ANALYSIS OF RECEIVABLES FOR PROFITABILITY AT SAHID JAYA HOTEL INTERNATIONAL, TBK IN THE INDONESIA STOCK EXCHANGE

Jafre-V2I2-03

ABSTRACT

The research objectives are: 1) To find out and analyze the receivable turnover rate and profitability value at Sahid Jaya International Hotel, Tbk on the Indonesia Stock Exchange. Data sources are secondary data which is data obtained from Sahid Jaya International, Tbk Hotel documents on the Indonesia Stock Exchange in the form of financial financial statements in the form of financial position reports and comprehensive income reports.

The results of the research show that 1) the accounts receivable turnover of Sahid Jaya International, Tbk hotels in the Indonesia Stock Exchange is in good condition. The results of the analysis on the activity ratio include increasing receivable turnover, 2) The average collection age of accounts receivable showing the accounts of Sahid Jaya International, Tbk in the Indonesia Stock Exchange in 2016 to 2017 is in a good condition because it has decreased every year and accelerate receivables into company cash, and 3) The results of the analysis on profitability ratios show that the profitability conditions of Sahid Jaya International, Tbk Hotels in the Indonesia Stock Exchange in 2016 to 2017 have increased every year, this means the company has succeeded in obtaining profit.

Keywords: Receivable Turnover and Profitability

INTRODUCTION

The increase in receivables accompanied by an increase in uncollectible receivables needs attention. For that, before a company decides to make a sale of credit, it must first be calculated about the amount of funds invested in the receivables, terms of sale and desired payment, possible loss of receivables (uncollectible receivables) and costs that will arise in handling receivables (Kasmir, 2013: 208). Therefore, controlling the receivables in the company is something that is absolutely done by the company. A good receivable control system will affect the success of the company in carrying out the sales policy on credit. Likewise the opposite, negligence in controlling accounts receivable in a company can have fatal consequences for the company, for example many uncollectible receivables due to a weak collection and collection policy on corporate receivables (Riyanto, 2011: 89).

The effectiveness of the company in managing its working capital can be seen by calculating and analyzing accounts receivable turnover. Accounts receivable turnover shows how many times the funds deposited in accounts receivable rotate every year, spinning from the form of accounts receivable to cash then back to the form of receivables again. If the company's receivable turnover is slow, it means that investment is embedded in large accounts, so that the working capital available in the company is low, if the company needs additional funds, the company will borrow kebank or other financial institutions, so the company must pay interest, and this will affect the company's profit.

The main objective of each company is to obtain profits from every operational activity that is run. Profit or profit is an important means to maintain the survival of the company. The higher the expected profit, the company will be able to survive, grow and develop and be able to face competition. The survival of the company is influenced by many things including the profitability of the company itself. Profitability is the ability of a company to make a profit in relation to sales, total assets and own capital (Sartono, 2011: 174). The higher the expected profit or profit, the company will be able to survive, grow and develop and be tough to face competition. Profitability ratios are ratios to assess a company's ability to seek profit.

Effective management of accounts receivable is one of the things that the company expects to gain through credit sales policies. Effective management of accounts receivable can be described through an annual receivable turnover ratio that increases (the target expected by the company on target) and will ultimately affect the acquisition of profitability, because the effective management of accounts receivable in the company will illustrate the level of profitability. The relationship of accounts receivable management is effective with profitability, namely effective receivables describe each receivable turnover in the higher period, so the company has the opportunity to get profit opportunities from the emergence of receivables turnover that is faster and ultimately affect the profitability of the company.

LITERATURE REVIEW

Definition of Receivables

Receivables are the right to collect the amount of money from the seller to the buyer that arises because of a transaction. Skousen (2014: 479) receivables are rights or claims against other parties for money, goods or services. Narrowly for accounting purposes, receivables are defined as claims that are expected to be completed with receipt of cash (cash). Warren, et. all (2010: 404) states that what is meant by receivables are as follows: accounts receivable include all claims in the form of money against other parties, including individuals, companies or other organizations. Meanwhile, according to Yusup (2015: 52), in general, receivables arise due to credit sales transactions. From the two definitions that have been stated above, it can be concluded that the meaning of receivables is all claims or claims to other parties in the form of money or goods arising from the sale of credit.

Soemarso (2012: 338) accounts receivable means: receivables are claim rights against someone or another company, demanding payment in the form of money or delivery of assets or other services to parties with whom he owes. " Receivables arise due to product sales or service delivery in the context of the company's normal business activities. Munir (2015: 15) more specifically defines the definition of accounts receivable: "trade receivables are bills to other parties (to creditors or customers) as a result of the sale of merchandise on credit". So, receivables can be interpreted that the company has billing rights to other parties who become customers and expect payment from them to fulfill obligations to the company. The purpose of receivables is to increase sales, increase profits and maintain customer loyalty. With the increase in sales it is likely that profits will increase as well (Adisaputra, 2011:43).

Kusnadi (2012: 6) suggests that receivables originating from the sale of goods are recognized when ownership rights over goods are transferred from the seller to the buyer. Because the terms of transfer of property rights are closely related to the terms of sale, generally the receivables are recognized when the goods are sent to the buyer. Receivables will not be recognized when the goods are shipped and the ownership rights of the goods still exist with the seller until there is official recognition. While receivables from sales of services are generally recognized when the services are carried out. If the execution of work is based on a work contract, then at the end of the period, the completed work must be calculated. Receivables will be recognized at the level of work completed.

Skousen (2014:389) suggests that receivables originating from the sale of goods or services are reported as net realizable value, which is the expected cash value. This means that trade receivables must be recorded as a net amount from the estimation of uncollectible receivables and trade discounts. The goal is that the receivables are reported at the amount of claims against customers that are expected to be collected in cash.

Classification of Receivables

Receivables are one element of current assets in the balance sheet that has a fast turnover (less than 1 year). As one form of investment that is no different from investing in cash, inventories, etc., then with the receivables the company must provide funds to be invested in the receivables. IAI (2012: 451) classifies accounts into two categories, namely trade receivables and non-business receivables, as follows:

1. Accounts Receivable

   Trade receivables are generally the most significant category of accounts receivable, and are the result of normal business activities, namely the sale of goods or services on credit to customers. Accounts receivable represent short-term credit to customers. Payments are generally due in 30 days to 90 days. Credit requirements are usually informal agreements between sellers and buyers supported by business documents such as sales invoices, sales orders and shipping contracts. Usually accounts receivable do not involve interest, even though interest or service fees may be added if payment is not made within a certain period. Accounts receivable is the most common type of receivables and is usually the most significant in terms of the total value of money.

2. Non-Business Receivables

This type of receivable includes all other types of receivables other than trade receivables. Non-business receivables must be summarized in accounts with the appropriate names and reported separately in the financial statements.

Skousen (2014:258) states that receivables are also classified based on the length of maturity. This kind of classification will produce current or long-term receivables as follows:

a. Current Receivables

Included in current or short-term receivables are all receivables identified as being collectible within one year or one normal operating cycle of the company. For classification purposes, generally trade receivables are considered as current accounts and are included in the category of current assets in the balance sheet.

b. Current Accounts

Included in non-current receivables or long-term receivables are all receivables classified as uncollectible within one year or one normal operating cycle of the company. Not every non-trade receivable item is considered as a non-current receivable, because it needs to be analyzed separately to determine whether the receivables are feasible to be assumed as non-current or not. Non-current receivables are reported under the title Investment or other non-current assets, or as separate posts in the appropriate order.

Warren, *et. all* (2010:405) classify receivables into three categories, namely trade receivables, notes receivable, and other receivables, as follows:

a. Accounts receivable

   Trade receivables arise from sales on credit to sell more products or services to customers. These trade receivables are normally expected to be collected in a relatively short period of time, such as 30 or 60 days.

b. Notes Payable

   Receivable notes are the amount owed to customers when the company has issued formal debt. Notes are usually used for credit periods of more than 60 days. Wesel can be used to settle customers' trade receivables. If the notes receivable and trade receivables come from sales transactions, they are sometimes called trade receivables (*Trade Receivable*).

c. Other Receivables

   Other receivables are usually presented separately in the balance sheet. If this receivable is expected to be collected in one year, the receivables are classified as current assets. If the collection is more than one year, this receivable is classified as non-current assets. Other receivables include interest receivables, tax receivables and receivables from company officials or employees.

Receivable collection techniques are carried out when the customer or buyer has not fulfilled the payment until the maturity has been determined by the company. There are two types that affect the effectiveness of accounts receivable, namely:

1. Receivable Turnover Rate

   One way to find out effective accounts receivable management can be done by calculating the rate of receivable turnover from the company's receivables. The receivable turnover rate is used to measure how much the activity of the receivables owned by the company. This accounts receivable turnover ratio illustrates how much funds in corporate receivables spin into cash (Sugiyarso and Winarni 2015:34).

2. Average Day of Receivables Collection

   After determining how much the receivable turnover rate, there is also to determine the average age of accounts receivable. The average age of accounts receivable is the collection period of accounts receivable to customers who have already made credit sales transactions until the receivables have been repaid or paid in full (Hanafi, 2010:563).

Factors Affecting the Amount of Receivables

Receivables are important assets in a company and can be a large part of the company's liquidity. The size of the receivable is influenced by several factors in the opinion of Riyanto (2011: 85-87) namely:

1. Credit Sales Volume

   The greater the proportion of credit sales from overall sales will increase the amount of investment in receivables. Thus, the greater the volume of credit sales each year means that the company must provide even greater investment in receivables. The greater the amount of accounts receivable, the greater the risk of uncollectible receivables, but at the same time also increases the profitabilityThe greater the proportion of credit sales from overall sales will increase the amount of investment in receivables. Thus, the greater the volume of credit sales each year means that the company must provide even greater investment in receivables. The greater the amount of accounts receivable, the greater the risk of uncollectible receivables, but at the same time also increases the profitabilityThe greater the proportion of credit sales from overall sales will increase the amount of investment in receivables. Thus, the greater the volume of credit sales each year means that the company must provide even greater investment in receivables. The greater the amount of accounts receivable, the greater the risk of uncollectible receivables, but at the same time also increases the profitability.

2. Payment Terms for Credit Sales

Payment terms for company credit sales can be strict or soft. If the company sets strict payment terms, it means that the company prioritizes credit safety rather than considering its profitability. Payment conditions are more stringent, for example in the form of short payment deadlines, charging interest on late receivable payments.

Credit terms are generally stated: 2/10 net 30. This credit requirement implies that the buyer will receive a cash discount of 2% if the credit payment is made within 10 days after the beginning of the credit period. If the buyer does not take cash deductions in the sense of not paying within 10 days, the total amount of the debt must be repaid within 30 days after the beginning of the credit period.

Thus the credit requirements include three things: cash deductions, cash discount periods and credit periods. Changes from the third or one of the factors will affect the profitability of the company and the longer the payment deadline set by the company means the greater the amount of capital invested in the receivables.

3. Provisions on Credit Restrictions

Syamsudin (2012:272) the policy of collecting a company's receivables is a procedure that must be followed in collecting its receivables when they are due. Companies can apply the wisdom of collecting receivables actively or passively. However, companies must be careful not to be too aggressive in collecting receivables from customers, if customers cannot pay on time, it is best to wait until a period of time that is deemed reasonable before applying the collection of receivable procedures, because if the company is too pressing customers to pay debts as soon as possible it is not impossible that customers will decide to connect with other companies that offer softer credit requirements.

Syamsudin (2012:272) states that the effectiveness of the company in applying the collection of receivables policy can be seen from the amount of receivables or bad debt expenses, because the amount of receivables that are considered as losses is not only at the discretion of collecting receivables but also to the specified credit sales policy.

4. Policy in Collection of Receivables

The company can carry out the policy of collecting receivables actively or passively. Companies that conduct wisdom actively, the company must spend more money to finance the collection of receivables, but by using this method, the existing receivables will be quickly collected so that it will reduce the amount of the company's receivables. Conversely, if the company uses wisdom passively, then the collection of accounts will be longer, so that the amount of the company's receivables will be greater.

5. Paying Habits from Subscribers

Subscribers who have the habit of paying by using cashdiscount can result in a smaller investment in accounts receivable than those who do not use it. This depends on how they assess the two alternatives. The habit of subscribers in paying their debts will have an influence on the size of the investment invested in the receivables. If the company determines the payment terms of 2/1-net 30, then the subscription is expected in two alternatives, namely paying in the period of cash deduction in the sense of paying in a maximum period of 10 days, or not taking the cash discount in the sense of paying within 30 days. If the majority of subscribers pay in the period of cash deductions, then the funds embedded in the receivables will be free faster which means the smaller the investment in accounts receivable.

Receivable management is a process of planning, organizing, directing and supervising in the form of claims to debtors who carry out due to credit sales transactions. The responsibility for receivable management monitors receivables that have arisen whose purpose does not exceed the allowable limit.

Fahmi (2012: 139), a reference that must be applied by a company to minimize uncollectible receivables namely:

a. Avoiding product sales decisions when economic conditions lead to a monetary crisis.
b. Canceling product sales at a time of bad reputation in the business world.
c. Avoid production and receipt of orders when the market is uncertain.
d. Implement the precautionary principle when the level of competition is higher.
e. There is a measure of percentage that is feasible to be applied to the amount of corporate receivables.

Receivable Turnover

1. Definition of Receivable Turnover

Receivables are very important and require careful analysis. Riyanto (2011: 85) suggests that the sale of credit does not immediately result in cash receipts, but raises subscription receivables. Receivables are the right to collect the amount of money from the seller to the buyer that arises because of a transaction. Receivables are one element of working capital that is always in a state of spinning. Where the receivable turnover period starts when cash is issued to obtain inventory, then inventory is sold on credit, resulting in accounts receivable, and receivables change back into cash upon receipt of repayments from customers. Akbar (2014: 199) states that the definition of accounts receivable includes all rights or claims of companies in other organizations to receive a certain amount of cash, goods, or services in the future as a result of past events.

Receivables include all claims in the form of money against other parties, including individuals, companies or other organizations. The smooth receipt of receivables and the measurement of whether or not investment in receivables can be determined from the turnover rate. RTO (receivable turn over) is the period of receipt of receivables from a company during a certain period. Receivables contained in the company will always be in a state of spinning. The RTO will show how many times the receivables that arise until the receivables can be collected back into the company's cash. Reeve (2015: 407), receivable turnover is an attempt to measure how often trade receivables turn into cash in a year. The high and low turnover of accounts receivable will have an effect on the size of the capital invested in the receivables.

Accounts receivable turnover is a ratio that shows the length of time to convert receivables into cash (Riyanto, 2011:90). Credit receivables are calculated by dividing net credit sales with the average balance of accounts receivable. Receivables owned by a company have a close relationship with the volume of credit sales. The position of receivables can be calculated using the receivable turnover ratio. The faster the turnover means the shorter the time of bonding of capital in accounts receivable, thus maintaining certain credit sales, with the increase in turnover required the smaller amount of capital invested in the receivables.

2. **Measurement of Receivable Turnover]**

The account receivable turnover formula can be known by dividing the amount of credit sales during a certain period with the average receivables in that period.

$$\text{Receivable Turnover} = \frac{\text{Credit sales}}{\text{Average Receivables}}$$

$$\text{Average Receivables} = \frac{\text{Initial Receivables + Final Receivables}}{2}$$

Accounts receivable turnover can be used as an illustration of the effectiveness of accounts receivable management. Because the higher the receivable turnover rate of a company means the better management of the receivables. The level of receivable turnover can be increased by tightening credit sales policy, for example by shortening the payment period. The effectiveness of a company's credit sales policy is not enough to be seen only from the level of receivable turnover, but also needs to be linked to the average day of collection of accounts. The average day of collection of these receivables will only be meaningful when compared to the payment terms set by the company.

If the average day of collection of receivables is always greater than the payment deadline set by the company, it means that the method for collecting the receivables by the company is less efficient. According to Reeve (2015: 501) the average day of collection of accounts receivable (average collection period) can be calculated in the following manner:

$$\text{Average Day of Receivables Collection} = \frac{360}{\text{Receivable Turnover}}$$

$$= \ldots\ldots.. \text{ Day}$$

3. List of Age of Receivables

The most common method used to determine allowances based on trade receivables in circulation is to make a list of age accounts (aging schedule). Each receivable is analyzed to determine which receivables are not and which are due. Past due receivables are classified according to how long the receivables are due. The balances that have matured can be evaluated individually to estimate the collection of each post as the basis for developing the overall estimate. An alternative procedure is to develop a series of estimates of the percentage of invoices and use them in different classification of accounts.

The receivable age analysis method provides the most satisfying approach to assessing receivables on a net amount that can be realized. Furthermore, data developed through age analysis of accounts receivable is very useful for management for the purpose of credit analysis and control. On the other hand the application of this method takes a lot of time and cost. Reeve (2015: 501), this method still involves estimation and improvement achieved by the process of analyzing the age of accounts receivable which is not necessarily commensurate with the additional costs incurred.

Profitability

1) Definition of Profitability

The level of company health is needed to know whether the company's financial condition is healthy or not. This can be done by comparing the ratio of the previous year to the current ratio. The comparison can be used by interested parties to determine the level of profitability of the company at a certain time. According to Suparno (2013: 39), health financial performance is based on financial information conveyed by management in the form of balance sheets, income statements, and cash flow statements.

Suparno (2013:42) is a welfare and health assessment parameter for service companies, manufacturing companies and other business entities in generating operating income in their operational activities during a certain period. This ratio is used to determine the extent to which the company's ability to generate profits (profit), because as it is known that profits state the company's ability to maintain its survival.

Harahap (2011:304) profitability ratio or also called profitability describes the ability of a company to get profit through all its capabilities, and available resources such as sales activities, cash, capital, number of employees, number of branches, and so on. The ratio that describes the company's ability to generate profits is also called the Operating Ratio. Because profitability is the company's ability to obtain profits before tax with the average capital used, then with high profitability reflects the high efficiency of the company. Profitability is the ability of a company to make a profit in relation to sales activities, total assets and own capital (Sartono, 2011:182).

Profitability is the ability of a company to generate profits for a certain period. Profitability is used to measure the efficiency of the use of company capital by comparing earnings with capital used in operations. High profitability is more important than big profits. Riyanto (2011:35), there are two ways of valuing profitability, namely:

a. Economic Profitability is a comparison between net income and total capital. Definition of Economic Profitability is often used to measure the efficiency of the use of capital in a company, then Economic Profitability is often also intended as the ability of a company with all capital working in it to generate profits
b. Own Capital Profitability or often also called business profitability is the ratio between the amount of profit available to the owner of own capital on the one hand and the amount of own capital that generates the profit on the other

So, this rentabiltas ratio is a measuring tool for the effectiveness and efficiency of a company's operations in using its capital to generate profits, hence profit margins, operating ratios, and labor productivity are factors that reflect efficiency and this is reflected in profitability.

2) Profitability Measurement

The financial statements of a company need to be analyzed because the analysis will obtain all answers related to the problem of financial position and the results achieved by the company concerned (Munawir, 2010:34).

In earnings also measured the skills, intelligence and management skills. According to Darsono and Ashari (2015:57) to find out the profit generated and also the level of company efficiency and also the level of efficiency the company can use 4 Profitability Ratios:

1. Profit Margin

   This ratio shows how much percentage of net income is earned from each sale. The greater the ratio, the better because it is considered the company's ability to get a high enough profit, with the following formula:

$$NPM = \frac{\text{Net profit}}{\text{Sales}} \times 100\%$$

2. *Asset Turn Over*

   This ratio describes asset turnover as measured by sales volume. The greater the ratio, the better, this means that assets can spin faster and achieve profits for the company, with the following formula:

$$ROA = \frac{\text{Net profit}}{\text{Total Asset}} \times 100\%$$

3. *Return on Equity*

   This ratio shows how much percent of net income is obtained when measured by the owner's capital. The greater this ratio the better, with the following formula:

$$ROE = \frac{\text{Net profit}}{\text{Equity}} \times 100\%$$

4. *Return on Total Asset*

   This ratio shows how much net income the company earns when measured by the value of assets, with the following formula:

$$RTA = \frac{\text{Net profit}}{\text{Average Total Asset}} \times 100\%$$

5. *Basic Earning Power*

   This ratio shows the ability of the company to obtain measured profit from the amount of profit before deducting interest and taxes compared to total assets. The greater this ratio the better, with the following formula:

$$BEP = \frac{\text{Profit Before Interest and Tax}}{\text{Total Asset}} \quad x \quad 100\%$$

6. *Earning Per Share*

   This ratio shows how much ability per share produces profits, with the following formula:

$$EPS = \frac{\text{Earnings Share}}{\text{Number of shares}} \quad x \quad 100\%$$

7. *Contribution Margin*

   This ratio shows the company's ability to make a profit that will cover fixed costs or other operating costs. With knowledge of this ratio management can control expenditures for fixed costs or operating costs so that companies can feel profit, with the following formula:

$$CM = \frac{\text{Gross profit}}{\text{Sales}} \quad x \quad 100\%$$

ANALYSIS METHOD

The analytical method used is quantitative analysis that is analyzing data by collecting, clarifying, analyzing and interpreting so as to produce a clear picture of the problem regarding the receivable turnover rate and the profitability value of the Sahid Jaya International, Tbk Hotels in the Indonesia Stock Exchange.

RESEARCH RESULTS

1. Receivable Turnover Analysis

The higher this ratio means the better the Sahid Jaya International Hotel, Tbk in the Indonesia Stock Exchange because Sahid Jaya International Hotel, Tbk in the Indonesia Stock Exchange is considered to be faster in converting receivables to cash and the funds are temporarily embedded as receivables. Following is the calculation of the receivable turnover ratio at Sahid Jaya International, Tbk Hotels in the Indonesia Stock Exchange.

$$\text{Receivable Turnover 2016} = \frac{160{,}986{,}791{,}061}{59{,}241{,}117{,}511 + 50{,}933{,}590{,}621}$$

$$= 2{,}92 \text{ Time}$$

$$\text{Receivable Turnover 2017} = \frac{169{,}232{,}744{,}204}{50{,}933{,}590{,}621 + 38{,}669{,}243{,}571}$$

$$= 3{,}78 \text{ Time}$$

For more details, the following accounts receivable turnover ratios at Sahid Jaya International, Tbk Hotels in the Indonesia Stock Exchange can be seen in the following table:

Table 1.
Receivable Turnover Table (Times)

Year	Net Sales	Average Receivables		Rotation Receivables
		Initial Receivables	Final Receivables	
2016	160,986,791,061	59,241,117,511	50,933,590,621	2.92
2017	169,232,744,204	50,933,590,621	38,669,243,571	3.78

Source: Data processed

Based on the table above, it can be seen that accounts receivable turnover at Sahid Jaya International, Tbk Hotel in the Indonesia Stock Exchange for 2 years, namely 2016 to 2017 has increased. In 2016 the receivable turnover rate was 2.92 times which means that in one year the efficiency of the management of rotating accounts is 2.92 times. In 2017, the receivable turnover rate was 3.78 times which means that in one year the efficiency of receivables management was 3.78 times which increased by 0.86 times from 2016.

The low value of the receivable turnover ratio means that the period of time the company must wait for payment after making a sale for a long time, by which the company must make a backup of possible losses arising from uncollectible accounts. Conversely, a high turnover ratio means that the company faces a small risk of uncollectible accounts

2. Umur Rata-rata Pengumpulan Piutang

The average age of collection of accounts receivable shows how long the average age of accounts receivable is tied to receivable funds. The following is the calculation of the average age ratio of accounts receivable at Sahid Jaya International, Tbk on the Indonesia Stock Exchange.

$$\text{Average Age of Receivables 2016} = \frac{360}{2{,}92}$$

$$= 123{,}19 \text{ Day}$$

$$\text{Average Age of Receivables 2017} = \frac{360}{3{,}78}$$

$$= 95{,}30 \text{ Day}$$

For more details, the ratio of the average age of accounts receivable at Sahid Jaya International, Tbk Hotel in the Indonesia Stock Exchange can be seen in the following table:

Table 2.
Age of Receivable Collection Average (Days)

Year	Number of days In a year	Rotation Receivables	Average Collection of Receivables
2016	360	2.92	123.19
2017	360	3.78	95.30

Source: Data processed

Based on the table above, it can be seen that the average age of collection of receivables at Sahid Jaya International, Tbk Hotels in the Indonesia Stock Exchange for 2 years, namely 2016 to 2017 has decreased. In 2016 the average age of collection of accounts receivable is 123.19 days which means that in one year the age of accounts receivable is tied to accounts receivable for 123.19 days. In 2017 the average age of collection of accounts receivable is 95.30 days, which means that in one year the age of accounts receivable is tied to 95.30 days of accounts receivable which decreased 27.89 days from 2016.

The high value of the average age ratio of the collection of accounts receivable means that the period of time the company must wait for payment after making a sale for a long time, by which the company must back up the possibility of losses arising from uncollectible receivables. Conversely, a low turnover ratio means that the company faces a small risk of uncollectible accounts.

3. **Profitability**

Profitability shows the extent to which capital will be used so that it can produce maximum profits so that the continuity of the company can run well and in accordance with the wishes of the company. Profitability Ratio is a ratio that describes a company's ability to generate profits with its capabilities and resources such as sales activities, cash, capital, number of employees, number of branches, and so on. The profitability ratio in this study consists of return on assets and return on equity.

a. ***Return On Asser* (ROA)**

ROA shows the ability of the capital invested in all assets. The following is the calculation of the ratio of return on assets to Sahid Jaya

International, Tbk Hotels in the Indonesia Stock Exchange.

$$\textit{Return On Asset } 2016 = \frac{202,373,641}{1,443,540,346,013}$$

$$= 0,01\%$$

$$\textit{Return On Asset } 2017 = \frac{268,518,211}{1,518,623,166,828}$$

$$= 0,02\%$$

For more details, the following return on assets at Sahid Jaya International, Tbk Hotel in the Indonesia Stock Exchange can be seen in the following table:

Tabel 3.
***Return On Asset* (%)**

Year	Net Profit	Total Asset	ROA
2016	202,373,641	1,443,540,346,013	0.01
2017	268,518,211	1,518,623,166,828	0.02

Source: Data processed

Based on the table above, it can be seen that return on assets at Sahid Jaya International, Tbk Hotel in the Indonesia Stock Exchange for 2 years, namely 2016 to 2017 has increased. In 2016 return on assets amounted to 0.01%, which means the company was able to generate net income from investment activities of 0.01%. In 2017 return on assets amounted to 0.02%, which means the company was able to generate net income from investment activities by 0.02% which increased by 0.01% from 2016. High or low return on assets achieved by the company was influenced by changes in profit margin or assets turn over in the company. The greater this ratio the better. This means that companies can spin and gain profits faster. Return on assets is able to measure the company's ability to generate profits in the past to be projected in the future.

b. ROE

Return on equiy is a ratio aimed at assessing how well a company is able to make a profit by using its own capital. By knowing the increase in return on equity, it can be seen how many percent of the net profit if measured by the owner's capital. The following is the calculation of the ratio of return on equity at Sahid Jaya International Hotel, Tbk on the Indonesia Stock Exchange.

$$\textit{Return On Equity}\ 2016 = \frac{202{,}373{,}641}{946{,}351{,}461{,}691}$$

$$= 0{,}02\%$$

$$\textit{Return On Equity}\ 2017 = \frac{268{,}518{,}211}{946{,}640{,}217{,}266}$$

$$= 0{,}03\%$$

For more details, the following returns on equity at Sahid Jaya International, Tbk Hotels in the Indonesia Stock Exchange can be seen in the following table:

Tabel 4.
***Return On Equity* (%)**

Tahun	Net Profit	Equity	ROE
2016	202,373,641	946,351,461,691	0.02
2017	268,518,211	946,640,217,266	0.03

Source: Data processed

Based on the table above, it can be seen that the return on equity at Sahid Jaya International, Tbk Hotel in the Indonesia Stock Exchange for 2 years, namely 2016 to 2017 has increased. In 2016 return on equity of 0.02%, which means the company is able to generate net income of capital of 0.02%. In 2017 a return on equity of 0.03% means that the company is able to generate net income of capital of 0.03% which has increased by 0.01% from 2016.

The value of the ratio of low return on equity means that the smaller the company's ability to generate net income. Conversely, the high ratio of return on equity means that the greater the ability of the company to generate net operating income. Return on equity owned by the company will provide information about the company's ability to generate income and help investors to analyze the company's ability to obtain profits in the future based on shares owned because profit is important information for investors as a consideration in investing.

DISCUSSION

Based on the results of the analysis of the calculation of the receivable turnover rate, the average age of collection of accounts receivable and profitability as measured by return on assets and return on equity at Sahid Jaya International, Tbk Hotel in the Indonesia Stock Exchange for 2 years, namely 2016 to 2017, it can be explained that the receivable relationship with profitability is an effective receivable describing each accounts receivable turnover in the higher period means that the management of accounts receivable has started to collect receivables from consumers, so that Sahid Jaya International, Tbk in the Indonesia Stock Exchange has the opportunity to gain profit from the increase in receivables turnover fast and ultimately affect the profitability of Sahid Jaya International, Tbk Hotels in the Indonesia Stock Exchange.

This can be seen from the increase in accounts receivable turnover which is followed by a decrease in the average age of collection of accounts receivable, this is because consumers are on time to pay, and this will result in profit for Sahid Jaya International Hotel, Tbk on the Indonesia Stock Exchange due to lack of accumulation receivables. The activity ratio of Sahid Jaya International, Tbk Hotels in the Indonesia Stock Exchange is effective, also followed by an increase in profitability ratios, this shows the financial performance of Sahid Jaya International, Tbk Hotels in the Indonesia Stock Exchange to get the maximum profit. These results in accordance with the opinion of Sartono (2011:119) states that the faster the period of rotation of accounts receivable shows the faster sales of credit can return to cash.

The acquisition of profitability ratios for the 2016-2017 period illustrates the increase gained by Sahid Jaya International, Tbk Hotels in the Indonesia Stock Exchange, however, the company must continue to increase its profitability ratio. The profitability of Sahid Jaya International, Tbk Hotels in the Indonesia Stock Exchange can be increased with the financial statement projection through a new policy. The new policy includes (1) sales plan for 2018 period using the least square method, (2) plan for purchasing raw materials, planned costs which are assumed to increase in proportion to the increase in projection results in 2018, (3) cash budget projections which include sales analysis , Collection of receivables that use 40% new credit requirements for customers utilizing discounts with payment terms of less than 10 days and 60% of all customers must pay right before 30 days, (4) prepare a cash budget schedule, (5) financial statement projections that include balance sheet, HPP report, and company Loss / Profit report for 2018 period.

Sahid Jaya International Hotel, Tbk on the Indonesia Stock Exchange must be selective in terms of choosing consumers who will be given credit sales. This is because if the Sahid Jaya International Hotel, Tbk on the Indonesia Stock Exchange gives credit to consumers who find it difficult to pay their obligations, then the funds embedded in the receivables will be longer to become cash. According to Sartono (2011: 119) the period of revolving accounts receivable shows that the company is able to confirm receivables into cash.

The results of this study support the research conducted by Faisal (2017) which shows that the receivable turnover of PT Wilmar Cahaya Indonesia Tbk (West Kalimantan) in 2007 was 24.33 times, while the minimum was

Mustika Ratu Tbk in 2014 amounted to 1.86 times . Receivable turnover is dominated by wilmar Cahaya Indonesia Tbk (West light). The company's receivable turnover rate was 8.38 times or 9 times a year. The average period of accounts receivable experienced by the company is 42.97 days or 43 days, more than one month. Van Horne and Wachowicz (2001: 376) stated that the faster the receivable turnover, the more efficient the accounts receivable due to the greater credit sales, the greater the investment in accounts receivable and consequently the risk or cost will be greater.

However, the results of this study do not support the research conducted by Surono, et al., Which shows that the management of corporate receivables from three periods (2012-2014) has decreased, this is due to the ineffectiveness of the management of corporate receivables, which has an effect on decreasing the company's profitability. Likewise with the study of Lisetiyowati, et al., (2017) which showed that the activity ratio proxied by Total Turn Over, Receivable Turn Over, Receivable + WIP Turn Over, Perioed Average Collection, Sales to Net Working Capital, arrears ratio and company billing ratio experienced conditions that are not good because there is an increase in accounts receivable every year which slows accounts receivable into company cash, giving rise to uncollectible receivables so that profitability decreases. Likewise with the research of Murniati (2017) which shows that receivable management variables as measured by accounts receivable turnover have no effect on profitability as measured by net profit margins (NPM), this means that accounts receivable turnover does not play a direct role in efforts to support increased profitability and management variables receivables as measured by the average age of accounts receivable have no effect on profitability as measured by net profit margin (NPM), this means that the average age of accounts receivable does not play a direct role in an effort to support increased profitability.

Conclusion

Based on the results of research and discussion, it can be concluded that:

1. The accounts receivable turnover of Sahid Jaya International, Tbk hotels in the Indonesia Stock Exchange is in good condition. The results of the analysis on activity ratios include increasing receivable turnover.
2. The average age of collection of accounts receivable showing the accounts of Sahid Jaya International, Tbk Hotel in the Indonesia Stock Exchange in 2016 to 2017 is in a good condition because it has decreased every year and accelerated accounts receivable into company cash.
3. The results of the analysis on profitability ratios show that the profitability conditions of Sahid Jaya International, Tbk Hotels in the Indonesia Stock Exchange in 2016 to 2017 have increased every year, this means that the company has

succeeded in the process of earning a profit.

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