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Effect Of Turnover Of Cash, Receivables Turnover, And Inventory Turnover Of Liquidity In General Area Pearl Harappan

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Abstract

Liquidity is the company's ability to pay its short-term obligations. The higher the level of liquidity, the more able the company is to pay off its obligations, and vice versa, the lower the liquidity, the lower the company's ability to pay off its obligations. This study aims to determine the effect of cash turnover, receivables turnover, and inventory turnover on liquidity which is represented by the current ratio at Mutiara Harappan Regional Public Company, Alor Regency, either partially or simultaneously. Data collection was carried out using documentation techniques by taking samples in the form of financial statements for 2015 – 2019. Data analysis used descriptive statistics, multiple linear regression, t-test, and F test. The results showed that partially cash turnover had a significant positive effect on company liquidity, Accounts receivable turnover has a significant positive effect on the company's liquidity, and inventory turnover has a significant positive effect on the company's liquidity. Simultaneously cash turnover accounts receivable turnover, and inventory turnover has a significant positive effect on company liquidity.

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INTRODUCTION

In the current era of globalization, many companies are trying to expand their business, both in the field of operations and management. All of this is done to achieve the company's goals, namely profit and business expansion. However, it cannot be denied that competition between companies is increasing, especially companies that produce similar products so that company management is required to be able to maintain and manage the company's resources properly. Efforts that can be made in maintaining the survival of the company to face the increasingly fierce competition is to make handling in the form of good current asset management so that the use of all current assets owned by the company can be coordinated effectively and efficiently so that the company can fulfill its current obligations because with, Therefore, the company's position in the eyes of investors as investors and creditors as parties who lend funds will be better and can directly help the company's performance to continue running (Oktaviana, 2020).

Liquidity is one of the factors that determine the success or failure of a company. The provision of cash needs to meet short-term obligations will determine the extent to which the company bears the risk. Or in other words, liquidity is a ratio used to measure the company's ability to meet its short-term obligations. The ratios used to measure liquidity consist of current ratios, quick ratios, cash ratios, cash to current debt ratios, current assets to total assets ratios, and current assets to total debt ratios. The current ratio (current *ratio)* is a ratio to measure a company's ability to pay short-term obligations or debt that is due soon (Mulyanti & Supriyani, 2018). Calculation of the current ratio is done by comparing the total current assets with total current liabilities. Quick ratio (quick *ratio)* is a ratio to measure a company's ability to pay short-term obligations or debt that is due soon. Quick ratio calculation is done by comparing total current assets with total current liabilities but in this quick ratio the amount of inventory is removed from the value of current assets because inventory is an element of current assets with the lowest level of liquidity, often experiences price fluctuations, and often causes losses in the event of liquidation. . The cash ratio is a comparison between really liquid current assets, namely cash funds with short-term liabilities (Mulyanti & Supriyani, 2018). In this paper, the authors measure the liquidity level of Mutiara Harappan Regional Public Company, Alor Regency by using the current ratio (current ratio*)*. The calculation of the current ratio or current ratio is carried out by comparing total current assets with total current debt or can be expressed by the formula (Mulyanti & Supriyani, 2018):

$$\text{Current Ratio} = \frac{\text{Total Current Assets}}{\text{Total Current Debt}} \quad \text{..... (1)}$$

To be able to meet liquidity, the company must have instruments to pay in the form of current assets, the amount of which must be much larger than the obligations that must be paid immediately, namely current liabilities. Cash, receivables, and inventories are components of current assets that play the most role in carrying out company activities (Mulyanti & Supriyani, 2018).

Cash is the most needed component of current assets to pay for various needs. Cash is cash and other securities that can be cashed at any time (Dewi, 2019). Meanwhile, Riyanto, (2012) states that cash is cash owned by the company and can be used at any time. In the balance sheet, cash is placed at the top because cash is the most liquid among other goods, in the sense that if the company is in need or requires money, it can be taken directly from cash. Therefore, the availability of cash in sufficient quantities is highly expected by the company's management (Fahmi, 2016). If the company's cash reserves are small, the company will have difficulty paying its obligations. A company that is short on cash can be dangerous because it may not be able to meet its short-term obligations, but having too much cash is also unhealthy because the cash does not produce anything. Therefore it is necessary to have cash management so that it is not too long in the company and can be used for company operations (Nurjannah, 2016).

Cash turnover is a period of cash circulation that begins when cash is invested in working capital components until it returns to cash as an element of working capital. The higher the cash turnover rate means the more efficient the level of cash use. On the other hand, the lower the cash turnover rate, the more inefficient the use of cash (Riyanto, 2012). Cash turnover is calculated by comparing net sales with the average amount of cash or can be expressed by the formula (Mulyanti & Supriyani, 2018):

$$\text{Cash Turnover} = \frac{\text{Net Sales}}{\text{Average Cash}} \quad \text{..... (2)}$$

Receivables are elements of the company's current assets that arise as a result of sales on credit and are easy to convert into cash. If the company's funds are more embedded in the form of receivables, the company will not be able to rotate its funds for other activities, so it is feared that the company will have difficulty meeting its operational financial needs. In the receivables embedded many investments so that the company must maximize receivables collection to meet the needs of the company's activities within a certain period (Nurjannah, 2016).

Accounts receivable turnover rate is a ratio that shows how long it takes to convert receivables into cash. The higher the receivables turnover rate, the faster the receivables turn into cash and if the

receivables have become cash, it means that cash can be reused in the company's operations and the risk of loss of receivables can be minimized so that the company can be categorized as a liquid company. Conversely, if the receivables turnover rate is low, there will be excess receivables and the company will experience an illiquid state (Wardiyah, 2017). Accounts receivable turnover is calculated by comparing net credit sales with average trade receivables or can be expressed by the formula (Fahmi et al., 2020):

$$\text{Receivable Turnover} = \frac{\text{Credit sales}}{\text{Average Accounts Receivable}} \quad \text{..... (3)}$$

In addition to cash and receivables, another element of current assets that also affect the company's liquidity is inventory. Inventory is also the largest element of current assets. Inventory is an active element in the company's operations that are continuously acquired, modified, and then sold to consumers. A company must keep sufficient inventory to meet the needs of its customers. On the other hand, keeping too much inventory will have an impact on accumulating many funds that should be used to improve the company's operations. In addition, excessive inventory will increase the risk of loss due to increased storage costs and even damage that results in financial losses (Nurjannah, 2016). Therefore, the company must be able to manage inventory properly, because the company must be able to change the inventory stored through sales either on credit which will generate receivables and then be billed, or cash sales which generate cash.

Inventory turnover determines the number of times inventory is sold or replaced with new inventory during a period. If the inventory turnover obtained is high, then the company works efficiently and the company's liquidity is getting better. Conversely, if the inventory turnover is low, it means the company is working inefficiently or unproductively and a lot of inventory items are piling up. This will result in investment in a low rate of return (Riyanto, 2012). Inventory turnover is calculated by comparing the cost of goods sold with the average inventory, or it can be expressed by the formula (Mulyanti & Supriyani, 2018):

$$\text{Inventory Turnover} = \frac{\text{Cost of goods sold}}{\text{Average Inventory}} \quad \text{..... (4)}$$

If the company's cash, receivables, and inventories are managed properly, the company's liquidity will also improve, because liquidity is a reflection of the company's financial performance. The importance of liquidity can be seen by considering the impact that comes from the company's inability to meet its short-term obligations. The high and low level of company liquidity can be indicated by liquid assets that are easily converted into cash including cash, banks, receivables, marketable securities, and inventories. With these liquid assets, the company can use them to meet its operational needs (Nurjannah, 2016).

Mutiara Harapanpan Regional Public Company is a Regional Owned Company of Alor Regency which was established to support the achievement of economic growth to improve people's living standards and contribute to increasing Regional Original Income. The field of business is run by the Mutiara Harappan Regional Public Company in general trading, namely by providing photocopying business services, office stationery, distributing basic goods to small traders, providing loans, and buying commodity products from the community. To support the company's operational activities, the local government also provides capital investment funds to be managed according to the potential and characteristics of the existing business to achieve social goals for the community and increase the economy for the community and also by generating maximum profit for the Mutiara Harapanpan Regional Public Company. To support the purpose of establishing this company, management is required to manage its working capital so that it is expected that the company's needs and short-term obligations of the company can be resolved.

Based on data from the financial statements of the Mutiara Harappan Regional Public Company, Alor Regency in 2015 – 2019, the results of the calculation of liquidity (current ratio), cash turnover, accounts receivable turnover, and inventory turnover are presented in table 1 below:

Table 1. Cash Turnover Data, Accounts Receivable Turnover, Turnover Inventory, and Liquidity (*current ratio*)Company Mutiara Harappan Regional Public 2015 - 2019

Year	Liquidity/ *Current ratio* *(times)*	Cash *(times)*	Turnover Accounts Receivable *(times)*	Turnover Inventory Turnover *(times)*
2015	4,28	4, 52	0.10	6.71
2016	5.32	10.18	0.12	6.11
2017	4.80	8.52	0.14	5.11
2018	5.15	8.24	0.18	5.83
2019	5.45	7.86	0.30	5.05

Based on the data in table 1 above, it is known that cash turnover, accounts receivable turnover, inventory turnover, and liquidity are represented by the current ratio on Mutiara Harappan Regional Public Company, Alor Regency in 2015 – 2019 fluctuated every year. The highest cash turnover occurred in 2016 which was 10.18 times with a current ratio of 5.32 times while the lowest cash turnover occurred in 2015 which was 4.52 times with a current ratio of 4.28 times. The highest receivables turnover occurred in 2019 which was 0.30 times with a current ratio of 5.45 times while the lowest receivables turnover occurred in 2015 which was 0.10 times with a current ratio of 4.28 times. Meanwhile, the highest inventory turnover occurred in 2015 which was 6.71 times with a current ratio of 4.28 times while the lowest inventory turnover occurred in 2019 which was 5.05 times with a current ratio of 5.45 times. If viewed as a whole, it is known that there are several years whose calculation results are not under the theory regarding the effect of cash turnover, accounts receivable turnover, and inventory turnover on liquidity. According to the theory of cash turnover, accounts receivable turnover, and inventory turnover have a positive effect on liquidity, meaning that if cash turnover, accounts receivable turnover, and inventory turnover increase, liquidity will also increase. However, the reality of the Mutiara Harappan Regional Public Company, Alor Regency, is not in line with the theory. This can be seen from the cash turnover rate in 2018 which has decreased from 2017 but the level of liquidity has increased that year. Likewise in 2019, where the cash turnover rate decreased from 2018 but the liquidity level increased in the same year. The receivables turnover rate in 2017 has increased from 2016, but the level of liquidity has decreased in the same year. Likewise in 2018, the receivables turnover rate increased from 2017, but the liquidity level decreased in the same year. The same thing happened to the inventory turnover rate, namely in 2016, the inventory turnover rate increased, but the liquidity level decreased in the same year.

Several researchers have researched the effect of cash turnover, accounts receivable turnover, and inventory turnover on liquidity using multiple linear regression analysis. Based on previous research, there are differences regarding the findings. Regarding the effect of cash turnover on liquidity, the results of research conducted by Silvia & Anggraini, (2020) found that cash turnover had an effect on liquidity, but contradicted the results of research conducted by Mulyanti & Supriyani, (2018) where cash turnover did not affect liquidity. Regarding the effect of receivables turnover on liquidity, the results of research conducted by Oktaviana, (2020) found that receivables turnover affected liquidity, while the results of research conducted by Wijaya, (2018) did not affect liquidity. Meanwhile, regarding the effect of inventory turnover on liquidity, the results of research conducted by Trisnayanti et al., (2020) stated that inventory turnover affected liquidity while the results of research conducted by Astutik, (2018) did not affect liquidity. Meanwhile, regarding the effect of cash turnover, receivables turnover, and inventory turnover on liquidity, the results of research conducted by Fidyaningtyas, (2020) stated that cash turnover, receivables turnover, and inventory turnover affected liquidity, but the results of this study contradicted research conducted by (Nainggolan & Rumengan, 2016) which states that cash turnover, receivables turnover, and inventory turnover do not affect liquidity.

Based on the above descriptions, where the theory is not in line with reality, so the authors are interested in conducting research related to cash turnover, receivables turnover. , inventory turnover,

and liquidity represented by the current ratio with the title: the effect of cash turnover, receivables turnover, and inventory turnover on liquidity at Mutiara Harappan Regional Public Company, Alor Regency, with the hypothesis:

H_{a1}: suspected cash turnover effect on liquidity which is represented by the current ratio at Mutiara Harappan Regional Public Company, Alor Regency;

H_{a2}: it is suspected that receivables turnover affects liquidity, which is represented by the current ratio at Mutiara Harappan Regional Public Company, Alor Regency;

H_{a3}: it is suspected that inventory turnover affects liquidity, which is represented by the current ratio at Mutiara Harappan Regional Public Company, Alor Regency; and

H_{a4}: it is assumed that cash turnover, receivables turnover, and inventory turnover affect liquidity, which is represented by the current ratio at Mutiara Harapanpan Regional Public Company, Alor Regency.

The objectives to be achieved from this study are to determine the effect of cash turnover, receivables turnover, and inventory turnover on liquidity represented by the current ratio at Mutiara Harapanpan Regional Public Company, Alor Regency.

METHODOLOGY

This research was conducted at Mutiara Harappan Regional Public Company in Alor Regency with a population of financial statements (balance sheet reports, income statements, and cash flow statements) for the 2015-2019 period and the sample consisted of financial data regarding current assets, cash, receivables, inventories, and payables. smoothly.

The data collection technique used is documentation. The data analysis technique used was descriptive statistics and classical assumption test consisting of normality test, autocorrelation test, multicollinearity test, and heteroscedasticity test, then continued with multiple linear regression analysis. Hypothesis testing is done by using a partial test or t-test and simultaneous test or F test and the coefficient of determination to find out how much the independent variable affects the dependent variable.

Descriptive Statistics Descriptive

statistics provide an overview or description of liquidity, cash turnover, accounts receivable turnover, and inventory turnover as seen from the minimum, maximum, mean, and standard deviation values.

Classical Assumption Test The classical

assumption test consists of normality test, autocorrelation test, multicollinearity test, and heteroscedasticity test.

1. NormalityThe normality
   the test aims to test whether, in the regression model, the dependent variable and the independent variable have a normal distribution or are close to normal. This study uses a PP Plot graph where the normality of the data is detected by looking at the spread of data (points) on the diagonal axis in the graph. If the data spread around the diagonal axis of the graph, then the processed data is normally distributed data so that the normality test is met.
2. Autocorrelation Test Autocorrelation
   the test is a test of assumptions in regression where the dependent variable is not correlated with itself. The meaning of self-correlation is that the value of the dependent variable is not related to the value of the variable itself, either the value of the previous variable or the value of the period after it. Testing is done by looking at the value of Durbin-Watson (DW). The data is said to meet the autocorrelation test if the DW value is between numbers -2 to +2 (-2 DW 2).
3. Multicollinearity Test Multicollinearity
   the test aims to test whether the regression model found a correlation between the independent variables (independent). A good regression model should not correlate with the independent variables. Testing is done by looking at the value of Variance Inflation Factor (VIF) and tolerance

value. A regression model has no problem if the VIF value is less than 10 (VIF 10) and the tolerance value is greater than 0.10 (tolerance > 0.10).

4. Heteroscedasticity Test Heteroscedasticity
   the test is used to see whether the confounding variables have the same variance or not. Testing is done by looking at the points formed from the data that has been collected. If these points do not form a certain pattern or spread above and below the number 0 on the Y axis, then there is no heteroscedasticity.

Multiple Linear Regression Analysis

Multiple linear regression analysis is an analytical tool that is used to show the influence between two or more independent variables on the dependent variable, with the equation:

$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$

(5)

Where:

Y: Liquidity
a : Constanta
β_1: The regression coefficient of variable Turnover Cash
β_2: The regression coefficient of variable Receivable Turnover
β_3: The regression coefficient of variable Inventory Turnover
X_1: Turnover Cash
X_2: Accounts Receivable Turnover
X_3: Inventory Turnover
e: Epsilon (Influence of other factors) / Confounding variable

Hypothesis Testing Hypothesis

Testing is carried out using partial test or t-test, and simultaneous test or F

1. Partial test or t-test
   the test is used to test the effect of each independent variable on the dependent variable with the decision criteria: if the significant value of the t-test (sig) is less than or equal to alpha (Sig), then individually or partially each independent variable has an effect on the dependent variable, otherwise, if the value is significant The t-test (sig) is greater than the alpha value (sig), then individually or partially each independent variable has no effect on the ap dependent variable.
2. Simultaneous test or F test The F
   the test is intended to test the effect of the independent variables together on the dependent variable with the decision making criteria: if the significant value of the F test (sig) is less than or equal to alpha (Sig), then jointly all independent variables affect the dependent variable, on the other hand, if the significant value of the F test (sig) is greater than the alpha value (sig), then together all the independent variables do not affect the dependent variable.

Coefficient of Determination

The coefficient of determination (R^2) is used to measure the strength of the influence of the independent variable on the dependent variable. In this study, the coefficient of determination was measured using the adjusted R-Square value, the magnitude of which was between 0 - 1 ($0 < R^2 < 1$). If the adjusted R-Square value is close to 1, it means that the independent variable has a stronger effect on the dependent variable.

RESULT AND DISCUSSION

Descriptive Statistics Descriptive

statistics are used to describe the research variables, namely liquidity, cash turnover, receivables turnover, and inventory turnover at Mutiara Harapan Regional Public Company from 2015 - 2019. The descriptive statistics used in this study include the minimum, maximum, mean values. and standard

deviation. The results of descriptive statistical calculations for each variable can be seen in Table 2 below:

Table 2. Descriptive Statistics Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
Liquidity	5	4.28	5.45	5.0000	.47058
Cash Turnover	5	4.52	10.18	7,8640	2,06869
Accounts Receivable Turnover	5	.10	.30	.1680	.07950
Inventory Turnover	5	5.05	6.71	5.7620	.69937
Valid N (listwise)	5				

Based on Table 2, it is known that the observation period was the year 2015 - 2019, liquidity variable indicates the average value (m*ean)*of 5.0000 with a standard deviation of 0.47058. This means that the average liquidity level of Mutiara Harapanpan Regional Public Company increases by 0.47058 times every year. The smallest liquidity value of 4.28 occurred in 2015 while the largest liquidity level was 5.45 occurred in 2019. The cash turnover variable showed an average value of 7.8640 times with a standard deviation of 2.06869. This means that the average cash turnover has increased by 2,06869 each year from the total cash. The smallest cash turnover value occurred in 2015 which was 4.52 while the large cash turnover was 10.18 which occurred in 2016. The accounts receivable turnover variable showed an average value of 0.1680 times with a standard deviation of 0.07950. This means that the average receivables turnover has increased by 0.07950 every year from the total receivables. The smallest receivables turnover value occurred in 2015 which was 0.10 while the largest receivables turnover was 0.30 which occurred in 2019. Meanwhile, the inventory turnover variable has an average value (Mean) of 5.7620 with a standard deviation of 0, 69937. This means that the average inventory turnover is 0.69937 of the total inventory. The smallest inventory turnover occurred in 2019 which was 5.05, while the largest inventory turnover occurred in 2015 which was 6.71.

Classical Assumption

1. Normality Test
   The results of the normality test can be seen in Figure 1 below:

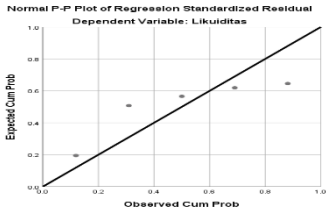

Figure 1. Normality test results

   In Figure 1 above, it is known that the data points spread around the diagram and follow the regression model so that it can be concluded that the processed data are data that is normally distributed so that the normality test is met.

2. Autocorrelation Test
   test results can be seen in Table 3 below:

Table 3. Autocorrelation test results

Model	Change Statistics					Durbin-Watson
	R Square Change	F Change	df1	df2	Sig. F Change	

1	1,000[a]	17352,237	3	1	0,006	1,998

Based on table 3, it is known that the Durbin-Watson (DW) value is 1,998. Based on the predetermined criteria, the calculated DW is between numbers -2 to +2 (-2 DW 2), so there is no autocorrelation so the conclusion is that the autocorrelation test is met.

3. Multicollinearity Test
   test results can be seen in Table 4 below test results

Table 4. Multicollinearity test results

Model		Correlations			Collinearity Statistics	
		Zero-order	Partial	Part	Tolerance	VIF
1	Cash Turnover	.789	1,000	.728	.708	1,413
	Accounts Receivable Turnover	.671	1,000	.573	.465	2.149
	Inventory turnover	-.570	1,000	.263	.368	2,717

from table 4 above is known that VIF each independent variable is smaller than 10 (VIF < 10) and value a greater tolerance of 0.10 (tolerance> 0:10). Thus, the conclusion is that there is no multicollinearity problem in the regression model.

4. Heteroscedasticity test
   test The results of the heteroscedasticity test can be seen in Figure 2 below: test

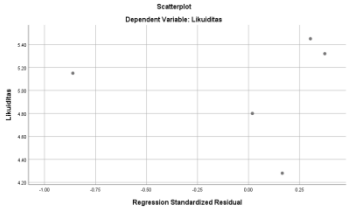

Figure 2.results

Based on Figure 2 above, it is known that the data points formed do not resemble a certain image, so it can be concluded that the heteroscedasticity test is fulfilled.

Multiple Linear Regression Analysis Multiple

linear regression was used to examine the effect of the independent variables used in this study, namely cash turnover, accounts receivable turnover, and inventory turnover on the dependent variable, namely liquidity in Mutiara Harappan Regional Public Company. Multiple linear regression test results can be seen in Table 5 below:

Table 5. Multiple Linear Regression Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.938	.039		24350	.026
	Turnover Cash	.197	.001	.865	166148	.004

	Accounts Receivable Turnover	4,977	.038	.841	130851	.005
	Inventory Turnover	.291	.005	.433	59913	.011

Based on the analysis of data such as shown in table 5 mentioned above, the multiple linear regression equation that is formed is:

$Y = 0.938 + 0,865X_1 + 0,841X_2 + 0,433X_3$

The regression equation above means that:

1. The constant value of 0.938 means that if all the independent variables are zero or constant, then the dependent variable, namely the liquidity of the Mutiara Harappan Regional Public Company, will have a positive value of 0.938.
2. The regression coefficient of the cash turnover variable of 0.865 means that if the cash turnover rate increases once, the liquidity of the Mutiara Harappan Regional Public Company will increase by 0.865 assuming the value of the other independent variables is constant or fixed.
3. The regression coefficient of the receivables turnover variable of 0.841 means that if the receivables turnover rate increases once, the liquidity of the Mutiara Harapanpan Regional Public Company will increase by 0.841 assuming the value of the other independent variables is constant or fixed.
4. The regression coefficient for the inventory turnover variable is 0.433 which means that if the inventory turnover rate increases once, the liquidity of the Mutiara Harappan Regional Public Company will increase by 0.433 with the assumption that the value of the other independent variables is constant or fixed.

Hypothesis Testing Hypothesis

Testing was conducted to determine the effect of the independent variable on the dependent variable. In this research, hypothesis testing is done by using a t-test or partial test and an F test or simultaneous test.

1. Partial test or t-test

   test Partial test or t-test is used to test the first hypothesis, second hypothesis, and third hypothesis, namely the influence of cash turnover, accounts receivable turnover, and inventory turnover variables individually on the liquidity variable represented by the current ratio in Regional Public Companies Hope Pearl. Partial test results can be seen in Table 6 below:

Table 6. Partial Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.938	.039		24350	.026
	Turnover Cash	.197	.001	.865	166148	.004
	Accounts Receivable Turnover	4,977	.038	.841	130851	.005
	Inventory Turnover	.291	.005	.433	59913	.011

Testing the first hypothesis, the second hypothesis, and the third hypothesis are carried out as follows:

a. Testing the first hypothesis (H_{a1})

This test is intended to test the effect of cash turnover on liquidity represented by the current ratio at Mutiara Harappan Regional Public Company, Alor Regency.

Based on the results of data analysis as shown in table 6 above, it is known that the significant value of the t-test (sig) of the cash turnover variable is 0.004. When compared with the alpha value (0.05), the 0.004 value is smaller than the alpha value (0.004 0.05). Thus it can be concluded that the results of this study accept the first hypothesis which states that cash turnover has a significant positive effect on liquidity represented by the current ratio at Mutiara Harappan Regional Public Company. This shows that the level of cash turnover at the Mutiara Harappan Regional Public Company is quite high, meaning that the availability of cash in the Mutiara Harappan Regional Public Company is sufficient so that the cash that has been invested in the business can be returned to cash to be used in the company's further operations. With the return of the funds that had been invested into cash, the Mutiara Harapanpan Regional Public Company was able to avoid financial difficulties and was able to settle its short-term obligations so that the company's liquidity level would increase. Therefore, Mutiara Harapanpan Regional Public Company needs to carry out effective and efficient cash management efforts so that the utilization of the cash can be optimal to meet the company's liquidity. This is in line with the theory presented by Riyanto, (2012) which states that the higher the cash turnover rate, the more efficient the level of cash use. Therefore, Mutiara Harapanpan Regional Public Company must be able to control cash properly so that the company does not experience shortages.

The results of this study are in line with the results of research conducted by Silvia & Anggraini, (2020) which states that cash turnover affects liquidity.

b. Testing the second hypothesis (H_{a2})

This test is intended to test the effect of receivables turnover on liquidity represented by the current ratio at Mutiara Harappan Regional Public Company, Alor Regency.

Based on the results of data analysis as shown in table 6 above, it is known that the significant value of the t-test (sig) of the receivables turnover variable is 0.005. When compared with the alpha value (0.05), the 0.005 value is smaller than the alpha value (0.005 0.05). Thus, it can be concluded that the results of this study accept the second hypothesis which states that receivables turnover has a significant positive effect on liquidity at Mutiara Harapanpan Regional Public Company. This shows that the risks faced by the Mutiara Harappan Regional Public Company in the form of delays in collecting receivables and unpaid receivables can be overcome so that the receivable turnover rate increases so that the return on working capital will also increase. This high level of receivables turnover also improves the existing capital condition so that the company's liquidity can be met. The results of this study are in line with the theory presented by Wardiyah, (2017) which states that the higher the receivables turnover rate, the faster the receivables turn into cash and if the receivables have become cash, it means that cash can be reused in the company's operations and the risk of loss of receivables. minimized so that the company can be categorized as a liquid company. Therefore, public companies in the Mutiara Harapan area must be able to manage their receivables properly because in the receivables many investments can meet the needs of the company's activities within a certain period.

The results of this study are in line with the results of research conducted by Oktaviana, (2020) which states that receivables turnover affects liquidity.

c. Testing the third hypothesis (H_{a3})

This test is intended to test the effect of inventory turnover on liquidity which is represented by the current ratio at Mutiara Harappan Regional Public Company, Alor Regency.

Based on the results of data analysis as shown in table 6 above, it is known that the significant value of the t-test (sig) of the inventory turnover variable is 0.011. When compared with the alpha value (0.05), the value of 0.011 is smaller than the alpha value (0.011 0.05). Thus, it can be concluded that the results of this study accept the third hypothesis which states that inventory turnover has a significant positive effect on liquidity at Mutiara Harappan Regional Public Company. This shows that the Mutiara Harapan regional public company has a sufficient amount of inventory to meet the needs of its customers. Storing too much inventory will result in the accumulation of funds that should be able to improve company operations. In addition, excessive inventory will increase the risk of loss due to increased storage costs, damage that

results in financial losses. Inventory turnover shows the number of times inventory is replaced or sold in a year. The high inventory turnover indicates the shorter the time the funds are invested in the inventory so that automatically the investment made in the company will quickly generate cash from the sale of the inventory. The results of this study are in line with the theory presented by Riyanto, (2012) which states that a high level of inventory turnover causes the company to work efficiently and the company's liquidity is getting better. Therefore, Mutiara Harapanpan Regional Public Company must be able to manage inventory properly so that through sales it can convert inventory into receivables and cash.

The results of this study are in line with the results of research conducted by Trisnayanti et al., (2020) which states that inventory turnover affects liquidity.

2. Simultaneous Test or F

Test Simultaneous test or F test is used to test the fourth hypothesis (H_{a4}) namely the effect of cash turnover, accounts receivable turnover, and inventory turnover together on liquidity which is represented by the current ratio at Mutiara Harapan Regional Public Company. The results of the simultaneous test can be seen in Table 7 below:

Table 7. Simultaneous Test Results

Model		of Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.886	3	.295	17352.237	.006[b]
	Residual	.000	1	.000		
	Total	.886	4			

Based on the results of data analysis as shown in table 7 above, it is known that the significant value of the F test (sig) is 0.006 or 0.6%. When compared with the alpha value (0.05), the 0.006 value is smaller than the alpha value (0.006 0.05). Thus, it can be concluded that the results of this study accept the fourth hypothesis which states that cash turnover, accounts receivable turnover, and inventory turnover have a significant positive effect on liquidity in Mutiara Harapanpan Regional Public Company. This shows that if cash turnover, receivables turnover, and inventory turnover move together in influencing liquidity at Mutiara Harapanpan Regional Public Company, it will have a good impact on working capital turnover consisting of cash, receivables, and inventories so that the level of The company's liquidity will also improve because liquidity is a reflection of the company's financial performance.

The results of this study are in line with the results of research conducted by Vidyaningtyas, (2020) which states that cash turnover, accounts receivable turnover, and inventory turnover has a significant positive effect on liquidity.

Coefficient of determination

The results of the coefficient of determination test can be seen in Table 8 below:

Table 8. The results of the coefficient of determination test

Model	R	R Square	Adjusted R Square	Std. An error of the Estimate
1	.912[a]	.831	.815	.00413

Based on the data in table 8, it is known that the value *adjusted R* . Square of 0,815 or 81,5%. This means that based on the 2015 – 2019 financial data obtained, it shows that the dependent variable, namely liquidity represented by the current ratio, is influenced by the independent variables, namely cash turnover, accounts receivable turnover, and inventory turnover, which is 81,5% and the remaining 18,5% is influenced by other variables that are not used in this study.

CONCLUSION

Based on the results of the study, the following conclusions can be drawn: (1) Cash turnover has a significant positive effect on liquidity represented by the current ratio at Mutiara Harappan Regional Public Company, Alor Regency. The higher the cash turnover rate will result in the company's ability to pay off its obligations will increase and vice versa. (2) Accounts receivable turnover has a significant positive effect on liquidity, which is represented by the current ratio at Mutiara Harappan Regional Public Company, Alor Regency. The higher the receivables turnover rate, the faster the receivables are

turned into cash so that the company can use it in its operations. (3) Inventory turnover has a significant positive effect on liquidity, which is represented by the current ratio at Mutiara Harappan Regional Public Company, Alor Regency. The higher the inventory turnover rate, the faster the company gets cash, the company works efficiently and the company's liquidity is better. (4) Cash turnover, receivables turnover, and inventory turnover have a significant positive effect on liquidity, which is represented by the current ratio at Mutiara Harappan Regional Public Company, Alor Regency. The higher the level of cash turnover, receivables turnover, and inventory turnover will result in the number of current assets consisting of cash, receivables, and inventories owned by the company will be greater than liabilities so that the company's liquidity level will also improve.

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