Analysis of Cash Round and Receivables Towards Liquidity of PT. Telecommunication Indonesia Tbk

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ABSTRACT. Accounts receivable turnover is high in a company is a condition of capital that will be higher and can be said to be liquid. High accounts receivable turnover will cause the company's capital to increase so that the company can be said to be liquid and vice versa if the receivables turnover is low it will cause the company's capital to decrease, so that the company is said to be illiquid. The cash flow statement is a tool to measure the level of liquidity of a company. Cash flow information is useful for assessing the ability of a company to generate cash flow. Cash flow forms the basis for company management to make decisions about whether to pay dividends to shareholders or to maintain funds and for future expansion and growth of the company. Liquidity is really needed by companies as a guarantee of fulfillment of short-term obligations. Management of current assets effectively and efficiently is very important for a company in order to maintain its liquidity, which plays a major role in determining how much change in working capital the company will use to achieve the profit the company expects.PT Telkom Indonesia (Persero) Tbk (Telkom) is a state-owned company (BUMN) engaged in information and communication technology (ICT) services and telecommunications networks in Indonesia. Telkom's majority shareholder is the Government of the Republic of Indonesia at 52.09%, while the remaining 47.91% is controlled by the public. Telkom's shares are traded on the Indonesia Stock Exchange (IDX) with the code "TLKM" and the New York Stock Exchange (NYSE) with the code "TLK". PT Telkom's cash and short-term investment in 2018 amounted to Rp. 18,743,000 * while in 2019 amounting to Rp. 15,709,000 * this indicates that there was a decrease of Rp. 3,034,000 * or about 20% for cash and short term investment of PT Telkom. Then in terms of PT Telkom's Net Receivables in 2018 amounting to Rp. 12,737,000 * while in 2019 amounting to Rp. 15,837. 000 *. This shows that Net Receivables have increased by Rp. 3,100,000 *, - or about 21%. Therefore, it is necessary to research whether Cash Turnover and Accounts Receivable Turnover affect the Liquidity of PT. Telkom Indonesia Tbk. This research is a descriptive quantitative research. The data used in this study are secondary data taken from the Indonesia Stock Exchange which consists of the balance report and the profit and loss report of PT. Telkom Indonesia Tbk. Period 2014 to 2018. The data collection techniques used were literature study and documentation. The data analysis technique used is the classical assumption test consisting of: normality test, multicollinearity test, autocorrelation test and heteroscedasticity test, multiple linear regression analysis, correlation analysis, t test and F test. Based on the results of the research conducted, it can be found that the cash turnover variable has a positive and insignificant effect on the liquidity of the company PT Telekomunikasi Indonesia Tbk, while the account receivable turnover variable has no positive and significant effect on the liquidity of the company PT Telekomunikasi Indonesia Tbk. Cash turnover and accounts receivable turnover simultaneously have a positive and significant effect on the liquidity of the company PT Telekomunikasi Indonesia Tbk

Keywords: Cash Turnover, Accounts Receivable Turnover, Liquidity.

1. INTRODUCTION

The development of technology has made companies engaged in the telecommunications sector compete to make product services that can serve the needs of the community. Telecommunication is an important sector that supports economic growth in Indonesia. The economic growth in Indonesia provides telecommunication companies with a great opportunity to expand their business.

Accounts receivable turnover is a high capital condition that will be higher and can be said to be liquid. High accounts receivable turnover will cause the company's capital to increase so that the company can be said to be liquid and vice versa if the receivables turnover is low it will cause the company's capital to decrease, so the company is said to be liquid (Hery 2013).

The company's cash flow statement is a tool to measure the company's liquidity level. Cash flow information is useful for assessing the company's ability to generate cash flow. Cash flow becomes the basis for company management to make decisions about whether to pay dividends to shareholders or maintain funds for future expansion and growth of the company (Sani, 2016).

Liquidity is really needed by companies as a

guarantee of fulfillment of short-term obligations. Effective and efficient management of current assets is very important for a company in order to maintain its liquidity which plays a role in determining how much change in working capital the company will use to achieve the profit that the company expects (Debbi, 2012).

PT. Telkom Indonesia (Persero) Tbk (Telkom) is a state-owned company (BUMN) engaged in information and communication technology services and telecommunications networks in Indonesia. Telkom's majority shareholder is the Government of the Republic of Indonesia at 52.09%, while the remaining 47.91% is controlled by the public.

In 2018 Telkom had total cash and cash equivalents of Rp. 17,439 billion (US $ 1,213 million), a decrease of Rp. 7,706 billion or 30.6% compared to 2017 which was recorded at Rp. 25,145 billion. The largest cash receipts amounting to Rp131,469 billion or 78.3% came from operating activities, followed by revenues from financing activities amounting to Rp35,398 billion or 21.1% and revenues from investing activities amounting to Rp962 billion or 0.6%.

In terms of capital structure In 2018, Telkom's debt to equity ratio (DER) was 0.38 times and the debt service coverage ratio was 1.9 times. This shows Telkom's excellent ability to pay off its debts. During 2018, the Company has complied with the capital requirements provided by external parties.

A. Formulation of the problem

Based on the description on the background of the problem above, the problem formulation in this study is "Does cash turnover and accounts receivable turnover affect liquidity at PT. Telekomunikasi Indonesia Tbk ".

B. Research purposes

The purpose of this study was to determine the effect of cash turnover and accounts receivable turnover on liquidity at PT. Telekomunikasi Indonesia Tbk ".

2. LITERATURE REVIEW

A. Cash Turnover

Cash turnover can be interpreted that in one period it can be calculated by the formula: cash turnover = (net sales) / (average cash) x1 time. The higher the cash turnover rate, the faster the return of cash in to the company.

Cash turnover is the turnover of a number of working capital that is embedded in cash and bank in one accounting period. The cash turnover is known by comparing the amount of income and loans with the average amount of cash. Thus the cash turnover rate shows the speed at which the working capital that is invested in cash or cash equivalents returns to cash through sales or revenue. According to Riyanto (2011: 95) "Cash turnover is the ratio between sales and the average amount of cash".

The cash turnover rate is a measure of the efficiency of the use of cash by the company. Because the cash turnover rate illustrates the speed of return of cash that has been invested in working capital. Cash is needed by companies both to finance day-to-day operations of the company and to make new investments in fixed assets. In measuring the rate of cash turnover,

source of cash inflows that have been invested in working capital comes from the company's operational activities. Therefore, the source of cash in this study comes from sales activities. The higher the cash turnover rate, the faster the cash returns to the company. Thus cash can be used again to finance operational activities so that it does not interfere with the company's financial condition.

B. Accounts Receivable Turnover

Accounts receivable turnover is very important for a company. The higher the accounts receivable turnover, the more receivables that can be collected by a company, so that it will reduce uncollectible accounts and can streamline the company's cash flow.

According to Munawir (2002) provides information that the position of accounts receivable and the estimated time of collection can be assessed by calculating the turn over receivable rate, namely by dividing total credit sales (net) by the average receivables. Meanwhile, according to Riyanto (2001) states that the receivable turn over can be found by dividing the amount of credit sales during a certain period by the average amount of accounts receivable. Smooth acceptance of company receivables and measuring whether or not the company's investment in receivables can be seen from the turnover rate of its accounts.

C. Liquidity

Liquidity is one of the most important financial aspects for analysis. This is because liquidity is one of the tools that can be used to assess the success of a company which can be seen from how much the company's ability to fulfill its current asset obligations.

The meaning of liquidity according to Mardiyanto in his book the essence of financial management is: "Liquidity measures the company's ability to pay off short-term obligations (debt) on time, including paying off part of the long-term debt that matures in the year concerned." (Mardiyanto, 2009)

According to Munawir, in his book on financial statement analysis, the liquidity devention states as

follows: "Liquidity shows the ability of a company to meet its financial obligations that must be fulfilled immediately, or the company's ability to meet financial obligations when they are collected". (Munawir, 2007).

A company can be said to be liquid if the company is able to pay off its short-term financial obligations and long-term obligations that will mature in the year concerned. Conversely, if a company is unable to pay off its financial obligations, it is classified into a liquid company.

D. Framework

In this study, the independent variable is cash turnover, accounts receivable turnover, while the independent variable is company liquidity.
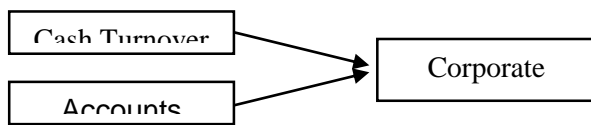

Fig 1. Framework

3. RESEARCH METHODS

This research uses a quantitative approach. The data used are time series data from 2014 - 2018 taken on the Indonesia Stock Exchange. The type of data used is secondary data in the form of numbers and data that is not in the form of numbers that cannot be calculated but in the form of explanations related to research. The data collection method used is documentation technique in the form of data collection that is not directly addressed to the research subject. The data was obtained through the Indonesian Capital Market Directory (ICMD) with steam from the financial statements of the company PT Telekomunikasi Indonesia Tbk for 2014-2018. The data analysis technique used was multiple linear regression using the Classical Assumption test, F test (Simultasn) and t test (partial).

4. RESULTS AND DISCUSSION

A. Research Result

Data of Cash Turnover, Accounts Receivable Turnover and Liquidity of PT Telkom Tbk

TABLE I. Cash Turnover, Accounts Receivable Turnover And Liquidity Data

No.	Year	Cash Turnover	Accounts Receivable Turnover	Liquidity
1	2014	3,017	0.821	9,497
2	2015	2,653	0.882	8,314
3	2016	2,340	0.901	7,275
4	2017	2,670	0.917	7,929
5	2018	2,809	0.837	7,635

Source: Data processed, 2020

Based on table I above, it can be seen that the highest cash turnover of PT Telkom Tbk was in 2014, amounting to 3.017 and the lowest was in 2016 which was 2,340. Meanwhile, accounts receivable turnover at PT. Telkom Tbk the highest was in 2017, which was 0.917 and the lowest was in 2014, which was 0.821. In terms of liquidity at PT Telkom Tbk, the highest was in 2014, amounting to 9,497 and the lowest was in 2016 which was 7,275.

B. Data Analysis Technique

1. Descriptive Statistical Analysis

Descriptive statistics function to determine the characteristics of the sample used in more detail. By using the SPSS program, descriptive statistics describe answers about respondents in the form of the minimum, maximum and mean values of each answer. The descriptive table is as follows:

TABLE II. Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Cash turnover	15	, 86	4.05	2,4425	1,11284
Accounts receivable turnover	15	, 71	, 97	, 8717	, 07082
Liquidity	15	3.76	32.52	10,1300	6,99414
Valid N (listwise)	15				

Source: Data processed, 2020

Based on table II above, it can be seen that the average cash turnover variable is 2.4425, for the accounts receivable turnover variable is 0.8717 while for liquidity is 10.1300 this shows that each variable is considered good

2. Multiple Linear Regression Test

TABLE III. Multiple Linear Regression Test

Coefficients^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	62,807	22,574		2,782	, 017		
	Cash Turnover	1,373	1,455	, 218	, 944	, 364	, 514	1,945
	Accounts Receivable Turnover	64,276	22,857	, 651	2,812	, 016	, 514	1,945
a. Dependent Variable: LIQUIDITY								

Source: Data processed, 2020

Based on table III above, it can be seen that the effect of cash turnover and receivables turnover on liquidity can be seen with the following formula:

$$Y = 62,807 + 1,373 X_1 + 64,276 X2$$

The coefficient value of each variable is positive, namely for cash turnover 1.373 and for accounts

receivable turnover 62.176 means that there is a positive and significant influence between the two independent variables on the dependent variable.

3. *Classic assumption test*

a. *Normality test*

Data normality testing is carried out to meet the requirements of the regression model that the data obtained has normal properties. A data is said to be normally distributed if the distribution of existing data spreads evenly around the diagonal line and follows the direction of the diagonal lines shown in the Normal Probility Plot image. The results of the normality test can be seen in the following figure:
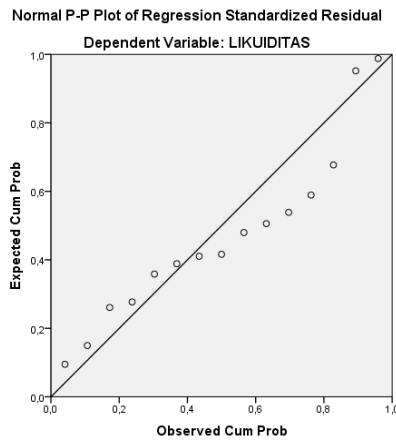

Fig 2. Normality Test Results
Source: Data processed, 2020

Based on Figure 2 above, it can be seen that the points spread around the diagonal line and follow the direction of the diagonal line, so this data model fulfills the assumption of normality.

4. *Heteroscedasticity Test*

This method is used to test whether in a regression model there is an inequality of the variance of the residuals from one observation to another. Detecting the presence or absence of heteroscedasticity symptoms is by looking at the presence or absence of a certain pattern on the scatterplot graph around the X and Y values. If there is a certain pattern, then there has been a symptom of heteroscedasticity. The following are the results of the heteroscedasticity test:
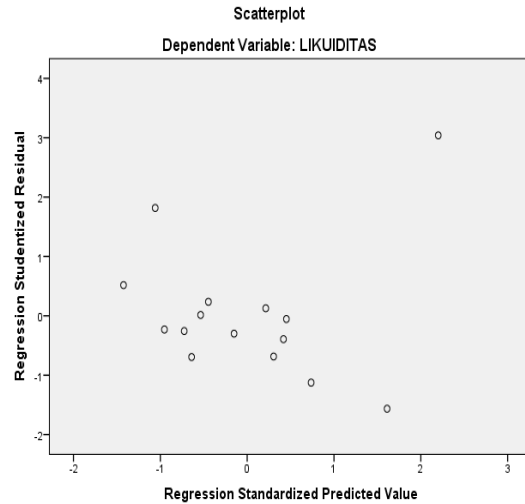

Fig 3. Heteroscedasticity Test Results
Source: Data processed, 2020

Based on Figure 3 above, it appears that the dots spread above and below the Y axis, and there is no certain pattern. Thus it can be concluded that heteroscedasticity does not occur.

5. *Hypothesis testing*

a. *Partial Test (T Test)*

Partial test (t test) is used to determine whether the cash turnover and accounts receivable turnover variables partially affect liquidity. The t table obtained from statistical data is 2,131. If tcount ≤ t table then Ho is accepted, while tcount ≥ t table then Ho is rejected. The partial test results can be seen as follows:

TABLE IV. Partial Test

Coefficientsa								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	62,807	22,574		2,782	, 017		
	Cash Turnover	1,373	1,455	, 218	, 944	, 364	, 514	1,945
	Accounts Receivable Turnover	-64,276	22,857	-, 651	-2,812	, 016	, 514	1,945
a. Dependent Variable: Liquidity								

Source: Data processed, 2020

Based on table IV above, it can be explained that the cash turnover variable shows the t value of 0.944 while the value in the t distribution table is 0.5 (5%) of 2.131. Then t count 0.944 <t table 2.131 means that individually the cash turnover variable (X1) has a positive and insignificant effect on company liquidity. Whereas for the account receivable turnover variable (X2) the t value is (-2.812), meanwhile the value in the t distribution table is 0.5 (5%) of 2.131. Then t count (-2.812) <t table 2.131 means that individually the account receivable turnover variable (X2) has no positive and significant effect on company liquidity.

b. *Simultaneous Test (Test F)*

The F test is performed to see how all the independent variables simultaneously influence the

dependent variable. Or to test whether our regression model is good / significant or not good /

not significant. Following are the results of the F test:

TABLE V. F Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	458,543	2	229,272	12,157	, 001b
	Residual	226,309	12	18,859		
	Total	684,852	14			
a. Dependent Variable: Liquidity						
b. Predictors: (Constant), Accounts Receivable Turnover, Cash Turnover						

Source : Data processed, 2020

Based on the results of the F test in table 4:35 above, it is known that there is an effect of cash turnover and accounts receivable turnover on liquidity of 12.157 with a significance value of 0.001. Value 0.001 <0.05 so it can be concluded that cash turnover and accounts receivable turnover have a significant effect on liquidity.

c. Determination Coefficient Test

TABLE VI. Determination Coefficient Test Results

	Model Summary b			
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	, 818a	, 670	, 614	4,34270
a. Predictors: (Constant), Accounts Receivable Turnover, Cash Turnover				
b. Dependent Variable: Liquidity				

Source: Data processed, 2020

Based on table VI above shows that R Square, it is known that the total percentage in the dependent variable explained by the independent variable is 0.670 or 67%. This means that the effect of cash turnover and accounts receivable turnover on liquidity is 67%, while the remaining 33% is explained by other variables outside of this study.

C. Discussion of Research Results

1. Influence of Cash Turnover on Liquidity of PT Telekomunikasi Indonesia Tbk

Based on the analysis above, it shows that the cash turnover variable shows the t value of 0.944. Meanwhile, the value on the t table is 2.131, then the t count is 0.944 <t table 2.131 means that partially the cash turnover variable (X1) has a positive and insignificant effect on the liquidity of the company PT. Telecommunication Indonesia.
The results of this study are in line with research conducted by Hidayat (2018) which states that Cash Turnover has a positive effect on the level of liquidity in automotive companies listed on the Indonesia Stock Exchange.

2. The Effect of Accounts Receivable Turnover on the Liquidity of PT. Telekomunikasi Indonesia Tbk.

Based on the results of the above analysis, it shows that the variable receivables turnover (X2) with a t value of (-2.812) with a t table value of 2.131, then t count (-2.812) <t table 2.131. This shows that partially the receivable turnover variable

(X2) has no positive and significant effect on the liquidity of the company PT. Telekomunikasi Indonesia Tbk.

The results of this study are in line with research conducted by Nurjannah (2018) which states that accounts receivable turnover has no significant effect on liquidity at PT. Semen Tonasa in Pangkep Regency

3. Effect of Cash Turnover and Accounts Receivable Turnover on Liquidity of PT. Telecommunication Indonesia.

Based on the results of the f test above, it can be seen that there is an effect of cash turnover and accounts receivable turnover on liquidity of 12,157 with a significance value of 0.001. Value 0.001 <0.05 so it can be concluded that cash turnover and accounts receivable turnover have a positive and significant effect on the liquidity of PT. Telekomunikasi Indonesia Tbk.

This is in line with research conducted by Dewi et al which states that cash flow has a positive effect on liquidity, while receivables turnover has no positive and significant effect on company liquidity.

5. CONCLUSIONS AND SUGGESTIONS

A. Conclusion

From the calculation and analysis of the effect of cash turnover and accounts receivable turnover

on liquidity of PT Telekomunikasi Indonesia Tbk, the following conclusions can be drawn:

1. The cash turnover variable has a positive and insignificant effect on the liquidity of the company PT Telekomunikasi Indonesia Tbk
2. Accounts receivable turnover variable has no positive and significant effect on the liquidity of the company PT Telekomunikasi Indonesia Tbk.
3. Cash turnover and accounts receivable turnover together have a positive and significant effect on the liquidity of the company PT Telekomunikasi Indonesia Tbk

B. Suggestion

Based on the results of the discussion and conclusions above, the researcher suggests the company PT Telekomunikasi Indonesia Tbk to increase the company's liquidity in the following ways:

1. Manage effectively and efficiently about the advantages, disadvantages and needs of cash, by controlling cash flow.
2. It is necessary to increase efforts in managing accounts receivable by selling credit to customers to be more selective so as to avoid bad credit.
3. Cash turnover that is still not efficient can be increased by increasing product sales more so that cash flow can be smoother so that it can generate maximum profit.
4. Management must be able to control the working capital of the company by maintaining the increase in current debt and reducing current assets

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