JURNAL CAPITAL
KEBIJAKAN EKONOMI, MANAJEMEN & AKUNTANSI
e-ISSN : 2723-1054

EFFICIENCY OF CASH TURNOVER, INVENTORY, AND RECEIVABLES: THE SECRETS BEHIND THE PROFITABILITY LEVEL OF FOOD AND BEVERAGE COMPANIES

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Article History
Received :20 November 2025
Revised :25 November 2025
Accepted :30 November 2025

Abstraksi.

Penelitian ini bertujuan untuk menganalisis pengaruh perputaran kas, perputaran persediaan, dan perputaran piutang terhadap profitabilitas pada perusahaan manufaktur sub sektor makanan dan minuman yang terdaftar di Bursa Efek Indonesia (BEI) periode 2020–2023. Profitabilitas menjadi indikator penting yang mencerminkan kemampuan perusahaan dalam menghasilkan laba dari seluruh sumber daya yang dimiliki. Faktor-faktor seperti pengelolaan kas, persediaan, dan piutang sebagai bagian dari modal kerja sangat menentukan efektivitas operasi dan pencapaian keuntungan perusahaan.

Penelitian ini menggunakan metode kuantitatif dengan pendekatan asosiatif. Data yang digunakan merupakan data sekunder berupa laporan keuangan tahunan perusahaan manufaktur sub sektor makanan dan minuman yang diperoleh dari situs resmi Bursa Efek Indonesia (BEI). Pengambilan sampel dilakukan dengan teknik purposive sampling berdasarkan kriteria tertentu, sehingga diperoleh 12 perusahaan dengan total 36 data observasi selama periode 2020–2023. Analisis data dilakukan dengan regresi linier berganda menggunakan program SPSS versi 26 serta diuji dengan uji asumsi klasik yang meliputi uji normalitas, multikolinearitas, heteroskedastisitas, dan autokorelasi.

Hasil penelitian menunjukkan bahwa secara parsial perputaran kas tidak berpengaruh signifikan terhadap profitabilitas dengan nilai signifikansi sebesar 0,050 > 0,05. Hal ini mengindikasikan bahwa peningkatan perputaran kas belum tentu meningkatkan laba perusahaan karena kas dapat digunakan untuk menutup biaya operasional jangka pendek. Variabel perputaran persediaan berpengaruh positif signifikan terhadap profitabilitas dengan nilai signifikansi sebesar 0,010 < 0,05, yang berarti semakin tinggi tingkat perputaran persediaan maka semakin besar kemampuan perusahaan dalam menghasilkan laba. Sedangkan perputaran piutang berpengaruh signifikan terhadap profitabilitas dengan nilai signifikansi sebesar 0,002 < 0,05, menunjukkan bahwa semakin cepat perputaran piutang maka semakin baik

efektivitas perusahaan dalam mengelola arus kas dan meningkatkan laba.

Secara simultan, variabel perputaran kas, perputaran persediaan, dan perputaran piutang berpengaruh signifikan terhadap profitabilitas dengan nilai Fhitung sebesar 4,577 dan signifikansi 0,009 < 0,05. Koefisien determinasi (Adjusted R^2) sebesar 0,235 menunjukkan bahwa 23,5% variasi profitabilitas dapat dijelaskan oleh ketiga variabel independen tersebut, sedangkan sisanya sebesar 76,5% dipengaruhi oleh faktor lain di luar model penelitian seperti likuiditas, leverage, ukuran perusahaan, dan efisiensi biaya produksi.

Berdasarkan hasil penelitian, disarankan kepada perusahaan untuk meningkatkan efisiensi pengelolaan persediaan dan piutang karena terbukti memberikan kontribusi positif terhadap peningkatan profitabilitas. Bagi investor, hasil penelitian ini dapat menjadi pertimbangan dalam menilai kinerja keuangan perusahaan sebelum mengambil keputusan investasi. Sementara bagi peneliti selanjutnya, disarankan untuk menambah variabel lain seperti likuiditas, ukuran perusahaan, atau leverage agar dapat memberikan gambaran yang lebih komprehensif terhadap faktor-faktor yang memengaruhi profitabilitas.

Kata Kunci:
Perputaran Kas, Perputaran Persediaan, Perputaran Piutang, Profitabilitas, Return on Assets (ROA), *Perusahaan Manufaktur*

Abstract.

This study aims to analyze the effect of cash turnover, inventory turnover, and receivables turnover on profitability in manufacturing companies within the food and beverage sector listed on the Indonesia Stock Exchange (IDX) for the 2020–2023 period. Profitability reflects a company's ability to generate profits through the effective management of resources and working capital. In this study, profitability is measured using the Return on Assets (ROA) ratio, which indicates how efficiently assets are utilized to generate earnings.

The research data were obtained from the annual financial reports of companies listed on the IDX. The population consisted of 46 manufacturing companies, and by applying a purposive sampling technique, 12 companies were selected as samples over a three-year observation period, resulting in 36 total data observations. This study employs a quantitative associative approach, and the data were analyzed using multiple linear regression with the SPSS software.

The results show that cash turnover has no significant effect on profitability, indicating that fluctuations in cash do not necessarily impact company profits. In contrast, inventory turnover has a positive and significant effect on profitability, implying that faster inventory conversion into sales leads to higher profits. Meanwhile, receivables turnover also has a significant effect on profitability, demonstrating that effective receivables management contributes to increased profitability.

Simultaneously, the three independent variables—cash turnover, inventory turnover, and receivables turnover—affect the profitability of manufacturing companies. These findings highlight the importance of effective working capital management in enhancing financial performance. Efficient management of cash, inventory, and receivables helps maintain liquidity and accelerate the operating cycle, which ultimately boosts profitability.

This study is expected to provide valuable insights for manufacturing companies to optimize their working capital management and for investors to assess corporate financial performance. Moreover, it serves as an academic reference for future research by suggesting the inclusion of additional variables such as firm size or liquidity.

Keywords:
Cash Turnover, Inventory Turnover, Receivables Turnover, Profitability, Return on Assets (ROA)

INTRODUCTION

To measure a company's profit level, a profitability ratio, also known as the rentability ratio, is used. The profitability ratio in this study uses the Return on Assets (ROA) ratio. A higher ROA means a more efficient use of the company's assets, or in other words, with the same amount of assets, a greater profit is usually generated, and vice versa. There are several measuring tools that can be used to measure the level of profitability, namely: Net Profit Margin (NPM), Return on Investment (ROI), Return on Assets (ROA), and Return on Equity (ROE). To determine how much profit (profitability) will be generated by the company, in this study profitability is measured using Return on Assets (ROA). Return on Assets (ROA) is the company's overall ability to generate profits with the total amount of assets available within the company. By knowing the ROA, it can be assessed whether the company has been efficient in using its assets in operational activities to generate profits.

High profitability will optimally support a company's operational activities. A company's profitability is influenced by various factors, including working capital. In conducting its business, every company requires resources, including working capital, such as cash, accounts receivable, inventory, and fixed assets. Capital is a key factor in supporting a company's operational activities and achieving its goals. Working capital components include cash, accounts receivable, and inventory. To determine the working capital requirements for a company's operations, consider the turnover of each type of working capital, including cash, inventory, and accounts receivable. Cash is the most liquid asset on the balance sheet because it is a current asset that can be used at any time in the company's operations. Cash is crucial for a company because it is both a working capital component and a component of investment.

The second component is inventory. The sales process in food and beverage manufacturing companies is inextricably linked to the company's inventory. Inventory is a significant current asset, making it a crucial asset for the company. Inventory is an active element in a company's operational activities, as the amount of inventory in a company is constantly changing due to reductions in the production process for sales to consumers. With good inventory management, the company can quickly convert funds stored in inventory into

cash or receivables through sales, which will ultimately become the company's profit. Inventory can be evaluated by calculating the inventory turnover rate. The inventory turnover rate can be calculated by dividing the total cost of goods sold by the average inventory held by the company.

The next component is accounts receivable. In a highly competitive business world, one way to retain customers is through credit sales. These credit sales generate accounts receivable, which is the result of credit sales of goods or services. Furthermore, companies need to understand the accounts receivable turnover rate, which affects their revenue and expenses. This is because accounts receivable turnover significantly impacts the company's survival and operational activities, particularly in terms of profit. Accounts receivable turnover can be calculated by dividing sales value by average accounts receivable. The greater the number of credit sales, the greater the amount of accounts receivable, and the greater the profit. Therefore, companies must effectively manage sales to prevent losses.

LITERATURE REVIEW

The Effect of Cash Turnover on Profitability

According to Kasmir (2011:140), the cash turnover ratio measures the adequacy of a company's working capital, which is needed to pay bills and finance sales. Cash turnover is the ratio of sales to the average cash amount. This ratio indicates the ability of cash to generate revenue, indicating how many times cash turns over in a given period. The higher the cash turnover rate, the more efficient the use of cash and the greater the company's opportunity to generate profits.

Conversely, a low cash turnover rate indicates that too much cash is sitting idle and not being used optimally in operational activities, which can reduce the company's efficiency in generating profits. Therefore, effective cash management plays a crucial role in supporting company profitability.

Research by Ni Islamiah and Deny Yudiantoro (2022) entitled "The Effect of Cash Turnover, Inventory Turnover, and Accounts Receivable Turnover on the Profitability of Manufacturing Companies Listed on the Indonesia Stock Exchange" shows that cash turnover does not significantly impact profitability. This result indicates that a high cash turnover rate does not necessarily increase company profits, as cash is often used to meet short-term operational needs.

Another study by Permana and Phoa Cindie (2022) in "The Effect of Cash Turnover and Inventory Turnover on Profit Levels in Manufacturing Companies Listed on the IDX" also found that cash turnover negatively impacts profitability. This is due to the suboptimal use of cash in productive activities, thus not directly impacting profit growth.

However, Nyoman Pongga Wikantha, Ni Putu Riasning, and Ni Nengah Seri Ekayani (2023) showed different results in a study entitled "The Effect of Cash Turnover, Accounts Receivable, Inventory, Working Capital, and Liquidity on Profitability." They found that cash turnover has a positive and significant effect on profitability, meaning the faster the cash turnover, the greater the company's ability to generate profits through working capital efficiency.

Based on the empirical findings, it can be concluded that cash turnover has the potential to influence the level of company profitability, although the direction of the influence may vary depending on the efficiency of cash management and the operational structure of each company.

Therefore, the hypothesis in this study is formulated as follows:

H_1 : Cash Turnover Influences Profitability in Manufacturing Companies Listed on the Indonesia Stock Exchange.

The Effect of Inventory Turnover on Profitability

Inventory turnover is a ratio used to measure how quickly funds invested in inventory are converted into cash through sales. According to Munawir (2012:77), the inventory turnover rate indicates the number of times merchandise inventory is replaced within a given period. A higher inventory turnover rate means faster sales and a more efficient company in managing its working capital. This will positively impact the company's profits or profitability.

In the context of manufacturing companies, inventory plays a crucial role because it constitutes a significant component of working capital. Kasmir (2019) emphasized that good inventory management will help accelerate the flow of funds back into cash, thereby improving a company's profitability. In other words, the higher the inventory turnover rate, the greater the company's ability to generate profits.

Several previous studies support a positive relationship between inventory turnover and profitability. Research by Ni Islamiah and Deny Yudiantoro (2022) found that inventory turnover significantly impacts profitability in manufacturing companies listed on the Indonesia Stock Exchange. Similar results were also found by Astuti and Aprianti (2020) and Fuady and Rahmawati (2018), who stated that higher inventory turnover results in higher company profits. Another study by Nyoman Pongga Wikantha, Ni Putu Riasning, and Ni Nengah Seri Ekayani (2023) also demonstrated that inventory turnover has a positive and significant impact on profitability, indicating that efficient inventory management improves a company's financial performance.

Based on the theory and empirical results of previous research, the following hypothesis can be formulated:

H_2: Inventory Turnover has a positive and significant effect on Profitability in Manufacturing Companies Listed on the Indonesia Stock Exchange.

The Effect of Accounts Receivable Turnover on Profitability

Receivables turnover is a ratio used to measure how quickly a company's receivables are converted into cash within a given period. According to Kasmir (2019:178), this ratio reflects a company's ability to manage receivables from credit sales. The higher the receivables turnover, the faster the funds invested in receivables are converted back into cash, and the greater the potential for increased company profits. Conversely, the slower the receivables turnover, the greater the risk of uncollectible receivables and the lower the profitability level.

According to Saragih & Saragih (2018), a high accounts receivable turnover indicates a company's effectiveness in collecting customer collections, which ultimately facilitates cash flow and strengthens its financial position. This reflects operational efficiency, which in turn increases profitability.

Several previous studies support a positive relationship between accounts receivable turnover and profitability. Maelina's (2022) study, "The Effect of Cash Turnover, Accounts Receivable Turnover, and Inventory Turnover on Profitability," showed that accounts receivable turnover significantly impacted profitability in food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX). Similar findings were also found by Nyoman Pongga Wikantha, Ni Putu Riasning, and Ni Nengah Seri Ekayani (2023), who stated that accounts receivable turnover had a significant positive effect on profitability.

However, research by Henry Waidan et al. (2023) found a significant negative effect, meaning that if receivables increase without effective management, profits may decline due to the increased risk of bad debts.

Based on this theory and empirical evidence, it can be concluded that the effectiveness of accounts receivable management is one of the factors influencing the profitability of manufacturing companies. Therefore, the research hypothesis is formulated as follows:

H_3: Accounts Receivable Turnover has a positive and significant effect on Profitability in Manufacturing Companies Listed on the Indonesia Stock Exchange.

The conceptual framework of this research is as follows:

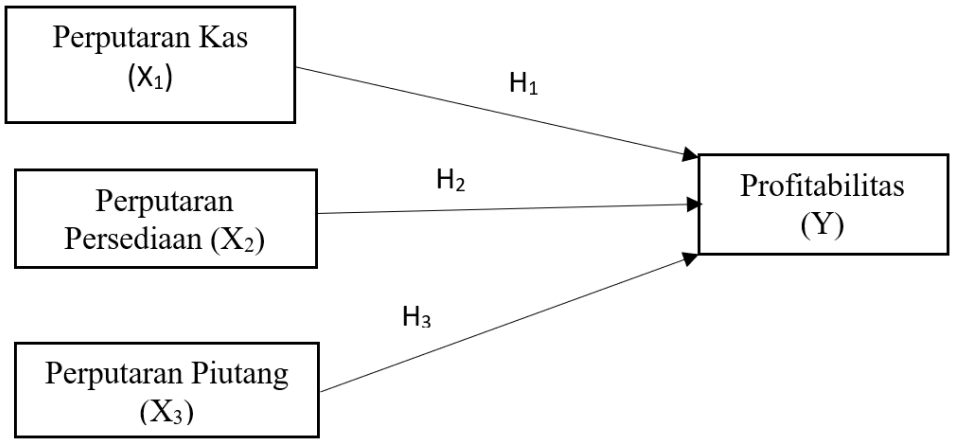

Figure 2.1
Conceptual Framework

RESEARCH METHODS

Population and Sample

Population is a generalization area consisting of subjects or objects that have certain qualities and characteristics that are determined by researchers to be studied and then conclusions drawn (Sugiyono, 2016).The population in this study is all food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX) in the 2020-2022 period, totaling 46 companies.

Table 3.1
Company Population

No	Company Code	Company name
1	ADES	Akasha Wira International Tbk
2	AISA	Three Pillars of Sejahtera Food Tbk
3	ALTO	Tri Banyan Tirta Tbk

4	BEER	Jobubu Jarum Minahasa Tbk
5	Boba	Formosa Ingredient Factory Tbk
6	BTEK	Bumi Teknokultura Unggul Tbk
7	FRUIT	Segar Kumala Indonesia Tbk.
8	BUDI	Budi Starch & Sweetener Tbk
9	CAMP	Campina Ice Cream Industry Tbk
10	CHECK	Wilmar Cahaya Indonesia Tbk
11	CLEO	Sariguna Primatirta Tbk
12	COCO	Wahana Interfood Nusantara Tbk
13	DLTA	Delta Djakarta Tbk
14	DMND	Diamond Food Indonesia Tbk
15	ENZO	Morenzo Abadi Perkasa Tbk.
16	FOOD	Sentra Food Indonesia Tbk
17	GOOD	Garudafood Putra Putri Jaya Tbk
18	GRPM	Graha Prima Mentari Tbk
19	HOCKEY	Buyung Poetra Sembada Tbk
20	IBOS	Indo Boga Sukses Tbk
21	ICBP	Indofood CBP Sukses Makmur Tbk
22	FISH	Era Mandiri Brilliant Tbk
23	IIKP	Inti Agri Resources Tbk
24	INDF	Era Mandiri Brilliant Tbk
25	CHEESE	Mulia Boga Raya Tbk
26	MAXI	Maxindo Karya Anugerah Tbk
27	MGNA	Magna Investama Mandiri Tbk
28	MLBI	Multi Bintang Indonesia Tbk
29	MYOR	Mayora Indah Tbk
30	NAYZ	Hassana Boga Sejahtera Tbk
31	PANI	Pratama Abadi Nusa Industri Tbk
32	PCAR	Prima Cakrawala Abadi Tbk
33	PMMP	Panca Mitra Multiperdana Tbk
34	PSDN	Prashida Aneka Niaga Tbk
35	PSGO	Palma Serasih Tbk
36	BREAD	Nippon Indosari Corporindo Tbk
37	SKBM	Sekar Bumi Tbk
38	SKLT	Sekar Bumi Tbk
39	STTP	Siantar Top Tbk
40	STRK	Lovina Beach Brewery Tbk
41	TAYS	Jaya Swarasa Agung Tbk
42	TBLA	Tunas Baru Lampung Tbk
43	TGUK	Platinum Wahab Nusantara Tbk
44	TRGU	Cerestar Indonesia Tbk
45	ULTJ	Ultrajaya Milk Industry and Trading Company Tbk
46	WINE	Hatten Bali Tbk

Source: Indonesia Stock Exchange Data (2024)

A sample is a part of the number of characteristics possessed by the population (Sugiyono, 2016). Sampling comes from manufacturing companies, because manufacturing companies use several reports that match the sample selection criteria. The sampling technique

in this study is*purposive sampling method*namely a sampling method based on practical practices and certain predetermined criteria. The research criteria in this study are as follows:

1) The companies selected are companies in the food and beverage consumer goods manufacturing industry that are listed on the IDX.
2) Companies that publish their complete annual financial reports
3) Companies that did not publish periodic financial reports on the IDX in 2020-2023.

Table 3.2
Sample Selection

No	Criteria	Number of Companies
1	The selected companies are companies in the food and beverage consumer goods manufacturing industry that have been listed on the Indonesia Stock Exchange during the 2020-2023 period.	46
2	Companies that publish their complete annual financial reports.	(27)
3	Companies that did not publish periodic financial reports on the IDX for 2020-2023.	(3)
4	Companies that experience losses	(4)
	Number of Research Samples	12
	Total research sample (12 companies × 3 years)	36

Based on the predetermined sample selection criteria, this study obtained a sample of 12 companies. The data required for this study was obtained from the Indonesia Stock Exchange. The data consisted of annual financial reports for the 2020–2023 period.

Research Variables and Operational Definitions

A research variable is anything in any form that is determined by the researcher to be studied so that information about it can be obtained, and then conclusions can be drawn (Sugiyono, 2015). In this study, two types of variables were used, namely independent variables, which according to Sugiyono (2015) are variables that influence or cause changes or the emergence of dependent variables. The independent variable used in this study is Cash Turnover. (X1), Inventory Turnover (X2), and Accounts Receivable Turnover (X3) while the dependent variable, according to Sugiyono (2012), is a variable that is influenced or that is the result of the independent variable. The dependent variable used in this study isis Profitability (Y).

1 Profitability (Y)

Profitability is the company's ability to earn profits in relation to sales, total assets, and equity (Kasmir, 2019:140).

$$ROA = \frac{Laba\ Bersih}{Total\ Aktiva} \times 100\%$$

2 Cash Turnover (X1)

Cash turnover is a tool to measure the level of cash available to pay bills and costs related to sales. According to James O. Gill in Kasmir (2019:140)

$$Rasio\ Perputaran\ Kas = \frac{Penjualan\ Bersih}{Rata - rata\ \ kas}$$

3 Inventory Turnover (X2)

Inventory Turnover is a measuring tool for how many times the funds invested in inventory turn over in a certain period (Kasmir 2019:182)

$$Rasio\ Perputaran\ Persediaan\ = \frac{Penjualan}{Persediaan}$$

4 Accounts Receivable Turnover (X3)

Accounts receivable turnover is a tool to measure how long it takes to collect receivables during a period or how many times the funds invested in these receivables turn over in one period (Kasmir 2019:178)

$$Rasio\ Perputaran\ Piutang = \frac{Penjualan\ Kredit}{Rata - rata\ Piutang}$$

Table 3.3
Operational Definition of Variables

No	Variables	Variable Meter	Scale
1	Profitability (Y)	$ROA = \frac{Laba\ Bersih}{Total\ aktiva} \times 100\%$	Ratio
2	Cash Turnover (X1)	Perputaran kas $= \frac{Penjualan\ Bersih}{Rata - rata\ kas}$	Ratio
3	Inventory Turnover (X2)	Perputaran Persediaan $= \frac{Penjualan}{Persediaan}$	Ratio
4	Accounts Receivable Turnover (X3)	Perputaran Piutang $= \frac{Penjualan\ Kredit}{Rata - rata\ Piutang}$	Ratio

Method of collecting data

The method used in this study is an associative approach. Associative is a form of statement that explains the correlation of 2 or more variables, either explicitly or implicitly (Martono, 2016:72). The data analysis used in this study is quantitative data. Quantitative data is data in the form of numbers or qualitative data that is quantified (Sugiyono, 2014). The quantitative data in this study are Profitability, Cash Turnover, Inventory Turnover, and Accounts Receivable Turnover in Food and Beverage companies listed on the Indonesia Stock Exchange (IDX) for the period 2020-2023, while the data sources used in this study are secondary data.

Secondary data is a data source that does not directly provide data to the data collector, such as through intermediaries or documents (Sugiyono, 2014). The secondary data in this study are financial reports obtained from mining sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2020-2023. The data obtained will then be processed using SPSS software.

Data Analysis Methods

Descriptive Statistical Analysis

This study was conducted using a logistic regression model because the dependent variable in this study is a dummy variable. Hypothesis testing also uses logistic regression analysis. According to Ghozali (2013), logistic regression is almost the same as discriminant analysis, namely to test whether the probability of the occurrence of the dependent variable can be predicted by the independent variables. Logistic regression analysis does not require a multivariate normal distribution assumption test because the independent variable is a mixture of continuous (metric) and categorical (non-metric) variables. The stages of logistic regression analysis include testing the feasibility of the regression model (Goodness of Fit Test), assessing model fit (Overall Model Fit), Nagel Karke, and regression tests. The data analysis method used to test the hypothesis in this study is descriptive statistics, which is used to provide an overview of the variables in this study.

Data Analysis Methods

Multiple Linear Regression Analysis

Panel Data Regression Analysis is a statistical measure used to test the influence of independent variables, namely Cash Turnover, Accounts Receivable Turnover and Inventory Turnover on the dependent variable, namely Profitability, so the researcher uses multiple regression analysis techniques with the equation formula:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Information :

Y = Profitability /*Return on Assets*(ROA)
A = Constant
β1- β3 = Regression coefficient / Standardized
X1 = Cash Turnover
X2 = Accounts Receivable Turnover
X3 = Inventory Turnover
e = Error of term

Partial t-test

The t-statistic test is used to show how far an independent variable, individually, influences the variation in the dependent variable (Ghozali, 2011). The basis for making the decision is:

a. If the significance value is <0.05, then the independent variable has a significant effect on the dependent variable or in this case the hypothesis is accepted.
b. If the significance value is > 0.05, then the independent variable does not have a significant effect on the dependent variable or in this case the hypothesis is rejected.

Coefficient of Determination (R2)

The coefficient of determination (R^2) essentially measures the extent to which a model can explain the variation in the independent variables. The coefficient of determination ranges from zero to one. A small R^2 value indicates that the variables' ability to explain the independent variables is very limited. A value close to 1 indicates that the independent variables provide almost all the information needed to predict the dependent variable (Ghozali, 2011).

Goodness Fit Model

The purpose of using the F test is to test whether the regression model used is suitable or not (Ghozali, 2011). The criteria for making the decision are:

a. If the significance value is <0.05, then the regression model is suitable/fit/appropriate.

b. If the significance value is < 0.05, then the regression model is not suitable/not fit/not feasible.

RESEARCH RESULT

Description Statistics

This study will analyze descriptive statistical data from each research variable. The data description is accompanied by minimum and maximum values, mean, variance, and standard deviation. The following are descriptive statistics for the research data, consisting of the following variables:

Table 4.1
Statistics of Research Data Description
Period 2019-2023

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Standard Deviation
Cash Turnover	36	.015	30,895	3.71339	7.732687
Inventory Turnover	36	.398	14,383	3.83419	3.214801
Accounts Receivable Turnover	36	1,868	13,470	4.69361	2.795723
Profitability	36	.327	59,902	7.94633	10.687777
Valid N (listwise)	36				

Source: Processed secondary data, 2024

Based on table 4.1. above, it is found that Return on Assets (ROA) shows that the average Return on Assets of manufacturing sector companies on the IDX in 2020-2023 was 7.94633; lowest value 327; the highest score 59,902 with a standard deviation of 10.687777. The Cash Turnover Value shows that the average Cash Turnover of the manufacturing sector on the IDX in 2020-2023 was 3.71339; lowest value .015; the highest score 30,895 with a standard deviation of 7.732687. Inventory Turnover shows that the average Inventory Turnover of the manufacturing sector on the IDX in 2020-2023 was 3.83419; lowest value .398; the highest score14,383 with a standard deviation of 3.214801. The Accounts Receivable Turnover Value shows that the average Inventory Turnover of the manufacturing sector on the IDX in 2020-2023 was 4.69361; lowest value 1,868; the highest score13,470 with a standard deviation of 2.795723.

Multiple Linear Regression Analysis

Multiple linear regression analysis aims to analyze the influence of Cash Turnover, Accounts Receivable Turnover, and Inventory Turnover on Profitability. The following are the results of the multiple linear regression analysis:

Table 4.5
Multiple Linear Regression Test Results
Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14,456	3,470		4.166	.000

	Cash Turnover	-.439	.215	-.318	-2,041	.050
	Inventory Turnover	1,585	.579	.477	2,736	.010
	Accounts Receivable Turnover	-2,334	.693	-.610	-3,367	.002

a. Dependent Variable: Profitability

Source: Processed secondary data, 2024

From the analysis using SPSS version 26, the regression equation for this study can be determined. The resulting linear regression equation is:

Profitability = 14,456-0.439X, +1,585 X2-2,334 X3

From the multiple linear regression equation above, it can be analyzed as follows:

a) The constant of 14,456 indicates that if all independent variables (Cash Turnover, Accounts Receivable Turnover, and Inventory Turnover) show a value of zero, then the value of Profitability is 14,456.
b) The regression coefficient of Cash Turnover is -0.439. A negative coefficient means that any increase in Cash Turnover will likely result in a decrease in Profitability of -0.439.
c) The regression coefficient of Inventory Turnover is 1.585. The coefficient is positive, meaning that every increase in Inventory Turnover will result in an increase in profitability of 1.585.
d) The regression coefficient of Receivables Turnover is -2.334. A negative coefficient means that every increase in Inventory Turnover will result in a decrease in profitability of -2.334.

Hypothesis Testing

Hypotheses 1 through 4 were tested using individual parameter tests (t-statistic tests), which aim to determine the extent of the influence of each independent variable partially (individually) on the dependent variable. The t-test value is seen from the p-value (in the sig column) for each independent variable. If the p-value is less than the 0.05 level of significance, the results of the analysis are as follows:

Table 4.7

Hypothesis Test Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14,456	3,470		4.166	.000
	Cash Turnover	-.439	.215	-.318	-2,041	.050
	Inventory Turnover	1,585	.579	.477	2,736	.010
	Accounts Receivable Turnover	-2,334	.693	-.610	-3,367	.002

a. Dependent Variable: Profitability

Source: Processed secondary data, 2024

a. Hypothesis Testing 1

From table 4.9 the t-value of Cash Turnover (X_1) is -2.041 smaller than the t-table value of 2.03693 and the probability value is greater than 0.05 which is 0.50. This shows that the Cash Turnover variable (X1) does not have a significant effect on Profitability so

that increases and decreases in Cash Turnover will not affect the increase in Profitability in food and beverage sector companies listed on the Indonesia Stock Exchange in 2020-2023. Thus, the first hypothesis in this study is rejected.

b. Hypothesis Testing 2

From table 4.9. the t-value of Inventory Turnover (X2) is 2.736 greater than the t-table value of 2.03693 and the probability value is smaller than 0.05 which is 0.010. This shows that the Inventory Turnover variable (X2) has a significant effect on Profitability so that an increase in receivables turnover will affect the increase in profitability value and vice versa if there is a decrease in the value of receivables turnover then profitability will decrease in Food and Beverage sector companies listed on the Indonesia Stock Exchange in 2020-2023. Thus the second hypothesis in this study is accepted.

c. Hypothesis Testing 3

From table 4.9 the t-value of Accounts Receivable Turnover (X3) is -3.367 smaller than the t-table value of 1.66123 and the probability value is greater than 0.05 which is 0.02. This shows that Accounts Receivable Turnover (X3) does not have a significant effect on Profitability, so that the size of Accounts Receivable Turnover does not affect the increase or decrease in Profitability in Food and Beverage sector companies listed on the Indonesian Stock Exchange in 2020-2023. Thus the third hypothesis in this study is accepted.

Coefficient of Determination

The coefficient of determination essentially measures the extent to which the model's ability on the independent variable (X) explains the dependent variable (Y). (Ghozali. 2011):

Table 4.7

Results of the Determination Coefficient Test

Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.548a	.300	.235	9.350116	1,617

a. Predictors: (Constant), Accounts Receivable Turnover, Cash Turnover, Inventory Turnover

b. Dependent Variable: Profitability

Source: Processed secondary data, 2024

From table 4.7 above, the coefficient of determination (Adjusted R Square) is 0.235. This means that the variables Cash Turnover, Inventory Turnover, and Receivables Turnover have a role of 23.5% together to be able to explain or describe the Profitability variable. While the remaining 76.5% (100% -23.5%) is explained by other variables that affect Profitability.

Goodness of fit model

The Model Fit Test essentially indicates whether all independent variables (Cash Turnover, Accounts Receivable Turnover, and Inventory Turnover) included in the model have a joint influence on the dependent variable (Profitability). To test whether the linear model is appropriate or not, the probability of the F-test calculation results is compared. If the probability value shows a value <0.05, then the model in the regression is a fit model. The following are the results of the F-test:

Table 4.6

Goodness of fit model test results

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1200.411	3	400,137	4,577	.009b
	Residual	2797,589	32	87,425		
	Total	3998.001	35			

a. Dependent Variable: Profitability

b. Predictors: (Constant), Accounts Receivable Turnover, Cash Turnover, Inventory Turnover

Source: Processed secondary data, 2024

Based on Table 4.8, the calculated F value is 4.577 with a significance level of 0.001 <0.05. Therefore, it can be concluded that this is a fit model.

Discussion

The Effect of Cash Turnover on Profitability

Cash turnover is the ratio of sales to the average amount of cash. Cash turnover indicates the ability of cash to generate revenue, indicating how many times cash turns over in a given period.

The results of this study indicate that Cash Turnover does not have a significant effect on Profitability with a significance value of 0.50>0.05. The results of this study are in line with the results of research conducted by Islamic NI, D Yudiantoro(2022).

Cash turnover indicates the ability of cash to generate revenue, indicating how many times cash turns over in a given period. However, a company's cash turnover does not necessarily indicate an increase in profits, as cash turnover can be used to cover operational expenses or for company expansion.

The Effect of Inventory Turnover on Profitability

A high inventory turnover rate means a high volume of sales transactions. A high inventory turnover rate can reduce costs and risks and generate high sales volume. The results of this study indicate that inventory turnover has a significant effect on profitability, with a significance value of 0.010 > 0.05. These results align with research conducted byAstuti and Aprianti(2020) regarding inventory turnover on profitability states that inventory turnover has a significant positive effect on profitability.

Research by Fuady and Rahmawati (2018) also states that inventory turnover has a positive impact on profitability. High inventory turnover allows a company to generate profits. Manufacturing companies are constantly dealing with inventory because production activities require goods ready for use. The longer the inventory turnover period, the greater the costs incurred by the company to maintain adequate inventory levels in the warehouse. Therefore, a high inventory turnover is necessary to reduce costs.

The Impact of Inventory Receivables on Profitability

Accounts receivable are also the most liquid current asset after cash. For some companies, accounts receivable are a significant item because they constitute a significant portion of the company's current assets. Accounts receivable arise from credit sales.

The results of this study indicate that Accounts Receivable Turnover has a significant effect on Profitability with a significance value of 0.002 > 0.05. The results of this study are in line with research conducted by Maelina, M(2022).

The results of this study indicate that the Food and Beverage manufacturing company has been effective in managing its receivables, where if the company manages receivables effectively it will have a positive impact on profits. Because the higher the receivables turnover ratio, the better because the number of uncollectible receivables is smaller and there is no over-investment in receivables.

CONCLUSION

Based on the results of the analysis that has been conducted on 12 Food and Beverage sector companies on the Indonesia Stock Exchange (IDX) for the 2020-2023 research period regarding the influence of Cash Turnover, Inventory Turnover, and Accounts Receivable Turnover on Profitability, the following conclusions can be drawn: (1) Cash Turnover does not have a significant effect on Profitability in Food and Beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2023 research period; 2) Inventory Turnover has a significant positive effect on Profitability in Food and Beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2023 research period, and (3) Accounts Receivable Turnover has a significant effect on Profitability in Food and Beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2020-2023 research period.

Based on the above conclusions, several suggestions can be made as follows: (1) The results of this study indicate that the variables of Inventory Turnover and Accounts Receivable Turnover have a significant effect on Profitability, thus, the suggestions that researchers can give to potential investors and investors are to pay more attention to these variables in the company before making investment decisions; (2) For researchers with similar topics, it is hoped that they will continue this research by adding research samples with other sectors in order to describe the overall condition of the company regarding profitability, and (3) For further researchers, it is recommended to add or replace other independent variables outside of this researcher's variables and use different proxies, for example liquidity and company size.

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