Y = -9,817 + 1,629X1 + 1,064X2 + 2,422X3 + 0,129X4$$

Theregresstion coefficient value ofthe effect of cash turn over onprofitabilitiy as proxied by return on assets (ROA) shows a value of1.629 with a significance value of0.000 less than 0.05 so that the cash turn over variablehas a significant effect on profitability which is proxied byreturn on assets (ROA).The results of testing thefirst hypothesiss are that cash turn over significantliy affects profitabilitiy, which is proxied byreturn on assets (ROA) and is declared accepted .

The regresstion coefficiennt value ofthe effect of receivablles turn over onprofitabilitiy as proxied by returnon assets (ROA)shows a value .064 with a value of0.003 less than0.05. The receivables turn over variable has a significant effect on profitability which is by return on assets (ROA). The result of testing the second hypothesis is that accountsreceivablle turn over has a significant effect on profitabilitiy, which is proxied by return on assets (ROA) and is declared acepted.

The regression value ofthe effect of inventory turn over on profitabiliity as proxied by return on assets (ROA) shows a value of2.422 with a significance value of0.012 less than0.05. The inventoriy turn over variable has a significan effect on profitabilitiy which is proxied by return onassets (ROA). The result oftesting thethird hypothesis is that inventoriy tur nover has a significant effect onprofitabiliity, which isproxid by return onassets (ROA) and is declareed acepted.

The regresion coeficient value ofthe effect ofgrowth opportunitiy on profitabilitiy as proxied by teturn on assets (ROA) shows a value of0.129 with a significancce value of0.379 greater than0.05 so that the growth opportuniity variable doesnot have a significant effect on profitabiliity which is proxied by return on assets (ROA). The results of testing the fourth hypothesis, nameliy tha growth opportunitiy, donot significantliy affect profitabilitiy, which is proxied byreturn onassets (ROA) and is declared rejected.

Discussion

Testing the first hypothesis indicates that the higher thecash turn over, the companiy's cash is productive , so the companiy'sreturn on assets will increase. Pecking order theory suggests that companis use internal funding sources because they still adequate internal sources of funds, such as retained earnings. This is inline with the research results (Utami & Dewi, 2015; Yanthi & Sudiartha , 2017), which show that cash turnover affects profitabilitiy. The results of testing the second hypothesis show that the higher the turn over of accounts receiv able, the faster and more efficient the company isturning its assets. It also means that the companiy's chances of making a profit are increassing. Thisis in linewith the pecking order theoriy, which tends to use internal sources of funds because companies still have adequate internal sourcces of funds such asretained earnings.This is supported by research results (Prakoso ,Zahroh & Nuzula , 2014 Hoiriya , 2015 ; Utami & Dewi, 2015);receivables turnover affects profitabilitiy.

Theresults of testing the third hypothessis indiccate thathe higher the inventorry turn over rate , thehigher the turn over rateof funds embeded inthe inventorry. Thismeans thatthe amounnt of inventorry ina small companny, thus affeccting theincrease inprofit. Thisis in line with the pecking theorry, which tends to use internal sources offunds because compannies still have adequatte internal sources of funnds such as retainned earnings . This isin line with theresearch resultss (Santhi & Dewi, 2014 ; Utami&Dewi, 2015 ; Lestari&Farida, 2017), which show that inventorry turn over affects profitabilittiy. Theresults of testing the fourth hypothessis indicate that the increasing growtth opportunitty in a companny doesnot significantlly affect the rate of return on assets for the companny's operating activities orthe return onassets (ROA) obtained by thecompany. This isinline withthe trade-off theorriy, which states that a companny willnot reach theoptimal value ifall funding is financed by debt or does not use debt to finance company activities. This study's results do not support research conducted by (Lestari & Hermanto, 2015; Damayannti & Budiyantto, 2015; Kopong & Nurzannah, 2016), proving that growth opportunitiy affects profitabiliity.

4. Conclusions

Bassed onthe reserch and discussiion, it can be concludeed that the higherr the cassh turnoveeer, thehigher the profitabilitty, asmeasured bythe companny's return onassets (ROA). The higher the percenttage ofrotating accounts receivablles , the faster and more efficientlly ofthe companny turn its assets, implyiing a greatter profiit or profitabilitiy chance. The higher the inventoriy turnover rate, the lower the maintenance costs. Thelower the companiy's costs, thehigher its profitabilitiy . Meanwhile, growth opportunnitiy, which is calcullatted based on changes in the companny's total asets, has decreassed from the previouss period, indiccating that the companny has not grown significantlly, resultting in decreassed profitabilitty.

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