

# The Effect of Capital Turnover on Profits in PT. Pro Car Intl Finance Palopo Branch

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## ABSTRACT

The purpose of the research is to find out the capital turnover that has a significant effect on the profit at PT. Pro Car INTL Finance Palopo Branch. Cash turnover and receivables in increasing profitability at PT. Pro Car INTL Finance Palopo Branch has not been effective, this is due to the large turnover of capital from consumers. The profitability ratio measured with ROE, ROI, NPM is quite good in accordance with the standard experts for ROE, ROI, NPM according to Lestari and Sugiarto 2007 which is > 2% based on the hypothesis proposed, which states that the cash turnover of receivables at PT. Pro Car INTL Finance Palopo Branch has not been able to increase the company's profitability so that the proposed hypothesis is accepted because of cash turnover and efficient receivables. The Profitability Ratio shows that in PT. Pro Car INTL Finance Palopo Branch in 2007 - 2016 generated annual profits, which increased from sales results in 2007 - 2016, so that the hypothesis proposed in this thesis was accepted, which stated that additional sales can increase profitability in PT. Pro Car INTL Finance Palopo Branch in 2007 – 2016.

**Keywords:** Capital Turnover, Profit, Finance.

## I. Introduction

With the development of the business world and the increasing number of large companies, the financial factor has a very important meaning. To find out the company's financial condition, it must have financial statement data every year or each accounting period concerned. For the company itself, an analysis of its financial condition will be able to help the company to be able to see its financial position so that it can help the company in carrying out financial planning. However, any good plan must be related to the strengths and weaknesses of the company. Every company established generally aims to make a profit. A company's ability to generate profits over a certain period can be seen in the company's income statement. From the profit generated by a company, when compared to what is used, it will determine at what level the company's profitability is conditioned. For this reason, the company must use existing funds to generate maximum profits. There are failures of companies in their business activities because the available funds are not used effectively and efficiently.

In addition to trying to make a profit, the company also wants its operational activities to run smoothly. Therefore, the company must always pay attention to matters related to the company's ability to meet its financial obligations. The company's financial performance can generally be measured, among other things, by comparing the data contained in the financial statements (balance sheet and profit/loss statement). A company's balance sheet describes the company's financial position and condition at any given time.



Meanwhile, the profit/loss report shows the results of operations (achievements) during a certain period. The relationship between position and condition (resources or inputs) and financial achievements (results or outputs) is an indicator of the progress and decline of a business unit. To analyze the financial statements of PT. Pro Car INTL Finance Palopo Branch reviewed from the financial aspect 2007 - 2016 can be seen through the collection of financial information that will be analyzed using a quantitative analysis method, which is an analysis tool known as financial ratio analysis, which is a method that explains the relationship between two financial data. The financial data is sourced from financial statements, namely the balance sheet and profit/loss statements. Based on the description above, the author chose the title The Effect of Capital Turnover on Profits at PT. Pro Car INTL Finance Palopo Branch.

## II. Literature Review and Hypothesis Development

### 2.1. Working Capital Turnover

Working capital is always in a state of rotation or operation in the company as long as the company in question is in a state of business. The working capital cycle or working capital turnover period begins when cash is invested in the working capital component until it returns to cash. The shorter the period means the faster the turnover rate or the higher the turnover rate. The length of the working capital turnover period depends on how long the turnover period of each component of the working capital is. There is a close relationship between sales and working capital. When the sales volume increases, investment in inventory and receivables also increases (Djarwanto, 2004:159). It also means increasing working capital. To test the efficiency of working capital use, it is possible to use working capital turnover, which is the ratio between sales and working capital. This working capital turnover shows the amount of net sales rupiah obtained for each rupiah of working capital.

From the relationship between net sales and working capital, it can also be known whether the company works with high working capital or works with low working capital. High working capital turnover is due to low working capital invested in inventories and receivables or can also describe the unavailability of sufficient working capital, inventory turnover and high receivables turnover. Low working capital turnover can be caused by the large amount of net working capital, the low turnover rate of inventory and receivables or the high cash balance and working capital investment in securities. According to Djarwanto (2004:160), the formula for calculating Working Capital Turnover as follows:

$$WCTO = \frac{\text{Net Sales}}{\text{Current Assets} - \text{Current Liabilities}} \times 1 \text{ Times}$$

### 2.2. Capital

Every company that carries out its activities always needs funds. The need for these funds is used to finance investment needs and to meet daily operational needs. Funds needed by the company to meet the company's daily operational needs, such as the purchase of raw materials, payment of hunting wages, payment of debts, and other payments. In the financial statements of the credit side balance, the composition or capital structure of a company can be seen. This part of the capital structure is called the capital component. So the posts on the right side of the balance sheet consisting of various types of debt, preferred shares and equity stocks are commonly called capital components. The capital component is a type of capital that companies use to obtain funds.

The definition of capital in accounting is different from the definition of capital used in the context of financial services companies and according to the law. In financial services companies, capital is often defined as assets used in the company's operations. In general, a company's capital comes from more than one source, for example, capital comes from long-term debt and common stock and retained earnings. If the source of

capital is more than one source, then the calculation of the cost of capital is the weighted average cost of capital.

Initially, the orientation of the definition of capital was Physical-Oriented. But in its development, it turned out that the definition of capital began to be Non-Physical Oriented, where, among other things, the meaning of capital was emphasized on value, purchasing power or the power to use or use what is contained in capital goods, although in this case there was actually no agreement of opinion among economists. Prawirosentono (2002:117) stated that capital is an asset with a life of more than one year that is not traded in daily business activities. Astuti (2004:128) stated that the definition of capital is a necessary factor of production and like other factors of production, the capital factor has costs. The cost of each component of capital is called the cost of the component. Sutrisno (2003:43) stated that capital is one of the most important asset elements in a company. The capital turnover period, from the time the cash is invested in capital elements until it becomes cash again, is less than one year or short-term. This capital turnover period shows the level of efficiency in the use of capital. The faster the working capital turnaround period, the more efficient the use of capital, and of course the smaller the investment in capital. Therefore, financial managers are required to manage working capital well so as to increase capital efficiency. In addition to the level of efficiency, financial managers are also required to pay attention to the source of funds to meet the capital. Financial managers face various choices of funding sources, both short-term and long-term funding sources. The source of short-term funds is indicated by current debt on the balance sheet.

Capital is one of the most important asset elements in a company. Without capital, the company cannot meet the needs of funds to carry out its activities. The capital turnover period, which is from the time the cash is invested in capital elements until it becomes cash again, is less than one year or short-term. This capital turnover period shows the level of efficiency in the use of capital. The faster the working capital turnaround period, the more efficient the use of capital, and of course the smaller the investment in capital. Capital is the wealth owned by a company that can generate profits in the future, and is expressed in the value of money. Capital in the form of money in a business changes its form after the need to achieve business goals, namely:

- a. Partially purchased land and buildings
- b. Some of the materials are purchased
- c. Some purchased machinery and equipment
- d. Some of them are kept in the form of cash.

These activities in the company's balance sheet are arranged in the form of capital according to its physical and capital according to its origin. Capital in physical form (land, buildings, equipment and machinery, supplies, cash and so on) is placed next to debits which is also called active capital. Meanwhile, capital according to its original form is put in the form of money value next to credit which is referred to as passive capital. In general, a company's capital comes from more than one source, for example, capital comes from long-term debt and common stock and retained earnings. If the source of capital is more than one source, then the calculation of the capital structure is the weighted average capital structure. Capital classification, indicating long-term capital in a company. Long-term capital includes all components on the passive side of the company's balance sheet except current debt. Prawirosentono (2002:118) stated that basically the company's capital is grouped into two sources, which are as follows own capital and loan capital.

### 2.3. Financial Management

The establishment of the company has a clear purpose. There is an opinion that states that the goal of a company is to achieve maximum profit or maximum profit. Another opinion suggests that the company's goal is to prosper the company's owners or shareholders. Meanwhile, another opinion states that the company's goal is to maximize the company's value which is reflected in its share price.

To achieve the desired corporate goals, the Company must carry out its functions properly. The company's functions include financial functions, marketing functions, human resources functions and operational functions. These four functions have their own roles in the company and their implementation is interrelated. As we know that the relationship of financial functions with various other functions in a business or company causes finance to be a very important aspect. This is reflected in the series of functions of each in its scope ranging from efforts to obtain funds, the use of funds to a systematic approach in internal management about the flow of funds which as a whole is an inseparable part of the financial function in question. According to Sartono (2001: 8), financial management is defined as fund management, both related to the effective allocation of funds in various forms of investment and efforts to raise funds for investment financing.

According to Sartono (2001: 8), financial management is defined as fund management, both related to the effective allocation of funds in various forms of investment and efforts to raise funds for investment financing. According to Martono and Agus Harjito (2003: 4), financial management is all company activities related to how to obtain funds. using funds and managing assets according to the company's overall goals. Thus, it can be concluded that financial management is management (management) about how to acquire assets, fund assets and manage assets effectively to achieve company goals. Financial management is a fun and challenging field of science. Many businesses, both large and small-scale, whether profit-motivated, or non-profit, will have great attention in the financial sector, the success and failure of the business is almost largely determined by the quality of financial decisions. Financial management concerns the planning, analysis and control of financial activities. Some of the limitations regarding financial management stated by the following authors include: Van Horne and Wachowicz (2010: 2), defining financial management is any activity related to acquisition, asset management funding with several overarching goals. Meanwhile, according to Martono (2003: 5), financial management is all company activities related to how to obtain funds, use funds and manage assets according to the company's overall goals. Financial management in a broad sense according to Riyanto (2015: 3) is the entire activity related to the effort to obtain funds and use or allocate these funds.

#### 2.4. Financial Statements

According to Myer in his book Financial Statement Analysis quoted by S. Munawir (2013: 5) said that what is meant by financial statements are two lists compiled by accountants at the end of the period for a company. These two lists are a balance sheet list or a list of financial positions and a profit/loss list. In general, financial statements consist of balance sheets and profit/loss calculations as well as capital change reports, where the balance sheet shows/describes the amount of assets, debts and capital of a company on a certain date. Meanwhile, the calculation of the profit/loss statement shows the results that have been obtained by the company as well as the costs that occurred during a certain period and the capital change report shows the source and use or reasons that cause the change in the company's capital. Financial statements are the result of an accounting process that can be used as a means of communication between financial data or activities of a company and parties interested in the company's data or activities. Financial statements are prepared and presented once a year to meet the needs of users.

#### 2.5. Profit

Every company strives to obtain maximum profits. The profits earned by the company will affect the survival of the company. The following is the definition of profit according to some experts. According to Harahap (2009:113) "Profit is excess income over costs during an accounting period". Meanwhile, according to Suwardjono (2008:464), "Profit is interpreted as a reward for the company's efforts to produce goods and services. This means that profit is excess income above costs (the total cost inherent in the production and delivery of goods/services)".

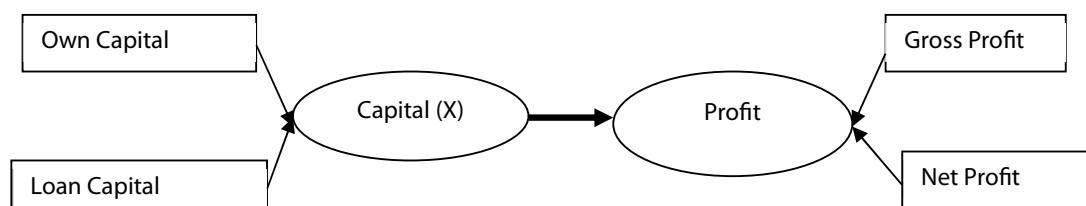
Based on the above understanding, it can be concluded that profit is an excess of income above costs in exchange for producing goods and services during an accounting period. According to the Indonesian Accounting Association (2014:12) "Net income (profit) is often used as a measure of performance or as a basis for other measures such as Return On Investment or Earnings Per Share". The company's performance is the result of a series of processes at the expense of various resources. One of the parameters of the company's performance assessment is profit growth. Profit growth is used to assess the performance of a company. In general, the performance of a company manager is measured and evaluated based on the profits obtained. Therefore, many managers do profit management to make their performance look good. Such actions can be detrimental to shareholders. Shareholders expect the company's performance to experience an increase which is characterized by an increase in profit because the increase in profit will increase returns to shareholders. By knowing the growth of profits obtained by the company, the user of the financial statements will know that there has been an increase or decrease in the financial performance of a company. According to Harahap (2009:310) "Profit growth is calculated by subtracting this year's net profit by last year's net profit and then divided by last year's net profit"

Profit is an indicator of a company's achievement or performance that appears in the financial statements, precisely profit and loss. Halsey (2005: 25) defines profit as follows:

- a. Earnings indicate the profitability of the company. Earnings reflect the return to equity holders for the period in question, while the headings in the report detail how profits are earned.
- b. Profit consists of four main elements, namely revenue, expenses, gains, and losses. The definition of these elements of profit has been put forward by the Financial Accounting Standard Board in Stice, Stice, and Skousen (2004: 230).

## 2.6. Conceptual Framework

To facilitate the discussion of this proposal, the author proposes a conceptual framework. The conceptual framework can be seen below.



**Figure 1. Conceptual Framework**

## 2.7. Hypothesis

In connection with the problems and objectives of the research that have been stated above, the hypothesis is as follows: it is suspected that the capital turnover has a significant effect on the profit at PT. Pro Car INTL Finance Palopo Branch.

## III. Research Method

### 3.1. Place and Time of Research

The location of the research was carried out at PT. Pro Car INTL Finance Palopo Branch, with the time used in this study is two months from June to July 2017.

### 3.2. Data Collection Methods

Before conducting data analysis to solve the problem, the author uses methods and data and information collection from PT. Pro Car INTL Finance Palopo Branch as follows:

- a. Observation is that the author conducts a direct review of the location related to this research.
- b. An interview is an interview with a competent party to collect the necessary data related to the writing of this research.
- c. Documentation is the collection of data through company documents, organizational structures and written materials so that the discussion of research results is better and leads to the desired goals.

### 3.3. Data Types and Sources

The types and data sources used are as follows:

- a. Data Type
  - 1) Qualitative data, which is data obtained from the company in the form of information both verbally and in writing, such as organizational structure and job description.
  - 2) Quantitative Data, which is data obtained from the company in the form of financial statements and their attachments.
- b. Data Source
  - 1) Primary Data is data that is directly obtained from the results of the author's observations and interviews with company employees that can support this discussion.
  - 2) Secondary Data is data sourced from documents and reports that have been published for 10 years from 2007 to 2016.

### 3.4. Analysis Method

- a. To test the correctness of the hypothesis that has been proposed, the author uses the analysis method according to Agnes Sawir (2001: 23) to find out whether there is an influence between the variable (x) working capital, (y) then the Simple linear regression method is used and to facilitate the implementation of the calculation, this study will use SPSS (Statistical Product and Service Solution) tools.
- b. In calculating the turnover of working capital and company profit, with the following formulation:

*Cash*

$$\text{Cash Turnover} = \frac{\text{Sales}}{\text{Cash Average}} = \dots \text{Times}$$

*Inventory*

$$\text{Inventory} = \frac{\text{Sales}}{\text{Average Supply}} = \dots \text{Times}$$

*Loan*

$$\text{Receivables Turnover} = \frac{\text{Sales}}{\text{Receivables}} = \dots \text{Times}$$



- c. To calculate the company's profit, the Profitability ratio is used to measure the company's ability to obtain profits or profits, or the comparison between profits and assets or capital that generate profits. What is included in this ratio are:

- 1) Return of Equity, (ROE) is the rate of return generated by the company for each unit of money that becomes the company's capital.

Formula:

$$\text{Return on Investment} = \frac{\text{Profit After Tax}}{\text{Total Equity}} \times 100\%$$

$$\text{Return on Investment} = \frac{\text{Profit After Tax}}{\text{Total Assets}} \times 100\%$$

- 2) Simple regression analysis method with the formula: ( Sudjana, 1999: 47)

$$Y = a + b X + e1$$

Description :

- Y = Economic Profitability  
X1 = Working Capital Turnover  
b1-b2 = Regression Coefficient (Parameter )  
b0 = Constant ( Interklept )  
hey = Fault factor

Furthermore, to determine the influence of the independent variables of cost control effectiveness and working capital turnover on the bound variable (Economic Profitability), either jointly or individually F-test, t-test and determination coefficient (R2) and partial (r2) were used

- a. T-test (persial test)

The t-test is used to find out whether each independent variable individually has a significant effect on the bound variable. With the condition: if  $t \text{ hits} \geq t \text{ table}$ , it can be said that there is an influence between the independent variable being studied and the bound variable. On the other hand, if  $t \text{ hit} \leq t \text{ table}$ , then it can be said to be insignificant.

- b. Coefficient Determination Test (R2)

The coefficient of determination (R2) is useful to measure how much the role of the free variable (working capital) occurs on the basis of the bound variable (liquidity).

### 3.5. Operational

- a. The Working Capital Turnover Rate (X) is the funds needed by the company to meet daily operational needs such as the purchase of raw materials, payment of labor wages, payment of debts and other payments.
- b. Profitability is a ratio used to measure a company's ability to obtain profits or profits, the profitability of a company realizes a comparison between profits and assets or capital that generate profits. activities to compare the planned outlines and the realization of operations

#### IV. Result and Discussion

The following is a calculation of the effect of capital turnover on the company's profit at PT. Pro Car Intl Finance Palopo Branch using the following formula, Measure the efficiency and operational activities of the company in using its sources of funds. The ratios used for turnover, cash, inventory turnover and receivables turnover are as follows:

##### 4.1. Cash Turnover

The cash turnover here shows that there are several times cash revolving in a period (1 year), cash here is money and other securities that are equivalent to cash that can be cashed out immediately. For more clarity, you can see the following table 1:

**Table 1 Sales and Cash Recapitulation**

Year	Sales (Rs)	Cash (Rs)
2007	19.470.644.000	2,221,707,000
2008	21.592.440.000	4,423,763,000
2009	23.689.440.000	4,525,600,000
2010	25.885.340.000	4,443,414,000
2011	27.115.540.000	5,443,414,000
2012	18.370.644.000	5.280.902.000
2013	20.592.440.000	4.747.881.000
2014	23.656.440.000	4.457.873.000
2015	24.875.340.000	5.227.873.000
2016	26.115.540.000	5.777.271.000

Based on the data in table 1 above, Cash Turnover is the value of cash in the company and other items that exist in the near term can be cashed as a means of payment for financial needs, which has the highest level of liquidity. The average sales and cash at PT. Pro Car INTL Finance Palopo Branch for the last 5 years 2007 - 2016, the average sales are Rp . Sec. 108.5834.559 and the average cash is IDR 527.StuRat (talk) 01:01,250. The following is a cash turnover that shows that there are many times cash revolving in a period (1 year), cash here is money and other securities that are equivalent to cash that can be cashed out immediately. The results of the turnover analysis using the following formula:

$$\text{Cash Turnover 2007} = \frac{\text{Sales}}{\text{Cash Average}} = \dots \text{Times}$$

**Description :** = Rp. 19.470.644.000 (Sales)  
 = Rp. 2,221,707,000 (Initial Cash)  
 = Rp. 4,423,763,000 (Final Cash)

$$\text{Cash Average 2007} = \frac{\text{Initial Cash} + \text{Final Cash}}{2} = \dots \text{Times}$$

$$\text{Cash Average 2007} = \frac{\text{Rp. 2,221,707,000} + \text{Rp. 4,423,763,000}}{2}$$

$$= \text{Rp. 2,221,707,000}$$

$$\text{Cash Turnover 2007} = \frac{\text{Rp } 19.470.644.000}{\text{Rp } 2,221,707,000}$$

= 8,76 Times Rounded to 9 Times

This means that in 2012 the company's cash revolved 9 times per year, in accordance with the cash turnover standard according to Munawir (2004) stating that cash turnover can be said to be efficient if the turnover rate (4-10) times means that the cash at PT. Pro Car INTL Finance Palopo Branch in Palopo is efficient.

$$\text{Cash Turnover} = \frac{\text{Sales}}{\text{Cash Average}} = \dots \text{Times}$$

**Description :** = Rp. 21.592.440.000 (Sales)  
= Rp. 2,221,707,000 (Initial Cash)  
= Rp. 4,423,763,000 (Final Cash)

$$\begin{aligned} \text{Cash Average 2008} &= \frac{\text{Initial Cash} + \text{Final Cash}}{2} \\ &= \frac{\text{Rp. } 2,221,707,000 + \text{Rp. } 4,423,763,000}{2} \\ &= \text{Rp. } 5,534,616,500 \end{aligned}$$

$$\text{Cash Turnover 2007} = \frac{\text{Rp } 21.592.440.000}{\text{Rp } 5,534,616,500}$$

= 3,90 Times Rounded to 4 Times

This means that in 2009 the company's cash revolved around 4 times per year, in accordance with the cash turnover standard according to Munawir (2004) stating that the cash turnover can be said to be efficient if the turnover rate (4-10) times means that the cash at PT. Pro Car INTL Finance Palopo Branch in Palopo is efficient.

$$\text{Cash Turnover} = \frac{\text{Sales}}{\text{Cash Average}} = \dots \text{Times}$$

**Description :** = Rp. 23.689.440.000 (Sales)  
= Rp. 4,423,763,000 (Initial Cash)  
= Rp. 4,525,600,000 (Final Cash)

$$\begin{aligned} \text{Cash Average 2009} &= \frac{\text{Initial Cash} + \text{Final Cash}}{2} \\ &= \frac{\text{Rp. } 4,423,763,000 + \text{Rp. } 4,525,600,000}{2} \end{aligned}$$

$$= \text{Rp. } 23,689,440,000$$

$$\text{Cash Turnover} = \frac{\text{Rp } 23.689.440.000}{\text{Rp } 23,689,440,000}$$
$$= 4 \text{ Times}$$

This means that in 2009 the company's cash revolved around 4 times per year, in accordance with the cash turnover standard according to Munawir (2004) stating that the cash turnover can be said to be efficient if the turnover rate (4-10) times means that the cash at PT. Pro Car INTL Finance Palopo Branch in Palopo is efficient.

$$\text{Cash Turnover } 2007 = \frac{\text{Sales}}{\text{Cash Average}} = \dots \text{Times}$$

**Description :** = Rp. 25.885.340.000 (Sales)  
= Rp. 4,525,600,000 (Initial Cash)  
= Rp. 4,443,414,000 (Final Cash)

$$\text{Cash Average } 2010 = \frac{\text{Initial Cash} + \text{Final Cash}}{2} = \dots \text{Times}$$

$$\text{Cash Average } 2010 = \frac{\text{Rp. } 4,525,600,000 + \text{Rp. } 4,443,414,000}{2}$$
$$= \text{Rp. } 25,885,340,000$$

$$\text{Cash Turnover } 2010 = \frac{\text{Rp } 25.885.340.000}{\text{Rp } 25,885,340,000}$$
$$= 4 \text{ Times}$$

This means that in 2010 the company's cash rotated 4 times per year, in accordance with the cash turnover standard according to Munawir (2004) stated that the cash turnover can be said to be efficient if the turnover rate (4-10) times means that the cash at PT. Pro Car INTL Finance Palopo Branch in Palopo is efficient.

$$\text{Cash Turnover} = \frac{\text{Sales}}{\text{Cash Average}} = \dots \text{Times}$$

**Description :** = Rp. 27.115.540.000 (Sales)  
= Rp. 4,443,414,000 (Initial Cash)  
= Rp. 5,443,414,000 (Final Cash)

$$\text{Cash Average } 2011 = \frac{\text{Initial Cash} + \text{Final Cash}}{2} = \dots \text{Times}$$

$$\text{Cash Average 2011} = \frac{\text{Rp. 4,443,414,000} + \text{Rp. 5,443,414,000}}{2}$$

$$= \text{Rp. 5,443,414,000}$$

$$\text{Cash Turnover 2011} = \frac{\text{Rp. 27.115.540.000}}{\text{Rp. 5,443,414,000}}$$

$$= 4 \text{ Times}$$

This means that in 2011 the company's cash revolved 4 times per year, in accordance with the cash turnover standard according to Munawir (2004) stating that the cash turnover can be said to be efficient if the turnover rate (4 -10) times means that the cash at PT. Pro Car INTL Finance Palopo Branch in Palopo is efficient.

$$\text{Cash Turnover} = \frac{\text{Sales}}{\text{Cash Average}} = \dots \text{Times}$$

**Description :** = Rp. 18.370.644.000 (Sales)  
= Rp. 5.280.902.000 (Initial Cash)  
= Rp. 4.747.881.000 (Final Cash)

$$\text{Cash Average 2012} = \frac{\text{Initial Cash} + \text{Final Cash}}{2} = \dots \text{Times}$$

$$\text{Cash Average 2012} = \frac{\text{Rp. 5.280.902.000} + \text{Rp. 4.747.881.000}}{2}$$

$$= \text{Rp. 5.014.391.500}$$

$$\text{Cash Turnover 2012} = \frac{\text{Rp. 18.370.644.000}}{\text{Rp. 5.014.391.500}}$$

$$= 3,88 \text{ Times}$$

This means that in 2012 the company's cash revolved around 3.88 times per year, in accordance with the cash turnover standard according to Munawir (2004) stating that cash turnover can be said to be efficient if the turnover rate (5 – 10) times means that the cash at PT. Pro Car INTL Finance Palopo Branch is efficient.

$$\text{Cash Turnover} = \frac{\text{Sales}}{\text{Cash Average}} = \dots \text{Times}$$

**Description :** = Rp. 20.592.440.000 (Sales)  
= Rp. 4.747.881.000 (Initial Cash)  
= Rp. 4.457.873.000 (Final Cash)

$$\text{Cash Average 2013} = \frac{\text{Initial Cash} + \text{Final Cash}}{2} = \dots \text{Times}$$

$$\text{Cash Average 2013} = \frac{\text{Rp. 4.747.881.000} + \text{Rp. 4.457.873.000}}{2}$$

$$= \text{Rp. 4.602.877.000}$$

$$\text{Cash Turnover 2013} = \frac{\text{Rp. 20.592.440.000}}{\text{Rp. 4.602.877.000}}$$

$$= 4,69 \text{ Times}$$

This means that in 2013 the company's cash revolved around 4.89 times per year, in accordance with the cash turnover standard according to Munawir (2004) stating that the cash turnover can be said to be efficient if the turnover rate (5 – 10) times means that the cash at PT. Pro Car INTL Finance Palopo Branch is efficient.

$$\text{Cash Turnover} = \frac{\text{Sales}}{\text{Cash Average}} = \dots \text{Times}$$

**Description :** = Rp. 23.689.440.000 (Sales)  
= Rp. 4.457.873.000 (Initial Cash)  
= Rp. 5.227.873.000 (Final Cash)

$$\text{Cash Average 2014} = \frac{\text{Initial Cash} + \text{Final Cash}}{2} = \dots \text{Times}$$

$$\text{Cash Average 2014} = \frac{\text{Rp. 4.457.873.000} + \text{Rp. 5.227.873.000}}{2}$$

$$= \text{Rp. 4.842.873.000}$$

$$\text{Cash Turnover 2014} = \frac{\text{Rp. 23.689.440.000}}{\text{Rp. 4.842.873.000}}$$

= 4,89 Times

This means that in 2014 the company's cash rotated 4.89 times per year, in accordance with the cash turnover standard according to Munawir (2004) stating that the cash turnover can be said to be efficient if the turnover rate (5 – 10) times means that the cash at PT. Pro Car INTL Finance Palopo Branch is efficient.

$$\text{Cash Turnover} = \frac{\text{Sales}}{\text{Cash Average}} = \dots \text{Times}$$

**Description :** = Rp. 24.875.340.000 (Sales)  
= Rp. 5.227.873.000 (Initial Cash)  
= Rp. 5.777.271.000 (Final Cash)

$$\text{Cash Average 2015} = \frac{\text{Initial Cash} + \text{Final Cash}}{2} = \dots \text{Times}$$

$$\text{Cash Average 2015} = \frac{\text{Rp. 5.227.873.000} + \text{Rp. 5.777.271.000}}{2}$$

= Rp. 5.502.572.000

$$\text{Cash Turnover 2015} = \frac{\text{Rp. 24.875.340.000}}{\text{Rp. 5.502.572.000}}$$

= 4,70 Times atau 5 Times

This means that in 2015 the company's cash revolves around 5 times per year, in accordance with the cash turnover standard according to Munawir (2004) stating that the cash turnover can be said to be efficient if the turnover rate (5 – 10) times means that the cash at PT. Pro Car INTL Finance Palopo Branch is efficient.

$$\text{Cash Turnover} = \frac{\text{Sales}}{\text{Cash Average}} = \dots \text{Times}$$

**Description :** = Rp. 26.115.540.000 (Sales)  
= Rp. 5.777.271.000 (Final Cash)

$$\text{Cash Average 2014} = \frac{\text{Initial Cash} + \text{Final Cash}}{2} = \dots \text{Times}$$

$$\text{Cash Turnover 2014} = \frac{\text{Rp. 26.115.540.000}}{\text{Rp. 5.777.271.000}}$$

= 4,70 Times

This means that in 2016 the company's cash rotated 4.70 times per year, in accordance with the cash turnover standard according to Munawir (2004) stating that the cash turnover can be said to be efficient if the turnover rate (5 – 10) times means that the cash at PT. Pro Car INTL Finance Palopo Branch is efficient.

#### 4.2. Turnover of Receivables

Receivables turnover is the ability of funds embedded in receivables that revolves several times in a given period through sales. Credit sales here are all credit sales after deducting deductions while the average receivables are calculated from the initial receivables plus the final receivables divided in half. For more clarity, you can see the following table 2:

**Table 2 Sales and Receivables Recapitulation**

Year	Sales(Rs)	Receivables (Rs)
2007	19.470.644.000	1,260,300,000
2008	21.592.440.000	1,299,375,000
2009	22.6789.440.000	1,300,286,500
2010	25.885.340.000	520,600,000
2011	27.115.540.000	620,600,000
2012	18.370.644.000	2.500.502.000
2013	20.592.440.000	3.587.741.000
2014	23.689.440.000	3.293.043.000
2015	24.875.340.000	4.093.093.000
2016	26.115.540.000	4.187.039.000

Based on the data in table 2 above, the turnover of receivables of PT. Pro Car INTL Finance Palopo Branch. The average sales and cash at PT. Pro Car INTL Finance Palopo Branch for the last 5 years 2007 - 2016, the average sales are Rp . Sec. 2.3550.680.800 and the average cash is Rp. 3.732.283.600. The following is a cash turnover that shows that there are several times receivables rotate in a period (1 year). The results of the turnover analysis using the following formula:

$$\text{Receivables Turnover 2007} = \frac{\text{Sales}}{\text{Average Accounts Receivable}} = \dots \text{Times}$$

$$\begin{aligned} \text{Receivables Turnover} &= \frac{\text{Rp. 1,260,300,000} + \text{Rp. 1,299,375,000}}{2} \\ &= \text{Rp. 1,260,300,000} \end{aligned}$$

$$\text{Receivables Turnover} = \frac{\text{Rp. 19.470.644.000}}{\text{Rp. 1,260,300,000}} = \dots \text{Times}$$

= 15.45 Times rounded to 15 times

So, the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch in 2007 occurred 15 times. In accordance with the standard of receivables turnover according to Bramasto (2007) states that: as a guideline in this ratio, it should rotate around 10-34 times to determine the low or high turnover of receivables that occur during a certain period, so the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch in Palopo is very good

$$\text{Receivables Turnover 2008} = \frac{\text{Sales}}{\text{Average Accounts Receivable}} = \dots \text{Times}$$

$$\begin{aligned} \text{Receivables Turnover} &= \frac{\text{Rp.1,299,375,000} + \text{Rp.1,300,286,500}}{2} \\ &= \text{Rp. 1,929,525,000} \end{aligned}$$

$$\begin{aligned} \text{Receivables Turnover} &= \frac{\text{Rp. 21.592.440.000}}{\text{Rp. 1,929,525,000}} = \dots \text{Times} \\ &= 11 \text{ times} \end{aligned}$$

So, the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch in 2008 occurred 11 times. In accordance with the standard of receivables turnover according to Bramasto (2007) states that: as a guideline in this ratio, it should rotate around 10-34 times to determine the low or high turnover of receivables that occur during a certain period, so the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch is very good.

$$\text{Receivables Turnover 2009} = \frac{\text{Sales}}{\text{Average Accounts Receivable}} = \dots \text{Times}$$

$$\begin{aligned} \text{Receivables Turnover} &= \frac{\text{Rp. 1,299,375,000} + \text{Rp. 1,300,286,500}}{2} \\ &= \text{Rp. 1,949,974,000} \end{aligned}$$

$$\begin{aligned} \text{Receivables Turnover} &= \frac{\text{Rp. 23.689.440.000}}{\text{Rp. 1,949,974,000}} = \dots \text{Times} \\ &= 13 \text{ times} \end{aligned}$$

So, the turnover of receivables at PT. The 2009 Palopo Branch of INTL Finance Pro Car occurred 13 times. In accordance with the standard of receivables turnover according to Bramasto (2007) states that: as a guideline in this ratio, it should rotate around 10-34 times to determine the low or high turnover of receivables that occur during a certain period, so the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch in Palopo is very good

$$\text{Receivables Turnover 2010} = \frac{\text{Sales}}{\text{Average Accounts Receivable}} = \dots \text{Times}$$

$$\begin{aligned} \text{Receivables Turnover} &= \frac{\text{Rp. 520,600,000} + \text{Rp. 1,300,286,500}}{2} \\ &= \text{Rp. 1,170,743,250} \end{aligned}$$

$$\begin{aligned} \text{Receivables Turnover} &= \frac{\text{Rp. 25.885.340.000}}{\text{Rp. 1,170,743,250}} = \dots \text{Times} \\ &= 22 \text{ times} \end{aligned}$$

So, the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch in 2010 occurred 22 times. In accordance with the standard of receivables turnover according to Bramasto (2007) states that: as a guideline in this ratio, it should rotate around 10-34 times to determine the low or high turnover of receivables that occur during a certain period, so the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch in Palopo is very good.

$$\text{Receivables Turnover 2011} = \frac{\text{Sales}}{\text{Average Accounts Receivable}} = \dots \text{Times}$$

$$\begin{aligned} \text{Receivables Turnover} &= \frac{\text{RRp. 520,600,000} + \text{Rp. 620,600,000}}{2} \\ &= \text{Rp. 880,900,000} \end{aligned}$$

$$\begin{aligned} \text{Receivables Turnover} &= \frac{\text{Rp. 27,115,540,000}}{\text{Rp. 880,900,000}} = \dots \text{Times} \\ &= 31 \text{ times} \end{aligned}$$

So, the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch in 2011 occurred 31 times. In accordance with the standard of receivables turnover according to Bramasto (2007) states that: as a guideline in this ratio, it should rotate around 10-34 times to determine the low or high turnover of receivables that occur during a certain period, so the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch in Palopo is very good

$$\text{Receivables Turnover 2012} = \frac{\text{Sales}}{\text{Average Accounts Receivable}} = \dots \text{Times}$$

$$\begin{aligned} \text{Receivables Turnover} &= \frac{\text{Rp. 2.500.502.000} + \text{Rp. 3.587.741.000}}{2} \\ &= \text{Rp. 3.094.120.500} \end{aligned}$$

$$\begin{aligned} \text{Receivables Turnover} &= \frac{\text{Rp. 18.370.644.000}}{\text{Rp. 3.094.120.500}} = \dots \text{Times} \\ &= 6.29 \text{ times} \end{aligned}$$

So, the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch in 2012 occurred 6.29 times. In accordance with the standard of receivables turnover according to Bramasto (2007) states that: as a guideline in this ratio, it should rotate around 10-15 times to determine the low or high turnover of receivables

that occurred during a certain period, so the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch is not good

$$\text{Receivables Turnover 2013} = \frac{\text{Sales}}{\text{Average Accounts Receivable}} = \dots \text{Times}$$

$$\text{Receivables Turnover} = \frac{\text{Rp. 3.578.741.000} + \text{Rp. 3.293.043.000}}{2}$$

$$= \text{Rp. 3.940.392.000}$$

$$\text{Receivables Turnover} = \frac{\text{Rp. 20.592.440.000}}{\text{Rp. 3.940.392.000}} = \dots \text{Times}$$

$$= 12 \text{ times}$$

So, the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch in 2013 occurred 12 times. In accordance with the standard of receivables turnover according to Bramasto (2007) states that: as a guideline in this ratio, it should rotate around 10-15 times to determine the low or high turnover of receivables that occurred during a certain period, so the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch is quite good.

$$\text{Receivables Turnover 2014} = \frac{\text{Sales}}{\text{Average Accounts Receivable}} = \dots \text{Times}$$

$$\text{Receivables Turnover} = \frac{\text{Rp. 3.293.043.000} + \text{Rp. 4.093.093.000}}{2}$$

$$= \text{Rp. 4.193.068.000}$$

$$\text{Receivables Turnover} = \frac{\text{Rp. 23.689.440.000}}{\text{Rp. 4.193.068.000}} = \dots \text{Times}$$

$$= 5,65 \text{ times}$$

So, the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch in 2014 occurred 5.65 times. In accordance with the standard of receivables turnover according to Bramasto (2007) states that: as a guideline in this ratio, it should rotate around 10-15 times to determine the low or high turnover of receivables that occurred during a certain period, so the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch is not good.

$$\text{Receivables Turnover 2015} = \frac{\text{Sales}}{\text{Average Accounts Receivable}} = \dots \text{Times}$$

$$\text{Receivables Turnover} = \frac{\text{Rp. 4.093.093.000} + \text{Rp. 4.187.039.000}}{2}$$

$$= \text{Rp. } 4.090.066.000$$

$$\begin{aligned} \text{Receivables Turnover} &= \frac{\text{Rp. } 24.875.340.000}{\text{Rp. } 4.090.066.000} = \dots \text{Times} \\ &= 6 \text{ times} \end{aligned}$$

So, the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch in 2015 occurred 6 times. In accordance with the standard of receivables turnover according to Bramasto (2007) states that: as a guideline in this ratio, it should rotate around 10-15 times to determine the low or high turnover of receivables that occurred during a certain period, so the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch is not good.

$$\text{Receivables Turnover 2016} = \frac{\text{Sales}}{\text{Average Accounts Receivable}} = \dots \text{Times}$$

$$\begin{aligned} \text{Receivables Turnover} &= \frac{\text{Rp. } 26.115.540.000}{\text{Rp. } 4.187.039.000} = \dots \text{Times} \\ &= 7 \text{ times} \end{aligned}$$

So, the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch in 2016 occurred 7 times. In accordance with the standard of receivables turnover according to Bramasto (2007) states that: as a guideline in this ratio, it should rotate around 10-15 times to determine the low or high turnover of receivables that occurred during a certain period, so the turnover of receivables at PT. Pro Car INTL Finance Palopo Branch is not good

#### 4.3. Discussion of Profitability Ratio

##### a. Results of Net Profit Margin Analysis

One of the goals that every company wants to achieve is to earn profits from each company's operational activities. To achieve this goal, efficient and effective management management is needed, because this will make it easier for the company to make decisions about the company's financial situation and position. In an effort to improve the company's financial performance to support effective financial decision-making, it is necessary to have a financial report, because a financial statement is a report that reflects the state of the financial position in a company which includes the balance sheet and profit and loss statement, because by analyzing the balance sheet headings it will be possible to know an overview of the company's business development. Maintaining the survival of a company means considering the aspect of profitability is very important, because the profitability of the company concerns the company's ability to generate profits. For more details, you can see the following table 1 data, namely the profitability ratio data at PT. Pro Car INTL Finance Palopo Branch in the following:

Net Profit Margin, used for net profit after tax compared to sales volume. A good Net Profit Margin should be greater than 100%. For more, you can see the data on the recapitulation of profit after tax or net profit and sales in table one below:

**Table 3. Recapitulation of Net Profit and Sales at PT. Pro Car INTL Finance Palopo Branch in 2007 - 2016**

Year	Net profit (Rs)	Sales (Rs)
2007	1.393.319.000	19.470.644.000
2008	1.160.239.000	21.592.440.000
2009	1.545.827.000	22.6789.440.000
2010	2.418.969.000	25.885.340.000
2011	2.554.755.000	27.115.540.000
2012	293,319,000	18.370.644.000
2013	1,160,239,000	20.592.440.000
2014	1.545.827.000	23.689.440.000
2015	1,408,969,000	24.875.340.000
2016	2,554,755,000	26.115.540.000

The data in table 3 above, namely the data on net profit and net sales at PT. Pro Car INTL Finance Palopo Branch in , the following will be presented the results of the calculation of the Net Profit Margin ratio at PT. Pro Car INTL Finance Palopo Branch with the aim of finding out its ability to generate profits from its sales is as follows:

$$\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Sales}} \times 100 \%$$

$$\begin{aligned} \text{Net Profit Margin 2007} &= \frac{\text{Rp. 1.393.319.000}}{\text{Rp. 19.470.644.000}} \times 100 \% \\ &= 7.2 \% \end{aligned}$$

$$\begin{aligned} \text{Net Profit Margin 2008} &= \frac{\text{Rp. 1.160.239.000}}{\text{Rp. 21.592.440.000}} \times 100 \% \\ &= 5.4 \% \end{aligned}$$

$$\begin{aligned} \text{Net Profit Margin 2009} &= \frac{\text{Rp. 1.545.827.000}}{\text{Rp. 23.689.440.000}} \times 100 \% \\ &= 7.75 \% \end{aligned}$$

$$\begin{aligned} \text{Net Profit Margin 2010} &= \frac{\text{Rp. 2.418.969.000}}{\text{Rp. 25.885.340.000}} \times 100 \% \\ &= 9.34 \% \end{aligned}$$

$$\begin{aligned} \text{Net Profit Margin 2011} &= \frac{\text{Rp. 2.554.755.000}}{\text{Rp. 27.115.540.000}} \times 100 \% \\ &= 9.24 \% \end{aligned}$$

$$\begin{aligned} \text{Net Profit Margin 2012} &= \frac{\text{Rp. 293,319,000}}{\text{Rp. 18.370.644.000}} \times 100 \% \\ &= 6.8 \% \end{aligned}$$

$$\begin{aligned} \text{Net Profit Margin 2013} &= \frac{\text{Rp. 1,160,239,000}}{\text{Rp. 20.592.440.000}} \times 100 \% \end{aligned}$$

$$= 5.4\%$$

$$\text{Net Profit Margin 2014} = \frac{\text{Rp. 1.545.827.000}}{\text{Rp. 23.689.440.000}} \times 100 \%$$

$$= 7.75\%$$

$$\text{Net Profit Margin 2015} = \frac{\text{Rp. 1,408,969,000}}{\text{Rp. 24.875.340.000}} \times 100 \%$$

$$= 8.74\%$$

$$\text{Net Profit Margin 2016} = \frac{\text{Rp. 2,554,755,000}}{\text{Rp. 26.115.540.000}} \times 100 \%$$

$$= 10.4\%$$

Based on the results of the calculation mentioned above, the following table two will be made, namely the recapitulation of the final result of Net Profit Margin (NPM) at PT. Pro Car INTL Finance Palopo Branch in the last five years from 2007-2016 as follows:

**Table 4. Recapitulation of Margin (NPM) at PT. Pro Car INTL Finance Palopo Branch in 2007-2016**

Year	Net Profit Margin (%)
2007	7.2
2008	5.4
2009	7.8
2010	9.3
2011	9.4
2012	6,8
2013	5.4
2014	7.8
2015	8,7
2016	10.4

Net profit Margin (NPM) in 2007 was 7.2%. in 2008 Net Profit Margin (NPM) showed a year-on-year yield of 5.4%. in 2009 amounted to Rp. 7.8%, in 2010 it was Rp.9.3% and in 2011 it was 9.4%. Net profit Margin (NPM) in 2012 showed the ability of PT. Pro Car INTL Finance Palopo Branch in generating a net profit from each sale of 7.2%. which means that every rupiah (Rp. 1) of sales will generate a net profit of Rp. 7.2. whereas in 2013 Net Profit Margin (NPM) shows a yield of 5.4%. This means that every one rupiah of sales will generate a net profit of 5.4 rupiah or a decrease to 1.8% (8.9 - 3.1=1.8%). The decline was due to the 2014 net profit of Rp. 293,319,000, and in 2015 experienced a very significant decrease of Rp. 233,080,000 from Rp. 293,319,000, to Rp. 1,160,239,000, while net sales also decreased by Rp. 2,121,796,000 from Rp.18,370,644,000, to Rp. 20,592,440,000.

Net profit Margin (NPM) in 2016 shows the ability of PT. Pro Car INTL Finance Palopo Branch in produces a net profit from each sale of 7.8%. which means that every one rupiah of sales will generate a net profit of Rp. 7.8 while in 2012 the Net Profit Margin (NPM) shows a result of Rp.9.3%. This means that every one rupiah of sales is able to generate a net profit of Rp. 9.3 rupiah or increase to 0.1% (9.3 - 9.4 = 0.1%). The increase was due to the net profit in 2014 increasing from the previous year of Rp.385,588,000 from Rp. 1,160,239,000, to Rp. 1,545,827,000 and sales also increased from the previous year of Rp. 2,097,000,000 from Rp. 20,592,440,000 to Rp. 23,689,440,000, in 2012 the net profit also increased from the previous year of Rp. 873,142,000 from Rp. 1,545,827,000 to Rp. 1,408,969,000 and sales also amounted to Rp. 2,195,900,000 from Rp. 23,689,440,000 to Rp. 24,875,340,000, in 2013 net profit also increased by Rp. 135,786,000 from Rp.

1,408,969,000, to Rp. 2,554,755,000, as well as sales of Rp.1,230,200,000 from Rp. 24,875,340,000 to Rp. 2,554,755,000.

b. Return on Investment Analysis Results

Return on Investment (ROI), or often also called return on Total Asset, measures a company's overall ability to generate profits with the number of assets available in the company. For more details, the following data will be presented in table three, namely profit after tax data and total asset data as follows:

**Table 5. Recapitulation of Net Profit and Total Assets at PT. Pro Car INTL Finance Palopo Branch in 2007 - 2016**

Year	Profit after Tax (Rp)	Total Assets (Rp)
2007	1.393.319.000	12.707.544.000
2008	1.160.239.000	14.805.500.000
2009	1.545.827.000	16.438.210.000
2010	2.418.969.000	17.277.629.000
2011	2.554.755.000	16.454.577.000
2012	293,319,000	13.807.533.000
2013	1,160,239,000	13.905.511.000
2014	1.545.827.000	15.938.230.000
2015	1,408,969,000	16.877.625.000
2016	2,554,755,000	17.474.522.000

From the data in table 5 above, namely profit after tax and total asset data, the following will be presented the calculation of return on investment (ROI) at PT. Pro Car INTL Finance Palopo Branch in 2007 - 2016 with the following formulation:

$$\text{Return on Investment} = \frac{\text{Income After Tax}}{\text{Total Assets}} \times 100 \%$$

$$\begin{aligned} \text{Return on Investment 2007} &= \frac{\text{Rp. } 1.393.319.000}{\text{Rp. } 12.707.544.000} \times 100 \% \\ &= 10.09 \% \end{aligned}$$

$$\begin{aligned} \text{Return on Investment 2008} &= \frac{\text{Rp. } 1.160.239.000}{\text{Rp. } 14.805.500.000} \times 100 \% \\ &= 8.34\% \end{aligned}$$

$$\begin{aligned} \text{Return on Investment 2009} &= \frac{\text{Rp. } 1.545.827.000}{\text{Rp. } 16.438.210.000} \times 100 \% \\ &= 9.70\% \end{aligned}$$

$$\begin{aligned} \text{Return on Investment 2010} &= \frac{\text{Rp. } 2.418.969.000}{\text{Rp. } 17.277.629.000} \times 100 \% \\ &= 14.33\% \end{aligned}$$

$$\begin{aligned} \text{Return on Investment 2011} &= \frac{\text{Rp. } 2.554.755.000}{\text{Rp. } 16.454.577.000} \times 100 \% \\ &= 14.62\% \end{aligned}$$

$$\begin{aligned} \text{Return on Investment 2012} &= \frac{\text{Rp. } 293,319,000}{\text{Rp. } 13.807.533.000} \times 100 \% \\ &= 10.09\% \end{aligned}$$

$$\begin{aligned} \text{Return on Investment 2013} &= \frac{\text{Rp. } 1,160,239,000}{\text{Rp. } 13.905.511.000} \times 100 \% \\ &= 8.34\% \end{aligned}$$

$$\begin{aligned} \text{Return on Investment 2014} &= \frac{\text{Rp. } 1.545.827.000}{\text{Rp. } 15.938.230.000} \times 100 \% \\ &= 9.70\% \end{aligned}$$

$$\begin{aligned} \text{Return on Investment 2015} &= \frac{\text{Rp. } 1,408,969,000}{\text{Rp. } 16.877.625.000} \times 100 \% \\ &= 14.33\% \end{aligned}$$

$$\begin{aligned} \text{Return on Investment 2016} &= \frac{\text{Rp. } 2,554,755,000}{\text{Rp. } 17.474.522.000} \times 100 \% \\ &= 14.62\% \end{aligned}$$

Based on the results of the calculation mentioned above, the following will be made table three, namely the recapitulation of the final results of return on investment (ROI) at PT. Pro Car INTL Finance Palopo Branch in the last five years from 2007 – 2016 as follows:

**Table 6. Recapitulation of Return On Investment (ROI) at PT. Pro Car INTL Finance Palopo Branch in 2007 – 2016**

Year	ROI (%)
2007	10.09
2008	8.34
2009	9.70
2010	14.33
2011	14.62
2012	10.09
2013	8.34
2014	9.70
2015	14.33
2016	14.62

Return On Investment (ROI) or return on asset in 2012 shows the ability of PT. Pro Car INTL Finance Palopo Branch generates profit from the assets used. Return on investment of 10.09% means that by using Rp.1000,- assets will generate net profit after tax of Rp. 1,009. Then in 2013 of 8.34%. means that by using Rp.1000,- assets will generate net profit after tax of Rp. 8.34. or decrease by 1.75% from the previous year. This is because net profit has decreased significantly by Rp. 233,080,000, from Rp.293,319,000 to Rp. 1,160,239,000 ,- and sales increased by Rp.97,978,000 from Rp.13,807,533,000, to Rp. 13,905,511,000,-.

Return On Investment (ROI) or return on assets in 2014 shows the ability of PT. Pro Car INTL Finance Palopo Branch generates profit from the assets used. Return on investment of 9.70% means that by using Rp.1000,- the asset will generate a net profit after tax of Rp. 9.70. then in 2015 it will be 14.33%, meaning that by using Rp.1000,- the asset will generate a net profit after tax of Rp. 1,433. Or an increase of 4.63% from the previous year. This is because net profit in 2016 experienced a very significant increase from the previous year

of Rp.385,588,000 from Rp. 1,160,239,000, to Rp. 1,545,827,000, and in 2012 the net profit also increased from the previous year of Rp. 873,142,000, from Rp. 1,545,827,000 to Rp. 1,408,969,000,- as well as total assets in 2014 increased by Rp. 2,032,719,000, from Rp. 13,905,511,000, to Rp. 15,938,230,000, also in 2012 total assets also increased from the previous year by Rp. 596,897,000 from Rp. 15,938,230,000, to Rp. 16,877,625,000.

Return On Investment (ROI) or return on asset in 2013 shows the ability of PT. Pro Car INTL Finance Palopo Branch generates profit from the assets used. Return on investment of 14.62% means that using Rp. 1000,- the asset will generate a net profit after tax of Rp. 1,462. This is because net profit experienced a very significant increase from the previous year of IDR 135,786,000, from IDR 135,786,000. 1,408,969,000 to Rp. 2,554,755,000,- as well as total assets increased by Rp. 596,897,000 from Rp. 16,877,625,000, to Rp. 17,474,522,000.

c. Return On Equity Analysis Results

Return On Equity is the ability of a company to generate profits with its own capital. The following will be presented data on profit after tax and the modal itself at PT. Pro Car INTL Finance Palopo Branch in the last five years 2007 – 2016 and can be seen in the following table five:

**Table 7. Recapitulation of Net Profit and Own Capital at PT. Pro Car INTL Finance Palopo Branch in 2007 – 2016**

Year	Profit after Tax (Rp)	Own Capital (Rp)
2007	1.393.319.000	11.062.354.000
2008	1.160.239.000	13.879.161.000
2009	1.545.827.000	15.114.268.000
2010	2.418.969.000	16.236.283.000
2011	2.554.755.000	17.460.228.000
2012	293,319,000	12.062.456.000
2013	1,160,239,000	12.899.171.000
2014	1.545.827.000	14.115.267.000
2015	1,408,969,000	15.236.263.000
2016	2,554,755,000	16.466.259.000

Return On Equity shows the ability of PT. Pro Car INTL Finance Palopo Branch in making profits with its own capital. So the following calculations for the last five years 2007 – 2016 will be presented as follows:

$$\text{Return On Equiy} = \frac{\text{Net Profit After Tax}}{\text{Own Capital}} \times 100 \%$$

$$\begin{aligned} \text{Return On Equiy 2007} &= \frac{\text{Rp. 1.393.319.000}}{\text{Rp. 11.062.354.000}} \times 100 \% \\ &= 11.55\% \end{aligned}$$

$$\begin{aligned} \text{Return On Equiy 2008} &= \frac{\text{Rp. 1.160.239.000}}{\text{Rp. 13.879.161.000}} \times 100 \% \\ &= 8.99\% \end{aligned}$$

$$\begin{aligned} \text{Return On Equiy 2009} &= \frac{\text{Rp. 1.545.827.000}}{\text{Rp. 15.114.268.000}} \times 100 \% \\ &= 10.91\% \end{aligned}$$

$$\begin{aligned} \text{Return On Equiy 2010} &= \frac{\text{Rp. 2.418.969.000}}{\text{Rp. 16.236.283.000}} \times 100 \% \\ &= 15.88\% \end{aligned}$$

$$\begin{aligned} \text{Return On Equiy 2011} &= \frac{\text{Rp. 2.554.755.000}}{\text{Rp. 17.460.228.000}} \times 100 \% \\ &= 15.52\% \end{aligned}$$

$$\begin{aligned} \text{Return On Equiy 2012} &= \frac{\text{Rp. 293,319,000}}{\text{Rp. 12.062.456.000}} \times 100 \% \\ &= 11.55\% \end{aligned}$$

$$\begin{aligned} \text{Return On Equiy 2013} &= \frac{\text{Rp. 1,160,239,000}}{\text{Rp. 12.899.171.000}} \times 100 \% \\ &= 8.99\% \end{aligned}$$

$$\begin{aligned} \text{Return On Equiy 2014} &= \frac{\text{Rp. 1.545.827.000}}{\text{Rp. 14.115.267.000}} \times 100 \% \\ &= 10.91\% \end{aligned}$$

$$\begin{aligned} \text{Return On Equiy 2015} &= \frac{\text{Rp. 1,408,969,000}}{\text{Rp. 15.236.263.000}} \times 100 \% \\ &= 15.88\% \end{aligned}$$

$$\begin{aligned} \text{Return On Equiy 2016} &= \frac{\text{Rp. 2,554,755,000}}{\text{Rp. 16.466.259.000}} \times 100 \% \\ &= 15.52\% \end{aligned}$$

Based on the results of the calculation mentioned above, the following table three will be made, namely the recapitulation of the final results of Return On Equity (ROE) at PT. Pro Car INTL Finance Palopo Branch in the last five years from 2007 - 2016 as follows:

**Table 8. Return On Equity (ROE) Recapitulation at PT. Pro Car INTL Finance Palopo Branch in 2007 - 2016**

Year	ROE (%)
2007	11.55
2008	8.99
2009	10.91
2010	15.88
2011	15.52
2012	11.55
2013	8.99
2014	10.91
2015	15.88
2016	15.52

Return On Equity (ROE) in 2007 shows the ability of PT. Pro Car INTL Finance Palopo Branch in Palopo earns profits available to the company's shareholders. Return On Equity (ROE) of 11.55% in 2008 of 8.99%, Return On Equity (ROE) in 2009 shows the ability of PT. Pro Car INTL Finance Palopo Branch in Palopo earns profits available to the company's shareholders. Return On Equity (ROE) of 10.91% in 2010 increased by 15.58%, Return On Equity (ROE) in 2011 shows the ability of PT. Pro Car INTL Finance Palopo Branch in Palopo

earns profits available to the company's shareholders. Return On Equity (ROE) of 15.52% . Return On Equity (ROE) in 2012 shows the ability of PT. Pro Car INTL Finance Palopo Branch in obtained profits available to the company's shareholders. Return On Equity (ROE) of 11.55% means that by using Rp.1000,- own capital will generate a net profit after tax of Rp. 1,155. then in 2013 of 8.99% means that by using Rp.1000,- own capital will generate a net profit after tax of Rp. 8.99 or a decrease of (2.56)% from the previous year. This is because net profit experienced a significant decrease from the previous year in 2013 of Rp. 233,080,000, from Rp. 293,319,000 to Rp. 1,160,239,000 ,- and the capital itself increased by Rp. 836,715,000, from Rp. 12,062,456,000 to Rp. 12,899,171,000,-.

Return On Equity (ROE) in 2014 shows the ability of PT. Pro Car INTL Finance Palopo Branch in obtained profits available to the company's shareholders. Return On Equity (ROE) of 10.91% means that by using Rp.1000,- own capital will generate a net profit after tax of Rp. 1,009, then in 2012 it will increase by 15.58% meaning that by using Rp.1000,- its own capital will generate a net profit after tax of Rp. 1,158, or an increase of 1.92%. This is because net profit in 2014 experienced a very significant increase from the previous year of Rp.385,588,000, from Rp. 1,160,239,000, to Rp. 1,545,827,000 and in 2012 the net profit also increased by Rp. 873,142,000 from Rp. 1,545,827,000, to Rp. 1,408,969,000 and its own capital also increased in 2014 by Rp. 1,216,096,000,- from Rp. 14,115,267,000 to Rp. 15,236,263,000,-. Return On Equity (ROE) in 2013 shows the ability of PT. Pro Car INTL Finance Palopo Branch in obtained profits available to the company's shareholders. Return On Equity (ROE) of 15.52% means that using Rp.1000,- its own capital will generate a net profit after tax of Rp. 1,552. This is because net profit experienced a very significant increase from the previous year of Rp. 135,786,000, from Rp. 1,408,969,000 to Rp. 2,554,755,000,- and the capital itself also increased by Rp. 1,120,996,000 from Rp. 15,236,263,000 to Rp. 16,466,259,000.

Based on the results of the calculation of the profitability ratio, it shows that the ability of PT. Pro Car INTL Finance Palopo Branch in generating profits is already at a good ratio standard and sales also increase annually from 2007 - 2016, so that the hypothesis proposed in this thesis is accepted which states that additional sales can increase profitability at PT. Pro Car INTL Finance Palopo Branch at . The following are the results of data analysis to determine the influence of capital on profits at PT. The Pro Car of INTL Finance Palopo Branch can be found after hypothesis testing is carried out. Hypothesis testing was carried out using a simple linear regression analysis method to analyze the influence between independent variables (X) on bound variables (Y) using the help of the Statistical Package for Social Science (SPSS) program.

The following are the results of the calculation of simple linear regression analysis can be seen in the following Table 9:

**Table 9. The results of the Simple Linear Regression Analysis at PT. Pro Car INTL Finance Palopo Branch**

Models	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	4.2128	3.801E9	.111	.922
		7.442	1.090	.275	.000

Based on the results of the analysis in Table 9 above, it shows that the simple linear equation equation of this study is as follows:

$$\text{Value of Regression Equation } Y = 4.2128 + 7.442 X$$

Based on the simple linear equation above, if interpreted, it can give the meaning of the analysis, namely:

- 1) The constant value (b0) of 4.2128 units shows that if the variable free of capital turnover (X) is constant or equal to 0 (zero), then the profit (Y) in PT. Pro Car INTL Finance Palopo Branch is 4,2128 units.

- 2) The value of the regression coefficient  $b$  is 7,442 units, which means that if the variable of capital turnover ( $X$ ) is increased by 1 unit, it will have a positive and significant influence on the profit ( $Y$ ) at PT. Pro Car INTL Finance Palopo Branch of 7,442 units assuming that other variables remain constant.

**Table 10 R and R Square**

Models	R	R Square
1	.928a	.861

- 1) The value of the correlation coefficient ( $R$ ) is 86.1%, this shows that the relationship between the independent variable, namely capital turnover ( $X$ ) to profit ( $Y$ ) in PT. Pro Car INTL Finance Palopo Branch has a very strong relationship because it is close to the number 1 (one) or positively correlated, meaning that if the company increases its capital turnover, it can increase profits at PT. Pro Car INTL Finance Palopo Branch.
- 2) The value of the determination coefficient ( $R^2$ ) of 92.8% indicates that there is an influence or contribution of the free variable of capital turnover ( $x$ ) on profit ( $Y$ ) at PT. Pro Car INTL Finance Palopo Branch of 92.8% and the remaining 7.2% were influenced by other factors or variables that were not studied in this study.

d. T Test

The significance (real) means that with the effective turnover of working capital, it will increase profits can be seen from the results of the t-test to test the meaning or significance of the partial regression coefficient. The test through the t-test is to compare the t count with the t table at the real level  $\alpha = 0.05$ . The t-test has a significant effect if the calculation results are greater than ttables ( $t_{table} > t_{tables}$ ) or the error probability is less than 5% ( $p < 0.05$ ). In more detail, shown in table 11, the results of the calculation of the t-test and its partial correlation coefficient are presented as follows:

**Table 11 Results of Student Test Calculation ( T-Test )**

Variable Regression	Coefficients Regression	t-count	Sig	Remarks
X	4.2128	8.405	.000	Accepted
	4.2128			

The results of the test of independent variables that affect the Profit on PT. Pro Car INTL Finance Palopo Branch is the variable of working capital turnover ( $X$ ) shows the value of the regression coefficient ( $B$ ) of 4.2128 with t-count = 8.405 and t-table = 1.98 then t-calculate  $>$  t-table, which means it has a significant influence with the level of Sig, = 0.000. on PT. Pro Car INTL Finance Palopo Branch. The meaning of positive value is pthe variable changeability of  $X$  (working capital turnover) is  $0.000 < 0.05$  means that knowledge has a positive effect on profit ( $Y$ ) in PT. Pro Car INTL Finance Palopo Branch. Next, the discussion section delves into interpreting the meaning and implications of the results. This is where the researcher explains what the findings mean and how they relate to the existing body of research in the field. The discussion should go beyond simply restating the results and instead focus on evaluating the significance and broader context of the findings. (Ghasemi et al., 2019)

Importantly, the discussion section should compare the study's results to those of other relevant research. This allows the researcher to situate their work within the larger scientific landscape, identifying areas of agreement or disagreement with prior studies. Additionally, the discussion should address the implications of the findings, explaining why the results matter and how they might be applied or built upon in future research. Finally, the discussion section should acknowledge the limitations of the study and highlight any unresolved questions or areas for future investigation. By carefully addressing these key elements, the results and discussion section helps to elevate the research paper, providing a comprehensive

and insightful analysis of the study's significance and contribution to the field (Busse & August, 2020) (Şanlı et al., 2014) (Ghasemi et al., 2019).

## V. Conclusion

Based on the analysis, it can be concluded that cash turnover and accounts receivable turnover at PT. Pro Car INTL Finance, Palopo Branch, have not been effective in improving the company's profitability. This is due to the large amount of working capital tied up in consumer financing and the suboptimal management of receivables. Nevertheless, the profitability ratios measured by ROE, ROI, and NPM indicate fairly good performance, as they meet the standard proposed by Lestari and Sugiarto (2007), which is above 2%. Therefore, the hypothesis stating that cash turnover and accounts receivable turnover have not been able to improve the company's profitability is accepted, although overall sales growth during the 2007–2016 period continued to contribute to the company's increased profits. As a recommendation, the company should continuously improve the effectiveness of its receivables collection in order to reduce overdue receivables and maintain smoother cash flow. The company should also maintain its current receivables collection policy if it has proven effective in supporting revenue growth. In addition, the receivables turnover ratio, which is already considered fairly effective, should be maintained and further improved through stricter monitoring of customer payments. This will help the company meet its short-term obligations more effectively and sustain profitability in the following periods.

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