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The Influence Of Cash Turnover And Inventory Turnover On The Profitability Of Cosmetic Sub-Sector Manufacturing Companies Listed On The Bei For The 2020-2022 Period

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Abstract

This research aims to determine the effect of cash turnover and inventory turnover on profitability in cosmetic sub-sector manufacturing companies listed on the Indonesia Stock Exchange for the period 2020 to 2022. This research is a type of associative research. Purposive sampling is the method used in the sampling process. Thus, the samples taken were 6 companies listed on the Indonesian Stock Exchange in the cosmetics subsector during the last 3 periods. The data collection technique used is documentation with data sources utilizing secondary data obtained through the official website of the Indonesian Stock Exchange. The data analysis method used in this research is multiple linear regression analysis using the SPSS 23 program. The findings of this research show that cash turnover has an effect on profitability and is statistically significant. Profitability is also significantly and significantly affected by inventory turnover. Therefore, profitability is affected by cash turnover and inventory turnover that occur at the same time.

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Introduction

In this era of globalization, manufacturing companies face various challenges and increasingly fierce competition. To survive and grow, these companies must be able to manage their resources efficiently, including cash and inventory management. Cash turnover and inventory turnover are two important indicators that can affect a company's profitability.

The company's main goal is to continue operating and making a profit. Business people need to know that achieving high business performance will guarantee their survival. Potential investors always look at a company's profits when assessing its performance. Profitability or profit is used to assess whether an

investment made by a company will produce a profit or rate of return that is better than expected (Imaniah, K., & Prayogi, R., 2023).

The cosmetics industry is one sector that continues to grow in the global market. In Indonesia, cosmetic companies listed on the Indonesian Stock Exchange (BEI) have to face various market dynamics and policy changes that affect their financial performance. Cash turnover and inventory turnover are key in maintaining profitability and optimizing the use of company assets. Profitability ratios are used to measure the level of profit of a company. Return on Assets is one metric that can be used to measure profitability among other metrics. Investors can assess the level of return on their decisions using Return On Assets (ROA), a direct measurement method (Latif, N. A. Et al., 2022).

The following were found several phenomena that can support this research in cosmetics sub-sector companies listed on the Indonesia Stock Exchange in 2020-2022 in the table below:

Tabel 1.1 Return on Assets (ROA) Data for Cosmetics Sub-Sector Companies Listed on the Indonesian Stock Exchange (In Percent Form)

Company Name	Return on Asset (ROA)		
	2020	2021	2022
PT Mustika Ratu Tbk - MRAT.	0,012087833	0,000618	0,0976
PT Unilever Indonesia Tbk - UNVR.	0,348851443	0,301971	0,29287
PT Akasha Wira International Tbk - DES.	0,141625234	0,203785	0,22179
PT Kino Indonesia Tbk - KINO.	0,02162844	0,018824	(-0,2032)
PT Martina Berto Tbk - MBTO.	(-0,206754005)	(-0,208168)	(-0,05879)
PT Mandom Indonesia Tbk - TCID.	(-0,02366374)	(-0,03325)	0,00761

Source: Bursa Efek Indonesia (data processed, 2023)

It can be seen in the table above that the Return on Assets (ROA) data is very varied, some have increased and some have decreased. In 2020-2022 the companies Mustika Ratu Tbk (MRAT), Unilever Indonesia Tbk (UNVR) and Kino Indonesia Tbk (KINO) experienced a decline in profitability every year. Meanwhile, the companies Akasha Wira International Tbk (DES) and Martina Berto Tbk (MBTO) experienced an increase in profitability every year, namely in 2020-2022. And the company Mandom Indonesia Tbk (TCID) experiences fluctuations or ups and downs every year.

So, based on the description and conditions above, the author is interested in conducting research with the title "The Influence Of Cash Turnover And Inventory Turnover On The Profitability Of Cosmetic Sub-Sector Manufacturing Companies Listed On The Bei For The 2020-2022 Period".

Profitability Ratio

According to Sartono (2010:122) in Nuriyani and Rachma Zannati

(2017:422-432), profitability is the company's ability to earn profits in relation to sales, total assets and own capital. In its business operations, every company of course tries to make a profit or gain. Therefore, in situations like this, company management is necessary to achieve predetermined goals. The income obtained by management from sales and company investments as shown by the components of

the financial statements shows how well management manages the company's finances each period. Profitability ratios are used to evaluate a company's condition. The greater the ratio number, the better the condition. Therefore, a high ratio figure indicates strong business success and a decent level of profit, which is visible in the level of income and cash flow.

Profitability is the ultimate goal that a company wants to achieve and the most important thing is to obtain maximum profits or benefits, in addition to other things (Kasmir: 2016 in Judin, A. S. et al., 2020). One way to measure the level of profit of a company is by using the profit ratio or profitability ratio. The ratio known as profitability or profitability shows a company's capacity to generate profits by using all its resources and competencies. For example, sales activities, funds, capital, number of workers, number of branches or subsidiaries owned by the company, and so on (Nuriyani, N., & Zannati, R., 2017).

In this research, profitability is measured using Return on Assets (ROA). Return on Assets (ROA) is used to assess how well a business uses its assets to generate profits. Of all the profitability ratios in use today, this ratio is the most important. Due to higher returns, companies with higher ROA have better performance (Nuriyani, N., & Zannati, R., 2017). This is further strengthened by the knowledge that Return on Assets (ROA) is a ratio that shows the extent of the contribution of assets to net profit (Hery: 2015 in Imaniah, K., & Prayogi, R.: 2023). In other words, the purpose of this ratio is to calculate the profit margin that will be generated from every rupiah of funds invested in total assets. The net profit obtained from each rupiah of funds contained in total assets increases as ROA increases (Imaniah, K., & Prayogi, R., 2023).

Cash Turnover

Cash is an important component that must be present in a company, because with cash the company's operational activities can run well. There will be disruption to operational activities if the cash balance falls. On the other hand, excessive amounts of cash may prevent a company from using it to generate greater profits. A company's profitability can be influenced by the cash turnover cycle, which shows how effectively capital is used. A larger cycle means cash is used more effectively because there are fewer idle funds in the company's treasury (Judin, A. S. et al., 2020).

According to James O. Gill in Kasmir (2013; 111), the cash turnover ratio or cash turnover is used to measure how adequate a company's working capital is to cover expenses and fund sales. According to Kasmir (2016) in Imaniah, K., & Prayogi, R. (2023), cash turnover can be calculated by comparing net sales with the company's average amount of cash and cash equivalents. A high cash turnover ratio indicates how quickly invested cash is returned to its original source. High sales volume is also indicated by a high cash turnover rate.

Cash turnover aims to measure how much working capital a business has to finance sales and pay invoices. Cash turnover shows how often cash can be turned over in a certain time period indicating its ability to generate income. Profitability increases as cash turnover increases (Kasmir, 2011). The higher the cash turnover, the faster the return of cash to the company. So cash can be reused to finance other company operational activities

The cash turnover ratio formula can be expressed as:

Cash Turnover = Net Sales: Average and Cash Equivalents Inventory

Turnover

Inventory turnover is a ratio used to assess how effectively a business manages its stock of goods or inventory. This ratio signal states that the more effectively a business sells its goods, the higher the ratio number (Judin, A. S. et al., 2020). According to Munawir (2004:88) in Rizki, A. et al. (2018), the higher the level of inventory turnover will reduce the risk of losses caused by price reductions or changes in consumer tastes, besides that it will save on storage and maintenance costs for the inventory, so that the costs used for storage and maintenance can be used for various purposes. other things to gain profit.

The inventory turnover ratio is a ratio to measure inventory turnover in generating sales and the higher the ratio means that the company management is good at generating sales and vice versa (Sudana: 2015 in Judin, A. S. et al.: 2020). Inventory turnover is a ratio that shows how often a business turns over cash spent on inventory during a certain time period. Another way to think of inventory turnover is as a ratio that shows how often inventory items are replaced during a year (Kasmir: 2016). An entity can calculate its inventory turnover by counting the number of times its funds are turned over in a certain time period. Inventory management will be more effective and efficient the higher the turnover rate.

The inventory turnover ratio formula can be expressed as:

Inventory Turnover = Cost of Goods Sold: Average Inventory

RESEARCH METHODS

This research uses a quantitative approach with an associative type of research. Associative research is a type of correlational research that uses two or more variables to determine the influence or relationship between one variable and another variable (Manurung, 2014). This study uses a quantitative approach. The data collection method used in this research is the documentation method by collecting secondary data in the form of financial data for cosmetic sub-sector manufacturing companies listed on the Indonesia Stock Exchange (BEI) during the 2020-2022 period.

The population used in this research are cosmetic sub-sector manufacturing companies listed on the Indonesia Stock Exchange. The population in this study were 6 cosmetic sub-sector manufacturing companies listed on the Indonesia Stock Exchange for the 2020-2022 period. Samples were taken using purposive sampling technique. The criteria used in selecting the sample for this research were companies belonging to the cosmetics sub-sector which were listed on the Indonesia Stock Exchange in 2020-2022 and had published audited annual financial reports

for 2020-2022. The following 6 companies were sampled in this research:

Table 3.1 Sample of Cosmetics Sub-Sector Manufacturing Companies

No	Company Code	Company Name
1	MRAT	PT Mustika Ratu Tbk - MRAT.
2	UNVR	PT Unilever Indonesia Tbk - UNVR.
3	DES	PT Akasha Wira International Tbk - DES.
4	KINO	PT Kino Indonesia Tbk - KINO.
5	MBTO	PT Martina Berto Tbk - MBTO.
6	TCID	PT Mandom Indonesia Tbk - TCID.

The research model used in this research is an associative model consisting of two independent variables and 1 dependent variable. The independent variables used are cash turnover and receivables turnover, while the independent variable studied is Return on Assets (ROA).

The data analysis model used in this research is quantitative data analysis. The analysis technique used in this research is multiple linear regression. This method is used to predict the effect of a dependent variable based on the independent variable. Researchers use the SPSS program to make calculations easier.

Classic Assumption Test

The classical assumption test aims to analyze whether the regression model used in the research is a good model, so the results of the regression analysis are suitable as recommendations for practical problem solving purposes (Juliandi: 2015 in Imaniah: 2023). The requirements for this classical assumption test are the normality test and the multicollinearity test.

Normality Test, the normality test is used to determine whether the residuals from the regression model have a normal distribution. It is assumed that the residual values in the t and F tests are normally distributed. These assumptions must be met so that statistical test data can be considered valid. The nonparametric Kolmogorov-Smirnov (K-S) statistical test was used for testing. As a guideline for decision making, if the significant value is <0.05 then the data is said to be abnormal and if the significant value is >0.05 then the data is said to be normal (Suminar: 2015).

Multicollinearity Test, the multicollinearity test aims to test that the regression model found a correlation between several variables. A good regression model should not have correlation between independent variables. Regression with a Variance Inflation Factor (VIF) value smaller (<) than 10 and a tolerance number close to 1 is declared free from multicollinearity (Rosananda: 2023).

Multiple Linear Regression Analysis

Multiple linear regression analysis is used to determine the causal relationship between the independent variables and the dependent variable. If the multiple linear regression model is free from classical assumption problems, then the regression may be continued for analysis (Juliandi: 2014 in Imaniah: 2023). The following is the formula for the multiple linear regression method:

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \varepsilon$$

Y = Dependent Variable

(Return on Assets) α =

Constant

β = Direction number or regression

coefficient X1 = Independent

Variable (Cash Turnover)

X2 = Independent Variable

(Inventory Turnover) ε = Standard

Error

Hypothesis Testing

t test, the t test is used to find out how much influence the independent variable has on the dependent variable (Ghozali, 2016:99). Apart from that, the t test is used to test whether the independent variable (X) has a significant relationship with the dependent variable (Y). If $t_{count} < t_{table}$, then the independent variable has no significant effect on the dependent variable. If $t_{count} > t_{table}$, then the independent variable has a significant effect on the dependent variable (Imaniah: 2023). The test criteria are with a level of α = 0.05, namely if the significant value of t shows more than 0.05 then the hypothesis is rejected. This means the dependent variable does not have a significant influence on the independent variable. Meanwhile, if the significant t value shows less than 0.05 then the hypothesis is accepted. This means that the dependent variable and independent variables have a significant influence (Rosananda: 2023).

F test, the F test is used to determine whether all independent variables together have a significant influence on the dependent variable. If the calculated $F_{value} < F_{table}$, then the independent variables simultaneously do not have a significant effect on the dependent variable. If $F_{count} > F_{table}$, then the independent variable simultaneously has a significant influence on the dependent variable (Imaniah: 2023). The test criteria are with a significance level of α = 5% or 0.05, namely if the significant value is <0.05 then the independent variable has an influence on the dependent variable. Meanwhile, if the significant value is > 0.05 then the independent variable has no influence on the dependent variable (Rosananda: 2023).

Coefficient of Determination Test, the determination test is a particular dimension that is very important in regression analysis to determine whether a regression model is realistic or not. The Coefficient of Determination functions to determine the percentage of influence of the independent and dependent variables by squaring the coefficients found (Imaniah: 2023). The coefficient of determination value indicates that a certain large variation from variable Y can be transmitted to variable X. The coefficient of determination value is between zero and one (Ghozali, 2016:95).

RESULT

Profitability Ratio

Profitability ratios are ratios to measure a company's ability to generate profits or profits over a certain period of time at the level of sales, assets and capital. This ratio also shows how well the company's management is performing in generating healthy profits, which is a sign of strong business performance. The following is profitability data for cosmetics sub-sector companies listed on the IDX for 2020-2022:

Table 4.1

Profitability Data for Cosmetics Sub-Sector Companies 2020-2022

No	Company Code	Period		
		2020	2021	2022
1	MRAT	0,012087833	0,000618	0,0976
2	UNVR	0,348851443	0,301971	0,29287
3	DES	0,141625234	0,203785	0,22179
4	KINO	0,02162844	0,018824	(-0,2032)
5	MBTO	(-0,206754005)	(-0,208168)	(-0,05879)
6	TCID	(-0,02366374)	(-0,03325)	0,00761

Source: Indonesian Stock Exchange (data processed, 2023)

Cash Turnover

Cash turnover is a comparison between sales and average cash. The higher the cash turnover, the better, because this means the higher the efficiency of cash use and the greater the profits obtained. The following is cash turnover data for cosmetics sub-sector companies listed on the IDX for 2020-2022:

Table 4.2

Data on Cash Turnover for Cosmetics Sub-Sector Companies 2020-2022

No	Company Code	Period		
		2020	2021	2022
1	MRAT	27,22441996	37,59109	1,60987
2	UNVR	50,91066918	121,6062	81,9653
3	ADES	1,989329016	2,45919	3,41784
4	KINO	21,87584113	19,50531	18,6652
5	MBTO	135,1025512	73,84116	89,63
6	TCID	4,34295624	3,336212	3,56629

Source: Indonesian Stock Exchange (data processed, 2023)

Inventory Turnover

Inventory turnover measures how many times the money in inventory turns over in a certain time period. In theory, inventory turnover streamlines and speeds up the business processes, which must be followed to manufacture goods and deliver them to clients. The amount of working capital required decreases as the inventory turnover rate increases. The following is inventory turnover data for cosmetics sub-sector companies listed on the IDX for 2020-2022:

Table 4.3

Inventory Turnover Data for Cosmetics Sub-Sector Companies 2020-2022

No	Company Code	Period		
		2020	2021	2022
1	MRAT	-0,777163415	-0,68111	-0,7176
2	UNVR	-8,329118056	-8,11761	-8,4392
3	ADES	-4,128897376	-4,42967	-4,1868
4	KINO	3,036410782	3,599595	5,16124
5	MBTO	-2,04695895	-1,36932	-2,3011
6	TCID	2,908372598	-3,10262	-2,6165

Source: Indonesian Stock Exchange (data processed, 2023)

Normality test

Table 4.4

Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		CASH TURNOVER	INVENTORY TURNOVER	ROA
N		18	18	18
Normal Parameters[a,b]	Mean	38,81	-2,03	21864837,78
	Std. Deviation	43,487	4,009	104481834,150
Most Extreme Differences	Absolute	,216	,146	,371
	Positive	,216	,146	,371
	Negative	-,196	-,113	-,353
Test Statistic		,216	,146	,371
Asymp. Sig. (2-tailed)		,026[c]	,200[c,d]	,000[c]

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

Source: Research Results (processed data, 2023)

Based on the results of the K-S Normality test, the Asymp value is known. Sig. (2-tailed) variable X1 0.026 <0.05, variable X2 0.200 >0.05 and variable Y 0.000<0.05. It can be concluded that variables X1 and Y are not normally distributed, while variable X2 is normally distributed.

Multicollinearity Test

Table 4.5 Multicollinearity Test Results

Variabel	Tolerance	VIF
Perputaran Kas (X1)	0,856	1,168
Perputaran Persediaan (X2)	0,856	1,168

Source: Research Results (processed data, 2023)

Based on the data above, it shows that each independent variable, namely cash turnover and inventory turnover, has a VIF value of 1,168 (not exceeding 10) and the tolerance value for each independent variable is 0.856 (exceeding 0.10). So it can be concluded that there is no multicollinearity problem between the independent variables. So it can be concluded that the residual data is normally distributed.

Multiple Linear Regression Test

Table 4.6
Multiple Linear Regression Results

Coefficients [a]

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	42347966,082	29206083,042		1,450	,168
CASH TURNOVER	-1245930,661	544965,784	-,519	-2,286	,037
INVENTORY TURNOVER	-13732533,181	5911611,972	-,527	-2,323	,035

a. Dependent Variable: ROA

Source: Research Results (processed data, 2023)

Based on the table above, the following values can be

seen: Constant = 42347966.082

Cash Turnover =

1245930,661 Inventory

Turnover = 13732533.181

These results are entered into a multiple linear regression equation to obtain the following equation:

Y = 42347966.082 + 1245930.661

Information:

1) The constant value of 42347966.082 indicates that if the independent variable consisting of Cash Turnover (X1) and Inventory Turnover (X2) is assumed to have a value of zero, then the value of Return On Assets (Y) is 42347966.082.

2) The Cash Turnover regression coefficient (X1) is 1245930.661, indicating that if the cash turnover variable changes one unit, it will result in a change in the ROA variable (Y) of 1245930.661.

3) The Inventory Turnover regression coefficient (X2) is 13732533.181, indicating that if the inventory turnover variable changes by one unit, it will result in a change in the ROA variable (Y) of 13732533.181.

Hypothesis testing

1. t test (partial test)

Table 4.7
t Statistical Test Results (Partial)

Coefficients [a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	42347966,082	29206083,042		1,450	,168
CASH TURNOVER	-1245930,661	544965,784	-,519	-2,286	,037
INVENTORY TURNOVER	-13732533,181	5911611,972	-,527	-2,323	,035

a. Dependent Variable: ROA

Source: Research Results (processed data, 2023)

The results of the t statistical test in the table above can be explained as follows:

1) Based on significance value

Cash turnover (X1) has a significant value of 0.037, which means it is smaller than 0.05, based on this value it can be concluded that Ha1 is accepted, so cash turnover has a significant influence on Return On Assets.

Inventory turnover (X2) has a significant value of 0.035, which means it is smaller than 0.05, based on this value it can be concluded that Ha2 is accepted, so inventory turnover has a significant influence on Return On Assets.

2) Based on a comparison of the calculated t value with the t table

The formula for finding t table = (α/2 ; n-k-1) = (0.05/2 ; 18-2-1) = (0.025 ; 15) = 2.131 The result obtained for t table is 2.131.

Cash Turnover (X1), the calculated t value of the cash turnover variable is - 2.286, because the calculated t value is -2.286 < t table -2.131, it can be concluded that Ha1 is accepted. This means that cash turnover has a significant influence on Return on Assets.

Inventory Turnover (X2), the calculated t value of the inventory turnover variable is -2.323, because the calculated t value is -2.323 < t table -2.131, it can be concluded that Ha2 is accepted. This means that inventory turnover has a significant effect on Return on Assets.

2. F Test (Simultaneous Test)

Table 4.8

F Statistical Test Results (Simultaneous)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	629637765581 58256,000	2	314818882790 79128,000	3,851	,045[b]
	Residual	122615935786 515280,000	15	817439571910 1019,000		
	Total	185579712344 673536,000	17			

a. Dependent Variable: ROA

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

Source: Research Results (processed data, 2023)

For the F test criteria, it is carried out using the formula to find F table = (k ; n-k) = (2 ; 18-2) = (2 ; 16) = 3.63. The result obtained is F table of 3.63. Based on the table above, the calculated F value is 3.851 and the F table value is 3.63

with a

significant value of 0.045 or calculated F > F table = 3.851 > 3.63, then Ha3 is accepted. This means that cash turnover and inventory turnover simultaneously have a significant effect on Return on Assets.

3. Coefficient of Determination Test (R-square)

Table 4.9
Coefficient of Determination Test Results (R-square)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,582[a]	,339	,251	90412364,85736

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

Source: Research Results (processed data, 2023)

Based on the table above, it can be seen that the value of Adjusted R square is 0.251 which means 25.1% and this states that the cash turnover and inventory turnover variables are 25.1% to influence the profitability variable. Next, the difference is 100% - 25.1% = 74.9%. This shows that 74.9% is another variable that was not used in this research.

DISCUSSION

Effect of Cash Turnover on Profitability (ROA)

Based on the results of the multiple linear regression test, the calculated cash turnover variable value t is -2.286. Because the calculated t_{value} is smaller than the t_{table} value (-2.286 < 2.131) it can be concluded that Ha1 is accepted. This means that cash turnover has a significant influence on Return on Assets. Cash turnover has a significant value of 0.037, which means it is smaller than 0.05, based on this value it can be concluded that Ha1 is accepted, so cash turnover has a significant influence on Return On Assets.

Riyanto (2010:92) suggests that cash turnover describes the ability of cash to generate income so that it can be seen several times cash rotates in a period. The faster a company manages its cash to generate profits, the higher the company's profitability will be. These results are in line with research conducted by Rosananda (2023), namely that cash turnover has a positive effect on company profitability.

Effect of Inventory Turnover on Profitability (ROA)

Based on the results of the multiple linear regression test, the calculated cash turnover variable value t is -2.323. Because the calculated t_{value} is smaller than the t_{table} value (-2.286 < 2.131) it can be concluded that Ha1 is accepted. This means that cash turnover has a significant influence on Return on Assets. Cash turnover has a significant value of 0.035, which means it is smaller than 0.05, based on this value it can be concluded that Ha1 is accepted, so cash turnover has a significant influence on Return On Assets.

Kasmir (2019:182) states that inventory turnover is a ratio used to measure how

many times the funds invested in inventory rotate in a period. What this means is that if the inventory in the warehouse can be sold quickly and shows high sales so that it can influence income, the better it will be so that it will increase profits, which will have an impact on increasing profitability. These results are in line with research conducted by Sari, I & Marbun, P (2023), namely that inventory turnover has a positive effect on company profitability.

The Effect of Cash Turnover and Inventory Turnover on Profitability

The research results obtained regarding the effect of cash turnover and inventory turnover on profitability are shown from the ANOVA (Analysis of Varience) test. In this table, the calculated F is found to be 3.851 with a significance level of 0.045, while the F table is known to be 3.63. Based on these results, it can be seen that $F_{value} > F_{table}$ (3.832 > 3.63) so that Ha3 is accepted. So it can be concluded that the cash turnover and inventory turnover variables simultaneously have a significant influence on profitability.

The results of this research also show that the Adjusted R Square value in this regression is 0.251 or 25.1%. This means that the contribution of cash turnover and receivables turnover to profitability is 25.1%. Meanwhile, the remaining 74.9% was influenced by other variables not used in this research.

CONCLUSION

Based on the results of data analysis regarding the influence of cash turnover and inventory turnover on profitability in cosmetics sub-sector manufacturing companies listed on the Indonesia Stock Exchange (BEI) in 2017-2020, several things can be concluded as follows:

1. Based on the results of the cash turnover t test, the calculated t_{value} is smaller than the t_{table}, namely (-2.286 < 2.131). The significant value is smaller than the specified significant value (0.037 < 0.05), so it can be concluded that cash turnover significantly influences profitability.
2. Based on the results of the inventory turnover t test, the calculated t_{value} is greater than the t_{table}, namely (-2.286 < 2.131). The significant value is smaller than the determined significant value (0.035 < 0.05), it can be concluded that inventory turnover significantly influences profitability .
3. Based on the F test results, the calculated F_{value} is greater than the F_{table}, namely (3.851 > 3.63). The significant value is smaller than the specified significant value (0.045 < 0.05), so it can be concluded that cash turnover and inventory turnover simultaneously have a significant effect on profitability.

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