The Effect of Cash Turnover, Receivables and Inventory on the Liquidity of Manufacturing Companies on the Indonesian Stock Exchange for the 2018-2022 Period

Mohamad Ferrari Fariel Noer Muhajiroh[1], Nurul Kamila[2]
[12]Universitas Bina Insani, Indonesia
Correspondent: nurulkamila@binainsani.ac.id[2]

ABSTRACT: The company is in a liquid state when the company is able to pay short-term debt. This study aims to determine the manufacturing sector companies listed on Bursa efek Indonesia with the effect of cash turnover, accounts receivable turnover and inventory turnover on liquidity. This research method uses quantitative methods with a sampling model of 5 years of financial statements and a population of manufacturing sector companies listed on Indonesian Stock Exchange. The analysis used is the classic assumption test, the coefficient of determination test, the multiple regression test, the t test and the F test. the results of the analysis show that cash turnover on liquidity is significantly negative, accounts receivable turnover on liquidity is not significant, inventory turnover on liquidity is not significant. While the results of cash turnover, receivables turnover and inventory turnover on liquidity are partially significant. Based on these results, only cash turnover is significant to liquidity, there is an opposite relationship due to negative results. So if cash turnover increases, liquidity decreases and vice versa.

Keywords: Liquidity, Turnover Ratio, Manufacture Industry

INTRODUCTION

In the current era of globalization, causing the business world in Indonesia to increase and develop. This development causes competition between companies to be very tight. Where each company tries to participate in competing and being the best in their respective fields, and being able to survive in the business world. This can add problems for management in a company to achieve this goal and carry out its business activities. Therefore, every company becomes motivated to improve and perfect the company's management and financial performance.

In general, it must be able to maintain its financial performance by stabilizing the company's operations because the heart of the company is in its finances and operations. So the higher the stock market value of the company in indicating high interest for investors to invest in the company. The company's management, especially the finance department, must pay attention to

its liquidity so that its short-term obligations are stable and do not hamper the company's operations. A company that is said to be liquid is a company that can pay its short-term obligations in accordance with the specified time. so that it can cover the current liabilities owned by the company. So the greater the ratio of current assets, the higher the company's ability to pay its short-term obligations.

Liquidity is included in the problems that companies must pay attention to in carrying out their business performance. Companies that are unable to pay financial obligations at maturity, the company will be doubted by potential investors. The company certainly will not get the trust of creditors and investors if the liquidity problem continues to occur. So that this will disrupt the cooperation that exists between the company and the investors who have invested their capital for the smooth running of the company's business. Accounts receivable turnover has a significant positive effect on liquidity, while cash turnover has no significant effect on liquidity. Simultaneously accounts receivable turnover and cash turnover have no significant effect on liquidity (Rosalina et al., 2022).

Liquidity during the COVID-19 pandemic was lower compared to the period before the pandemic. It can be accepted that the solvency value during the COVID-19 period was lower compared to the period before the pandemic. This study focuses on the liquidity of manufacturing companies in the basic and chemical industry sectors, various industries, and consumer goods industries. However, the findings indicate that COVID-19 did not affect the decline in liquidity of manufacturing companies in the basic and chemical industry sectors, various industries, and consumer goods industries (Syafitri & Khalifaturofi'ah, 2023).

Cash turnover is very important in the financial statements in the company, this will maintain operations in the company. Cash turnover refers to the frequency with which the company can convert cash assets into income. If the higher the cash turnover, the faster the company generates profits from its cash assets. In the context of liquidity, companies with high cash turnover tend to have more cash available in order to meet their obligations and operational needs within the specified timeframe. Therefore, high cash turnover has a positive impact on liquidity (Warasto et al., 2023).

Accounts receivable turnover is classified within current assets and ranks second after cash. This positions receivables as a significant current asset. Therefore, a company must manage its receivables effectively to avoid undesirable situations, such as payment failures by buyers. To mitigate this risk, it is advisable for receivables to have a short repayment period, enabling them to be quickly converted into cash. Regarding the impact of receivables turnover on liquidity, it is evident that a higher receivables turnover means less working capital is tied up in receivables. In the current context, this indicates that a higher receivables turnover is very positive for the company, as it results in less working capital being invested in receivables. (Elmia & Rivandi, 2023).

Inventory turnover is one of the levels of measurement in a company that can prove whether the company can be said to be working efficiently so that it can produce a liquid company and determine the better its operations. then, if the inventory turnover is higher, the profit obtained by the company will increase, because the inventory in the warehouse can be sold properly. So to increase the liquidity of the company must pay attention to inventory turnover, the thing that can

be done by the company is to pay attention to inventory turnover. then the higher the inventory turnover, the greater the company's profit because the inventory is sold in cash or credit and will increase the company's cash, so that incoming cash can be used to buy inventory and the company can fulfill its short-term obligations (Salam et al., 2022).

Cash turnover is positively and significantly correlated, referring to the frequency at which a company converts its cash assets into revenue. Therefore, the higher the cash turnover, the faster the company generates revenue from its cash assets. In terms of liquidity, a higher cash turnover ensures the company can meet its obligations and operational needs promptly. (Warasto et al., 2023). Cash represents the liquid funds that can be used to finance the company's operations. Cash can thus be concluded to have a significant impact on a company's liquidity, as it is the lifeblood of the financial statements. The circulation of cash is crucial for maintaining liquidity within the company (Aurorita et al., 2023).

Cash turnover is stated to be negative and insignificant because cash turnover on liquidity is not accepted, so this proves that the high and low cash turnover is very influential on liquidity (Elmia & Rivandi, 2023). Due to the higher level of sales and compared to working capital, this use of cash becomes inefficient but has no impact on the level of liquidity or current ratio. This is because in hotel and restaurant companies with working capital investment is more dominant on receivables so that the effect on cash turnover becomes very small or insignificant (Dinata, 2023).

Accounts Receivable turnover is stated to be positive and significant, this proves that higher accounts receivable turnover implies that higher accounts receivable turnover implies less working capital invested in accounts receivable, which is clearly very positive for a very good company (Elmia & Rivandi, 2023). So it is concluded that accounts receivable turnover can find out how long receivables are obtained or collected in a period, it can be known through the average number of days in accounts receivable collection so that it can also find out the number of days of uncollectible receivables, this affects the dimensions or indicators of liquidity (Aurorita et al., 2023).

Accounts receivable turnover is also stated to be negative and insignificant. This can occur if the company has the amount of cash that can still fulfill to pay the company's short-term obligations so that the company does not rely on receivables to pay its debts (Trisnayanti et al., 2020). And the results of this study which show that asset trading has no significant effect on decreasing consumer investment in consumer and industrial companies listed on the Indonesia Stock Exchange (Indrianto, 2020).

Inventory Turnover states positively and significantly Inventory turnover individually has a positive and significant effect on profitability in manufacturing companies listed on the Indonesia Stock Exchange. This is because manufacturing companies will get high profits so that they can increase their company's profits (Andriani & Supriono, 2022). And in this study it is significant but produces negative results because it uses a sample of small companies which causes the company to experience setbacks due to the impact of COVID-19. It is concluded that only large companies can survive with their inventory turnover while small companies cannot use their inventory turnover properly (Sunardi et al., 2021).

Inventory turnover is stated to be negative and insignificant, stating that inventory turnover has no significant effect on current ratio liquidity (Maulana, 2022). Shows the level of inventory turnover in companies with a small level of liquidity, it can be interpreted that the level of turnover in inventory turnover will decrease if using company liquidity (Salam et al., 2022).

Currently, companies in the manufacturing sector are striving to improve their financial performance to attract potential investors to invest their funds and creditors to provide loans to their businesses. Demonstrating a high level of liquidity is essential for companies to showcase strong financial performance. A company with good liquidity levels indicates a robust financial position, making it more appealing to investors and creditors. Therefore, it is essential to manage finances effectively, including cash, receivables, and inventory management.(Purwanti et al., 2023).

Manufacturing companies in the basic and chemical industry sectors, various industries, and consumer goods industries experienced an increase in inventory during the COVID-19 pandemic. This was due to a decrease in consumer product purchases, leading to unsold and accumulated inventory, which added to the company's current assets. Excessive inventory can cause future losses because products have expiration dates. If not promptly processed and sold, products will deteriorate and result in losses for the company. This indicates that current assets in these sectors are greater than their short-term liabilities. (Syafitri & Khalifaturofi'ah, 2023).

Companies in the manufacturing sector in Indonesia has been expansive for seventeen consecutive months. With the Manufacturing PMI index in January 2023 increasing to 5.3 from 50.9 in December 2022 (Larasti, 2023). The manufacturing sector is also in the expansion zone which shows the resilience of the Indonesian economy in the global turmoil and manufacturing slowdown that occurs in any country, and output and new demand in Indonesia have experienced the fastest growth over the past three months. As a result, domestic demand remained strong. Although demand on the export side is still experiencing obstacles. (Larasti, 2023)

This study is to analyze the effect of cash turnover, inventory turnover, and accounts receivable turnover on liquidity in the manufacturing sector in Indonesia, particularly in the post COVID-19 pandemic context. By focusing on practical implications, this study makes a contribution to the corporate finance literature and provides strategic recommendations for the financial management of manufacturing companies in developing countries.

Based on the description above, research was conducted to determine the effect of cash turnover, accounts receivable turnover and inventory turnover on liquidity in companies in the manufacturing sector listed on the Indonesian stock exchange for the period 2018-2022.

Signaling Theory

This theory posits that when company executives possess valuable information, the company's share price will rise as the company is motivated to share this information with potential investors. This is beneficial for the company, as providing accurate and positive information helps distinguish it from other companies. Consequently, the market can more easily recognize and disseminate the news about the company's strong performance. A positive signal reflects a company's future success, making it more credible than signals from companies with poor past financial performance. (Ross et al., 2022).

Signal theory can be reduced by signaling a lot of information so that asymmetric problems, namely two sides that do not match, can be easily reduced. Asymmetric information in the market occurs if there is more information by the company than the amount of information known by outsiders or investors.

Cash Turnover

Cash is a crucial current asset and highly liquid, essential for meeting the company's needs. The more cash a company has, the higher its liquidity. Cash turnover measures the efficiency of the company's cash use. Cash flow is central to a company's operations and is fundamental in any financial valuation model. Whether an analyst is valuing a potential investment or the company itself, estimating cash flows is vital to the valuation process.

The formula for cash turnover is where sales are the total of sales after deducting returns, discounts and sales discounts. and the average cash comes from the average in the period and is divided by 2. A company that has a cash turnover value of more than 1 can be said to be a good company (Gitman & Zutter, 2014).

Receivable Turnover

This ratio measures the duration needed to collect receivables within a period or how frequently the funds invested in these receivables circulate in that time frame. A higher ratio signifies that the working capital tied up in receivables is less than it was in the previous year, which is advantageous for the company. Conversely, a lower ratio indicates excessive investment in receivables.

The smoothness of receiving receivables and measuring whether or not investment in receivables is good can be seen from the turnover rate. Receivables turnover is the period of receipt of receivables from a company during the formula for receivables turnover, namely where these sales come from total sales after deducting returns, discounts and sales discounts, and average receivables derived from the average for the period and divided by 2 (Hayat et al., 2021).

Inventory Turnover

Inventory turnover is a ratio used to measure how frequently the funds invested in inventory are cycled through in a given period. Known as the inventory turnover ratio, it indicates how many times the inventory is replaced within a year. A lower ratio signifies poor performance, while a higher ratio indicates better performance. (Seto et al., 2023)

Inventory turnover is also used to assess the company's ability to face competition, plan business profits, and overall find out how well the company can carry out company activities. The formula for inventory turnover is where the cost of this product comes from the total costs incurred by the company to produce or purchase an item that is sold during a certain period. And the average inventory comes from the average in the period and is divided by 2 (Hayat et al., 2021).

Liquidity

Liquidity measures a company's ability to meet its short-term obligations as they come due. It reflects the company's overall financial health and its ability to pay bills promptly. Low liquidity can indicate potential cash flow issues and a risk of bankruptcy. Maintaining sufficient liquidity for

daily operations is crucial for a company's stability. Two key metrics for measuring liabilities include the Current Ratio, which assesses a company's capacity to cover short-term debts with liquid assets.

The current ratio measures a company's ability to pay its short-term financial debts using its more liquid assets. However, highly liquid assets like cash in banks and securities do not generate high returns, as shareholders prefer the company not to over-invest in liquidity. Companies need to balance the security provided by liquidity with the low returns these liquid assets offer to investors. The primary measures of liquidity are the current ratio and the cash ratio.

The formula for the current liquidity ratio is where current assets come from assets that are expected to be converted into cash or used in operations within one year or one business cycle, whichever is longer. Meanwhile, current liabilities come from obligations that must be paid within one year or one business cycle (Gitman & Zutter, 2014)

Conceptual Framework

So that it shows results that are in accordance with the problem formulation and research objectives. This research uses a quantitative research methodology approach. The use of a quantitative approach is expected to clarify how Liquidity is applied.
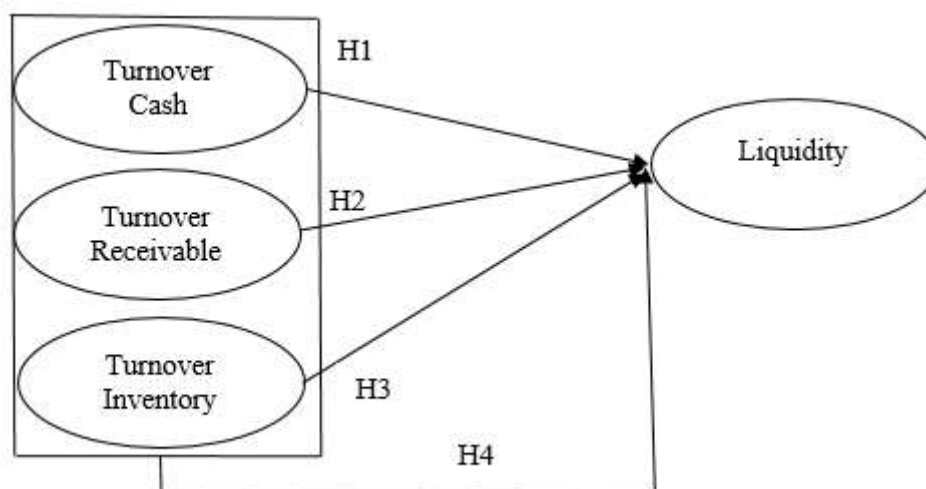
Based on the explanation of the literature review and conceptual framework, the hypothesis in this research is as follows

H1:   There is a positive and significant on cash turnover on liquidity
H2:   There is a positive and significant on receivables turnover on liquidity
H3:   There is a positive and significant on inventory turnover on liquidity
   H4: There is a simultaneous influence of cash turnover, receivables turnover and inventory turnover on liquidity

METHOD

This research uses a quantitative research methodology approach. This method is referred to as the positivistic method because it is based on the philosophy of positivism. This method is a scientific scientific method because it has fulfilled scientific rules, namely concrete empirical, objective, measurable, rational, and systematic.

In this study, the data used is secondary data taken from the official website of the Indonesia Stock Exchange (www.idx.co.id). And the data is from the company's internal sources in the form of the company's financial statements during 2018-2022.

The population used in this study with the financial statements of manufacturing sector companies listed on the Indonesia Stock Exchange website with a population of 91 companies. As for the sample of this study using Nonprobability Sampling and Purposive Sampling. Because by using these samples in order to achieve a quantitative design in accordance with the research methods used. The time for data collection is the financial statements listed on the stock exchange for the period 2018-2022.

Classical Assumption Test

The classical assumption test is used to test the assumptions contained in multiple linear regression modeling, and the data will be able to be analyzed further without bas data results. The classic assumption tests used in this study are normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. (Ghozali, 2018)

Multiple Regression Test

Multiple linear regression technique is used to determine the functional relationship between the dependent variable associated with two or more independent variables the following research model is used in statistics to test the hypothesis of multiple linear regression method for this study:

$Y = \alpha + b_1 x_1 + b_2 x_2 + b_3 x_3 + e$

Y = Liquidity
X_1 = Cash Turnover
X_2 = Reivable Turnover
X_3 = Inventory Turnover
α = Constant
b = Coefficient Regression

Coefficient of determination test

A measure that can show information about the extent to which the variability of one variable can be explained or estimated by one or more of the other variables in this regression model. The

coefficient of determination ranges between 0 and 1, and can be interpreted as the percentage of variability that can be explained (Nuryadi et al., 2017).

t Test

The t-test essentially measures the influence of an individual independent variable in explaining variations in the dependent variable. It is used to determine whether an independent variable has a significant partial effect on the dependent variable. In this research, the criteria for the t-test are as follows: if the significance value is 0.05 or less, it is considered significant. First, the direction of the regression coefficient should be checked; if it aligns with the hypothesis, then Ha (the alternative hypothesis) is accepted. However, if the significance value is greater than 0.05, it is not considered significant, leading to the rejection of Ha, indicating that the independent variable does not influence the dependent variable. (Ghozali, 2018).

F Test

The F-test can be conducted by comparing the F statistic with the F critical value (F Table) in Excel. If the F statistic is greater than the F critical value (F Table), then Ho is rejected and Ha is accepted, indicating that the model is significant. This can also be confirmed by looking at the significance column. Using the Regression Test with the Enter/Full Model Method, the model is considered significant if the significance column value (%) is less than the chosen alpha level (the acceptable risk of Type 1 error, typically 10%, 5%, or 1% in social sciences). Conversely, if the F statistic is less than the F critical value, the model is not significant, which is also indicated if the significance column value (%) is greater than alpha. (Margareth, 2017)

RESULT AND DISCUSSION

Data Description

The research description is a description of the data that will be used in the study, then testing in this study tries to find out the description or condition of liquidity by using the influence of Cash Turnover, Receivables Turnover, Inventory Turnover.

Then the research method uses a quantitative approach. While the data taken for this study with a population of manufacturing sector companies listed on the Indonesia Stock Exchange in the 5-year period from 2018-2022. With the number of samples for this study as many as 30 manufacturing companies listed on the Indonesia Stock Exchange.

In this study, the criteria for data collection were manufacturing companies listed on the bei for the period 2018-2022, with the criteria that the company had gone public during the period and did not experience suspension and delisting and had complete data for research, from 160 companies in the manufacturing sector getting 91 manufacturing sector companies in accordance with the criteria. However, of the 91 samples of manufacturing sector companies, only 30

companies can be used in this study, because there are many outlier data or extreme data so that the sample used for research is 30 companies.

Descriptive Statistical Analysis

Table 1: Descriptive Statistic
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Turnover Cash	150	-.20	1.89	.8886	.47797
Turnover Receivable	150	.03	1.89	.8310	.29720
Turnover Inventory	150	-.04	1.16	.6259	.23483
Liquidity	150	-.55	1.25	.3657	.34338
Valid N (listwise)	150				

[Source: *Output* SPSS 26, 2024]

Based on the Table 1, it can be concluded that the average value of Cash Turnover shows 0.8886, the lowest value of Cash Turnover is -0.20, namely in the BTON company in the 2021 financial statements and the highest value of Cash Turnover is 1.89 in the AKPI company in the 2022 financial statements with a standard deviation from Cash Turnover of 0.47797.

The average value of Accounts Receivable Turnover obtained is 0.8310 while the value of accounts receivable turnover has the lowest value, namely 0.03 in the ARNA company in the 2021 financial statements and the highest value owned by accounts receivable turnover is 1.89 in the WTON company in the 2020 financial statements. for the value of the standard deviation obtained by accounts receivable turnover is 0.29720.

The average value of inventory turnover obtained from the table above is 0.6259, while the lowest value is -0.04 in the DELTA company in the 2020 financial statements and the highest value of inventory turnover is 1.16 in the ARNA company in the 2019 financial statements, while for the value of the standard deviation obtained is 0.23483.

The average value for liquidity obtained from table 4.1 is 0.3657, while for the lowest value of liquidity is -0.55 in the KRAS company in the 2019 financial statements and for the highest value of liquidity is 1.25 in the CPIN company in the 2022 financial report year, while for the value of the standard deviation is 0.34338.

Normality Test

Table 2: Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		150
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.27260552
Most Extreme Differences	Absolute	.056
	Positive	.056
	Negative	-.041
Test Statistic		.056
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

[Source: *Output* SPSS 26, 2024]

Based on these results, it shows that the results of the one-sample Kolmogorov-snirnov test with a significant value of 0.200, these results indicate that the data is normally distributed, because the significant value is more than 5% or 0.050, so the normality test can be said to be normal.

Multicollinearity Test

Table 3: Multicollinearity Test

Collinearity Statistics	
Tolerance	VIF
.970	1.031
.979	1.021
.959	1.042

[Source: *Output* SPSS 26, 2024]

The test used to find a relationship or correlation in the independent variables is the multicollinearity test. In this test, the Collinearity Statistic table is used which is found in the Tolerance and VIF columns, it can be concluded that from each dependent variable for the Tolerance value of money it has been found that the result is greater than 0.1 while for VIF each independent variable is smaller than ten, from these results the independent variables used do not occur correlation. The purpose of the multicollinearity test in this study is to test whether the regression mode finds a correlation between variables, namely between currency exchange (X1), cash turnover (X2), accounts receivable turnover (X3). inventory turnover occurs in the general population of the model and one of the estimation methods does not occur in the general population of the model. The results are shown in the table.

Heteroscedasticity Test
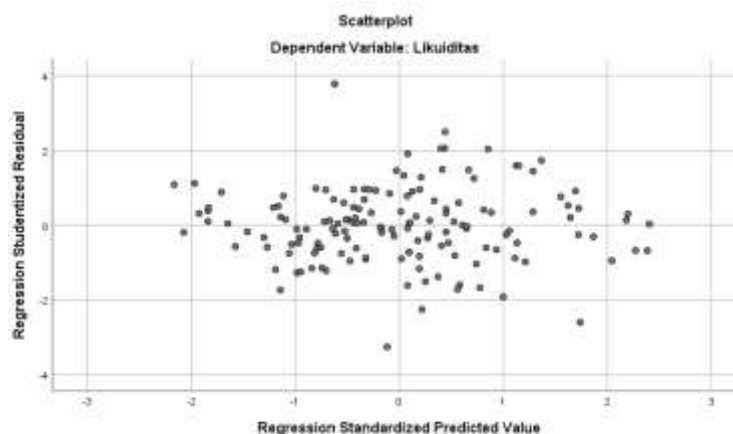
Picture 1. Heteroscedasticity Test
[Source: *Output* SPSS 26, 2024]

In Figure 2 of the Scatterplot results can be seen the results of the heteroscedasticity test which shows on the ZPRED and SRESID scatter plot graph, the points on the graph are scattered above and below 0 so it shows no heteroscedasticity.

Autocorrelation Test and Coefficient of Determination

Table 4: Autocorrelation Test and Coefficient of Determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.748[a]	.560	.547	.23160	1.785

a. Predictors: (Constant), Lag_Y, Turnover Piutang, Turnover Persediaan, Turnover Kas

b. Dependent Variable: Likuiditas

[Source: *Output* SPSS 26, 2024]

A good regression model if the regression model has no autocorrelation effect. So to find out whether or not there is an autocorrelation effect by using the Durbin Watson (DW Test) with the provisions if the value du < d < 4 - du. The result of the table is the DW value obtained is 1.785. then this shows that the DW value of 1.785 is between the dU value of 1.7741 and 4-dU 2.2259, so dU < DW < 4-dU. So the conclusion is that there is no autocorrelation with the decision not to be rejected (Ghozali, 2018).

The coefficient of determination test is used to find the possibility of independent variables. In the table, the Adjusted R2 value is 0.560 which can show that the strength of the independent variables used for my research is 56% and 44%. can be explained by other variations.

t Test

Table 5: t Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.688	.090		7.654	.000
	Turnover Kas	-.405	.048	-.563	-8.444	.000
	Turnover Piutang	.197	.077	.171	2.573	.011
	Turnover Persediaan	-.203	.098	-.139	-2.068	.040
a. Dependent Variable: Likuiditas						

Coefficients[a]

[Souce: *Output* SPSS 26 2024]

This t test is carried out on the regression coefficient partially which is used to determine the partial significance between the independent variable and the dependent variable. then the test is carried out with a level of α = 5%, if the significant value of the t test> 0.050.

a. Variable X1 cash turnover, the independent variable Cash turnover gets the results from the sig table which shows the results of 0.000 <0.050, then these results indicate that H1 is accepted, it can be concluded that partially the independent variable cash turnover has a negative significant result on the dependent variable Liquidity.

b. Variable X2 accounts receivable turnover, then the results of the independent variable with a significant value of 0.011< 0.050. Then H2 is rejected, it can be concluded that partially the independent variable accounts receivable turnover on the dependent variable liquidity has positive and significant effect.

c. Variable X3 inventory turnover, based on table 4.6, the results of the independent variable inventory turnover with a significant value of 0.040< 0.050, then H3 is rejected, it can be concluded that partially the independent variable inventory turnover on the dependent variable liquidity has negative and significant effect.

F Test

Table 6: F Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.496	3	2.165	28.549	.000[b]
	Residual	11.073	146	.076		
	Total	17.568	149			

a. Dependent Variable: Transform_LG10_Y

b. Predictors: (Constant), Transform_LG10_X3, Transform_LG10_X2, Transform_LG10_X1

[Souce: *Output* SPSS 26 2024]

The F test shows the results based on the Anova table obtained in the table, with a significant value of 0.000 at a confidence level of 0.05 (0.000 <0.05), it can be concluded that all hypotheses are accepted. It can be interpreted that the independent variables simultaneously cash turnover, accounts receivable turnover, and inventory turnover have a significant influence on the dependent variable, namely liquidity.

The Effect Of Cash Turnover On Liquidity

Based on the results of table 5 with a significant value (0.000> 0.050) with t value -8.444, then partially the independent variable cash turnover on the dependent variable liquidity has significant results with a negative effect, this is in line with previous research conducted by Dinata (2023), Rizal (2021), Iis & Herlina (2022), Dewi & Yulistina (2020), Octarini et al. (2019) and Purwanti et al. (2023) it can be concluded that cash turnover on liquidity shows that if cash turnover increases, liquidity will be lower and vice versa. In the context of regression analysis, this means that each unit of increase or decrease in variable X1 will cause a change of negative regression coefficient in the value of the dependent variable Y.

Cash turnover is one measure of the return of current assets to cash through sales with the company's ability to meet its short-term obligations through a certain amount of cash owned by the company, this cash turnover can affect liquidity. Although cash turnover owned by manufacturing sector companies is high, there are factors that affect cash turnover that can be negative to liquidity, it could be due to factors from the ineffective turnover of receivables in the company and hoarding inventory in warehouses that cannot be disbursed into cash, so that in paying short-term obligations the company is unable to pay its debts.

The Effect Of Receivable Turnover On Liquidity

Based on the results of table 5, with t value 2.573 and a significant value (0.011 <0.050), the results of the test state a positive and significant effect, this is in accordance with previous research conducted by Ramadani et al. (2023), Dinata (2023), Ahmad & Heru (2022), Suharti et al. (2022), Carolin et al. (2023) and Rosalina et al. (2022). So partially it can be concluded that accounts receivable turnover has a significant positive effect on liquidity. This shows that changes in accounts receivable turnover have a significant direct impact on the company's ability to meet short-term obligations.

The level of liquidity of a company is influenced by its accounts receivable turnover. if the level of accounts receivable turnover has a high value, the possibility of a receivable being collected quickly is also high. Thus the faster the company turns it into cash, and the company's ability to pay off its short-term debt will also increase. In addition, the company will also avoid the risk of uncollectible receivables and reduce the company's loss burden. This will provide a positive signal for investors and users of financial statements.

The Effect Of Inventory Turnover On Liquidity

Based on the results from table 5 with t value -2.068 and a significant value (0.040 < 0.050). then partially the independent variable inventory turnover is significantly negative on the dependent

variable liquidity. This is in accordance with previous research conducted by Sunardi et al. (2021), Maulana (2022), Suharti et al. (2022), Septiyana (2020) and Ahmad & Heru (2022), so the partial results of inventory turnover have a negative and significant effect on liquidity, indicating that changes in inventory turnover have the opposite effect. where inventory turnover increases, liquidity decreases.

Inventory turnover shows the results that the higher the inventory turnover rate, the lower the rate of return on a company's short-term obligations. That the company may experience difficulty in managing cash flow and inventory effectively. These factors suggest that even if inventory moves quickly, it is not always due to increased liquidity, especially if sales do not generate sufficient cash or if short-term debt increases to support inventory purchases. Companies need to optimize inventory and cash flow management strategies to ensure better short-term financial health.

CONCLUSION

The results of the classical assumption test which consists of four tests, namely for the normality test the data is declared normal (0.200 > 0.050), the multicollinearity test states that there is no multicollinearity, the tolerance value is more than 0.1 and for the VIF value it does not exceed 10, for the heteroscedastic test the graph points are spread and below 0 then heteroscedasticity does not occur, the autocorrelation test states that there is no positive and negative autocorrelation with the decision not being rejected because Du<Dw<4-Du (1.7741<1.785<2.2259).

The coefficient of determination test shows 0.056, so the independent and dependent variables can be explained by other variables (56% and 44%).

Hypothesis t test 1 has a sig value (0.000 < 0.050) and the calculated t value is -8.444, then cash turnover has a negative and significant effect on liquidity. Factors that cause cash turnover to have a negative effect could be due to inefficient accounts receivable turnover and the accumulation of inventory in the warehouse so that it cannot be converted into cash.

Hypothesis t test 2 has a sig value (0.011 < 0.050) and a calculated t value of 2.573, so receivables turnover has a positive and significant effect on liquidity. This means that the level of liquidity of a company is influenced by its receivables turnover. If the receivables turnover rate has a high value then the possibility that a receivable can be collected quickly is also high.

Hypothesis t test 3 has a sig value (0.040 < 0.050) and a calculated t value of -2.068, then inventory turnover has a negative and significant effect on liquidity. This shows that even though inventory moves quickly, this is not always accompanied by an increase in liquidity.

Hypothesis F test 4 sig value (0.000 < 0.050) then cash turnover, receivables turnover and inventory turnover have a positive and significant effect on liquidity.

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