

FINANCIAL RATIO ANALYSIS TO ASSESS WORKING CAPITAL EFFICIENCY AT PT. PEGADAIAN FOR 2019-2021

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ABSTRACT

The results of the study note that the level of working capital efficiency at PT. Pegadaian, is at an inefficient level. It can be seen from the calculation of inventory turnover below standard with an average of 5.97, receivables turnover below standard with an average of 0.27 and working capital turnover of PT. Pegadaian in 2019-2021 has an average of 0.98 under 6 times the working capital turnover.

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1. PRELIMINARY

The development of the business world that is always changing today, every profit-oriented company always has a goal to maximize profits and keep costs to a minimum. To achieve this, companies must be able to optimize and utilize their potential. Especially with regard to working capital. Working capital is an important main problem that is often faced by companies, because almost all attention is paid to managing working capital and current assets which are a sizeable part of assets. Working capital is the company's investment in current assets. With good and efficient working capital, the company's operational activities can increase company profits. According to Weston[1] Working capital is defined as an investment invested in current assets or short-term assets, such as cash, banks, securities, inventory receivables and other current assets. So it can be concluded that working capital is the capital used to carry out the company's operational activities as an investment invested in current assets or short-term assets.

According to Kasmir[2], The purpose of working capital for the company is to obtain additional funds from creditors if the financial ratios meet the requirements and to maximize the use of current assets to increase sales and profits. Sufficient working capital is very important for a company because with sufficient working capital it is possible for the company to operate as well as possible and not experience difficulties if there are dangers that arise. Investments in current assets often experience changes and tend to be unstable, while current assets are the company's working capital, meaning that these changes will affect working capital. Excessive working capital indicates the existence of unproductive funds and insufficient working capital will disrupt the continuity of the company's operations so that it becomes the main cause of the failure of a company. Therefore, managers or company leaders must supervise working capital so that working capital sources can be used effectively and efficiently.

One way to find out the company's financial condition and the company's working capital is to analyze the company's financial statements by calculating the ratios contained in the financial statements. According to Kasmir[3] "Financial Statements are reports that show the company's financial position over a certain period of time". According to Suteja[4], Financial report is a report that describes the financial position of the results of an accounting process during a certain period that is used as a communication tool for interested parties. Meanwhile, according to the Indonesian Accounting Association[5], financial statements are part of the financial reporting process with a structured presentation of the financial

position and performance of an entity". From the definition it can be concluded that the financial statements are financial information presented by the company which describes the condition of the company in an accounting period that can be used to describe the company's performance.

Financial statements are a structured presentation of the financial position and financial performance of an entity and have a purpose. According to PSAK Team[6], The objective of financial statements is to provide information about the financial position, financial performance and cash flows of an entity that is useful to most users of the report in making economic decisions. The preparation of these financial statements must be prepared in accordance with applicable rules and must be based on the nature of the financial statements themselves. According to Kasmir[7], The nature of financial statements is divided into two, namely historical and comprehensive, which means that financial statements must be prepared based on past and present data. The second nature of financial statements is that they are comprehensive, meaning that financial statements are made as complete as possible based on established standards and provisions.

Financial reports are made to make it easy to report activities that occur in the company in a certain period. In order for the report to provide broader and more in-depth information, it is necessary to analyze the financial ratios contained in the financial statements. Financial ratio analysis is a process in order to help analyze or evaluate the company's financial condition, the company's past and future operating results by dividing one number by another. According to Haraharap[8], financial ratio is a number obtained from the comparison of one financial statement item with another item that has a relevant and significant relationship.

According to Mediaty[9] working capital efficiency is the optimal use of working capital in the company's operational activities. Working capital efficiency also shows management's achievement in managing company resources, because the more efficient the use of working capital, it shows that the company's performance is getting better. Meanwhile, according to Syamsuddin[10], working capital efficiency is needed to ensure long-term viability. If working capital is inefficient, then there is no point in considering long-term success. According to Munawir[11] To assess the efficiency of working capital, the ratio between total sales and the average amount of working capital can be used or what is called working capital turnover. Working capital turnover ratio is a ratio that shows the relationship between working capital and sales and shows the number of sales that can be obtained by the company for each rupiah of working capital. Djarwanto[12] said that there is a close relationship between sales and working capital. When sales volume increases, investment in inventory and receivables also increases, this means also increasing working capital efficiency. The inventory turnover ratio is a ratio used to measure how many times the funds invested in this inventory rotate in one period. Accounts receivable turnover ratio is a ratio used to measure how long it takes to collect receivables during a period or how many times the funds invested in receivables rotate in one period. According to Dajan[13], sThe higher the receivables turnover ratio indicates that the working capital invested in receivables is lower.

PT Pegadaian is one of the state-owned companies that play a role in financing, especially small businesses in the form of lending on the basis of pawn law. From the financial statements of PT Pegadaian in 2019-2021, there was a very significant decline in the components of the financial statements including, a decrease in income, one of which was the decline in world gold prices, a decrease in the number of assets due to loans provided by PT Pegadaian reduced due to pandemic conditions with a situation that worsened. difficult so that people tend to sell and auction the collateral. On the other hand, there are many uncollectible receivables, causing excessive investment in receivables which will become funds for the company. This causes more and more investments embedded in working capital,

2. METHOD

2.1 Jenis and Data Source

The type of data used is secondary data. Secondary data, namely data collected in the form of company financial data report scale data related to financial statements. The secondary data used by the

researcher is in the form of PT Pegadaian's financial statements from 2019-2021 which are accessed through www.idx.co.id.

2.2 Analysis Method

This study uses a quantitative descriptive method, namely analyzing data and matters relating to numbers or calculation formulas used to analyze the problem being studied. The tool used to analyze the data in this study is to use the ratio of inventory turnover, receivables turnover and working capital turnover.

3. RESULTS AND DISCUSSION

3.1 Presentation of Research Result Data

PT Pegadaian or with a code name registered on the Indonesia Stock Exchange, namely PPGD. The company was founded on August 20, 1746, whose initial company name was Bank Van Leening and has changed its name several times. The last change occurred on September 23, 2021, where the form of legal entity in 2011 with the status of a Company (PERSERO) has now changed to a Limited Liability Company (PT) based on Government Regulation (PP) No.73 of 2021.

The following is an analysis of working capital efficiency by measuring the level of inventory turnover, receivables turnover and working capital turnover for the 2019-2021 period at PT. pawnshop.

Table 1. Inventory Turnover

Tahun	Total Persediaan	Total Pendapatan	Perputaran Persediaan	Kategori
2019	Rp 246.304.000.000	Rp 17.674.257.000.000	5,08	Tidak Sehat
2020	Rp 357.048.000.000	Rp 21.964.403.000.000	5,93	Tidak Sehat
2021	Rp 393.059.000.000	Rp 20.639.861.000.000	6,95	Kurang Sehat

The results of the calculation of inventory turnover in 2019-2021 are respectively 5.08 days, 5.91 days and 6.94 days. This turnover is still classified as not good because it is still below the applicable ratio standard. Based on the table above that for three consecutive years the amount of inventory at PT. Pawnshops are always increasing. The increase was due to an increase in the volume of stock and sales, thus requiring a larger inventory than in previous years. Total revenue in 2020 increased to Rp21,964,403,000,000 from 2019. This increase was due to higher gold sales revenue and capital rental income as the main contributor to operating income. In 2021 the total revenue of PT. Pawnshops have actually decreased from previous years.

Total inventory turnover according to the calculation results above has an average of 5.97 days which is still below the standard ratio. Low inventory turnover indicates slow sales and more and more working capital embedded in inventory so that it is stored in the warehouse for too long. One of the low levels of inventory turnover is due to excessive investment in inventory. According to Kasmir[14] One of the causes of low inventory turnover is due to excessive investment in inventory.

Table 2. Accounts Receivable Turnover

Tahun	Pendapatan Sewa Modal	Piutang Usaha		Rata-Rata Piutang Usaha	Perputaran Piutang
		Piutang Awal	Piutang Akhir		
2019	Rp 12.948.638.000.000	Rp 40.856.110.000.000	Rp 50.366.150.000.000	Rp 45.611.130.000.000	0,28
2020	Rp 14.545.041.000.000	Rp 50.366.150.000.000	Rp 54.659.744.000.000	Rp 52.531.447.000.000	0,27
2021	Rp 13.808.210.000.000	Rp 54.696.744.000.000	Rp 48.961.730.000.000	Rp 51.829.237.000.000	0,26

The results of the calculation of receivables turnover in 2019-2021 are 0.28, 0.27 and 0.26, respectively. This turnover rate is still not good because it is still below the applicable ratio standard. Based on the table above that for three consecutive years the amount of capital rental income at PT. Pawnshops are always increasing and decreasing. In 2020, capital rental income increased by 12.78% from the previous year. Meanwhile in 2021, capital rental income will decrease to Rp12,808,210,000,000. The average trade receivables for 3 years has increased every year which comes from the addition of initial receivables and ending receivables divided by 2 years.

Table 3. Receivable Collection Period

Tahun	Total Piutang Usaha	Total Pendapatan Usaha	PKP (Hari)	Kategori
2019	Rp 50.366.150.000.000	Rp 17.674.257.000.000	1040	Tidak Sehat
2020	Rp 54.696.744.000.000	Rp 21.964.403.000.000	908	Tidak Sehat
2021	Rp 48.961.730.000.000	Rp 20.639.861.000.000	865	Kurang Sehat

It can be seen from the receivable collection period in table 4 above, which has a very long receivable collection period, proving that more and more accounts receivable are being collected.

Table 4. Working Capital Turnover

Tahun	Total Pendapatan Usaha	Aset Lancar	Hutang Lancar	PMK	Kategori
2019	Rp 17.674.257.000.000	Rp 53.830.391.000.000	Rp 34.974.833.000.000	0,93	Tidak Efisien
2020	Rp 21.964.403.000.000	Rp 58.263.762.000.000	Rp 38.531.629.000.000	1,1	Tidak Efisien
2021	Rp 20.639.861.000.000	Rp 53.012.832.000.000	Rp 30.494.164.000.000	0,91	Tidak Efisien

The results of the calculation of working capital turnover in 2019-2021 are 0.93, 1.1 and 0.91 respectively. Working capital turnover shows the sales that can be obtained by the company for each working capital. Means that every Rp.1.- working capital can generate Rp.0.93,- net sales in 2019, Rp1.1.- in 2020, and in 2021 it generates Rp.0.91,- sales. In that year current assets and current liabilities increased and decreased. The increase in current assets was due to an increase in the amount of cash and cash equivalents, loans and inventories in 2020. The decrease in current assets was due to a decrease in loans as a result of the Covid-19 pandemic which led to a decline in gold prices. Meanwhile, the increase in current liabilities occurred due to the increase in bank loans, accounts payable and accruals in 2020.

The average working capital turnover at PT Pegadaian during 2019-2021 is 0.98 times, which is below the general ratio standard of 6 times. This shows that the working capital turnover at PT Pegadaian has not been efficient because the working capital invested in the main elements of working capital in generating sales tends to decrease and its value is smaller than the average working capital. It can be seen from the low inventory turnover and accounts receivable turnover which makes working capital turnover also low. Low working capital turnover can be caused by low inventory and accounts receivable turnover or high investment in inventories and receivables. According to Munawir[15], the lower the working capital turnover rate, the more inefficient the working capital of the company. This also supports the research conducted by Aris Munandar et al at PT. Holcim Tbk, where the working capital turnover <6 times is classified as inefficient. Thus, according to the calculations, standards and applicable theories, the working capital at PT Pegadaian in 2019-2021 is considered inefficient.

4. CONCLUSION

Based on the results of research and discussion that have been described in the previous chapter, it can be concluded from the analysis that working capital at PT. Pawnshops in 2019-2021 have not been efficient, because in this company working capital is more embedded in inventories and receivables, resulting in very slow working capital turnover, causing the company's operational activities to be hampered which in turn will hamper the company's ability to earn profits.

Suggestions for further researchers to measure the efficiency of working capital in order to develop and add years and the use of other financial ratios so that the analysis results obtained can be better.

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