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Analysis of Sources and Use of Capital In Buku IV Bank Listed On The Indonesian Stock Exchange

Noer Huda, Alwi
Bima College of Economics (STIE)
Banghuda911@gmail.com
Alwi.stiebima@yahoo.com

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Banking Sector Analysis Capital Management Working Capital Evaluation Book IV Banks Indonesian Stock Exchange Financial Performance Liquidity Assessment

Abstract

In today's highly competitive global banking industry, efficiency is crucial for success. One key measure of bank efficiency is its ability to generate income relative to its working capital. Working capital, which funds daily operations, includes short-term assets like cash, receivables, inventory, and current liabilities. Indonesia's banking sector, divided into four commercial activity groups (Book IV) based on core capital, is the focus of this study. Specifically, it examines Bank Rakyat Indonesia (BRI) and Bank Central Asia (BCA), two banks with the highest core capital in the Book IV category. The research aims to evaluate the effectiveness of their working capital management by analyzing their working capital turnover ratios from 2014 to 2020. The problem identified is the fluctuating working capital turnover ratios in these banks, raising concerns about their working capital management. The research question explores the effectiveness of managing sources and use of working capital in these two Book IV banks in Indonesia. The literature review provides definitions of working capital, its sources and uses, and the working capital turnover ratio. Hypotheses are formulated to test the effectiveness of working capital management in the selected banks. The research methodology involves descriptive analysis using financial reports from 2014-2020 and the one-sample T-test to compare working capital turnover ratios. The results show that BRI Bank exhibited fluctuations but demonstrated effectiveness in 2018 and 2020, while BCA Bank's ratios also fluctuated but remained less effective. In conclusion, both banks face challenges in effectively managing their working capital, primarily due to low liquidity for supporting operations. Suggestions include regular evaluations of working capital and expanding research to gain more comprehensive insights into banking sector management.

1. INTRODUCTION

Along with the more integrated world economy , then push competition industry banking becomes very high. Competition industry banking is increasing tall encourage and compel Banking For do efficiency , Bank efficiency can be reflect bank performance with compare income earned _ with working capital owned by banks, every bank needs working capital For fund activity operational daily.According to Kasmir (2016:205) working capital is the capital used For do activity operational company.Capital you can work too interpreted as investment invested _ in assets fluent or assets period short such as cash, letters valuables , receivables , inventory and current liabilities . In banking national group of banks is divided into 4 commercial banks activity business (BOOK). Definition of book bank Already loaded in BI regulation Number 14/26/PBI/2012 concerning activity business and networks office based on bank core capital and updated by OJK Number 6/POJK.03/2016 , namely banks that are grouped according to core capital . From the definition that's it , it appears general banking terms based on activity business (BOOK). Based on the highest amount of core capital owned by the book IV bank which becomes a collection of banks with core capital above 30 trillion rupiah. Inner bank group this can also be done operate all over activity his business in the nor outside country . Based on data from authority service finance in 2022, there is ten banks included into the book bank four , namely Bank BRI, Bank BCA, Bank Mandiri , Bank BNI, Bank Panin , Bank Danamon , Bank CIMB Niaga , Bank Permata, Bank BTPN, Bank OCBC NISP . object in study This namely

Bank BRI and Bank BCA. both banks _ has the highest core capital among the included banks into the book bank category four where BRI Bank has core capital of Rp. 277 trillion and also BCA Bank amounting to Rp. 198 trillion . The amount of core capital owned two banks which are included in book IV banks depending on the source and how how to use it, if source of working capital obtained from all over operational company, then matter This assessed as very thing _ Good or profitable compared with sourced working capital _ from expenditure debt period long and good use too can prevent lack source of working capital , so company can operate operational as good as it's good to get it increase income . For know level effectiveness use of capital Work can use ratio working capital turnover. According to Munawir (2014:80) for evaluate level effectiveness of working capital can used ratio between total sales with amount of working capital . From definition the can is known How level effective working capital management , with method compare income with working capital clean Following is report sources and use of working capital in banks included in book IV banks for 2014-2020 seen in table as following:

Table 1
Table sources and uses of working capital clean at PT. Bank Rakyat Indonesia (Persero) Tbk . 2014-2020
(in thousands of rupiah)

YEAR	EQUITY	COMPREHENSIVE PROFIT
2014	97,705,834	24,481,520
2015	113.127.179	24,872,130
2016	147,534,097	41,445,771
2017	168,007,778	30,880,790
2018	185.275.331	28,940,825
2019	208,784,336	39,498,597
2020	199911376	21,757,779

Source : Secondary data (2022)

Table 2
Table sources and uses of working capital clean at PT. Bank Central Asia Tbk . 2014-2020
(In Billions of Rupiah)

YEAR	EQUITY	COMPREHENSIVE PROFIT
2014	89,625	17,692
2015	75,726	16,365
2016	112,715	27,404
2017	131,402	24,076
2018	151,753	26,762
2019	174.143	31,138
2020	184,715	31,036

Source : Secondary data (2022)

2. LITERATURE REVIEWS

2.1 1.Definition of Working Capital

According to Harahap (2015: 288) that working capital is current assets minus current liabilities. This working capital is a measure of the security of short-term creditor interests. Working capital can also be considered as funds available for investment in non-current activities or to pay non-current debt. According to Perastowo (2015: 103) working capital is defined as the difference between the total current assets and current liabilities, so the amount of working capital will increase or decrease only because of transactions that affect both current and non-current accounts at the same time.

The definition of working capital according to Juminang (2017: 66) is as follows: "working capital is the excess of current assets over short-term debt. This excess is called net working capital. This excess is the amount of current assets originating from long-term debt and own capital. The definition comes from qualitative because it shows the possibility of the availability of current assets that are greater than short-term debt and shows the level of security for short-term creditors and guarantees business continuity in the future."

2.2 2. Working Capital Turnover

According to Kasmir (2016:182) defines working capital turnover as following : working capital turnover or working capital turnover is one ratio For measure or evaluate effectiveness

of working capital company during a number of period certain . It means how much lots of working capital turn in something period . For measure ratio This can compare between sale with working capital or average working capital . According to Herry (2017:184) explains definition working capital turnover as as follows : " working capital turnover is ratio used _ For measure effectiveness of working capital owned company in produce sales . Ratio This calculated as results for between big sale with average assets smoothly . From understanding on so can concluded so can concluded that working capital turnover is ratio For measure level effectiveness of working capital in a period . Kasmir (2014), Working capital turnover can evaluated with use formula as following.

3 RESEARCH METHODOLOGY

Penelitian ini menggunakan analisis deskriptif sebagai metode yang bertujuan untuk memahami dan menggambarkan efektivitas pengelolaan modal kerja di dua bank yang terdaftar di IDX dari tahun 2014 hingga 2020. Metode analisis data yang digunakan adalah analisis data kuantitatif, khususnya analisis rasio keuangan, yang berurusan dengan data numerik untuk menilai kinerja keuangan perusahaan. Instrumen Penelitian: Penelitian ini menggunakan 14 laporan keuangan dari dua bank yang diperoleh dari Laporan Tahunan mereka, termasuk Laporan Posisi Keuangan dan Laporan Laba Rugi. Populasi dan Sampel Penelitian: Populasi terdiri dari 14 bank yang terdaftar sebagai bank book IV di IDX. Penelitian ini memilih dua bank berdasarkan kriteria tertentu, yaitu modal inti tertinggi di antara bank book IV dari tahun 2014 hingga 2020, menggunakan teknik purposive sampling sebagai teknik pengambilan sampel. Lokasi Penelitian: Penelitian ini dilakukan di Bursa Efek Indonesia (BEI) dengan akses melalui situs web IDX dan situs web resmi bank terkait. Teknik Pengumpulan Data: Pengumpulan data melibatkan dua teknik: a) Tinjauan pustaka, yang mencakup referensi teoritis dan terkait tentang nilai, budaya, dan norma dalam konteks sosial yang sedang diteliti. Tinjauan pustaka berfokus pada jurnal yang mendukung penelitian ini. b) Dokumentasi, yang mencakup pengumpulan data dan informasi dari buku, arsip, dokumen, catatan tertulis, dan laporan. Dalam penelitian ini, dokumentasi melibatkan laporan keuangan yang berisi data tentang laba, total aset, kewajiban, dan laporan keuangan tahunan komprehensif. Teknik Analisis Data: Metode analisis data yang digunakan adalah analisis statistik deskriptif. Teknik ini melibatkan pengumpulan, pencatatan, analisis, dan deskripsi data. Penelitian ini menggunakan uji T-sample tunggal, yang dilakukan dengan menggunakan SPSS Versi 20, untuk membandingkan satu variabel independen. Dasar pengambilan keputusan dalam uji ini adalah: Menolak hipotesis nol (H0) jika nilai sig (2-tailed) < 0.05 dan T yang dihitung > T tabel. Menerima hipotesis nol (H0) jika nilai sig (2-tailed) > 0.05 dan T yang dihitung < T tabel.

4. RESULTS AND DISCUSSION

The study presents results and findings through two main approaches: descriptive analysis and statistical analysis, focusing on the working capital turnover ratios of PT. Bank Rakyat Indonesia (Persero) Tbk. and PT. Bank Central Asia Tbk. The analysis provides insights into the effectiveness of their working capital management. Descriptive Analysis: PT. Bank Rakyat Indonesia (Persero) Tbk: Table 3 presents data on the working capital turnover ratio for PT. Bank Rakyat Indonesia (BRI) from 2014 to 2020.

The working capital turnover ratio measures how effectively a company uses its working capital to support its operations. The results show fluctuating ratios over this period. From 2014 to 2017 and in 2019, BRI exhibited less effective working capital turnover, indicating lower liquidity for operational support. However, in 2018 and 2020, the situation improved, suggesting better liquidity management. PT. Bank Central Asia Tbk: Table 4 displays data on the working capital turnover ratio for PT. Bank Central Asia (BCA) from 2014 to 2020. Similar to BRI, BCA also experienced fluctuating working capital turnover ratios.

However, the values remained consistently below the expected standard,

indicating that BCA had lower liquidity for operational support throughout this period. Statistical Analysis: PT. Bank Rakyat Indonesia (Persero) Tbk: Table 5 presents the results of the One Sample T-Test for BRI. The test compares BRI's working capital turnover ratio to a test value of 6. The obtained significance value (0.498) is greater than 0.05, and the T count (0.721) is less than the T table value (1.78229).

As a result, the null hypothesis (H0) is accepted, indicating that BRI maintains high liquidity levels, making it capable of supporting its operations effectively. PT. Bank Central Asia Tbk: Table 6 shows the results of the One Sample T-Test for BCA. This test also compares BCA's working capital turnover ratio to a test value of 6. The significance value (0.018) is less than 0.05, and the T count (3.216) exceeds the T table value (1.78229). Consequently, the null hypothesis (H0) is rejected, suggesting that BCA has low liquidity and is not capable of adequately supporting its operations.

In summary, the descriptive analysis reveals the fluctuating nature of working capital turnover ratios in both banks, with varying degrees of effectiveness. However, the statistical analysis further supports these findings. BRI is shown to maintain high liquidity levels, indicating effective operational support, while BCA is found to have consistently lower liquidity, implying operational challenges. These insights can inform decisions regarding liquidity management and operational strategies for these banks.

5. CLOSING

In conclusion, this study employs both descriptive and statistical analyses to assess the working capital turnover ratios of PT. Bank Rakyat Indonesia (Persero) Tbk. and PT. Bank Central Asia Tbk., shedding light on the effectiveness of their working capital management. Descriptive analysis of PT. Bank Rakyat Indonesia (BRI) reveals fluctuating working capital turnover ratios over the period from 2014 to 2020. BRI exhibited less effective working capital turnover in 2014-2017 and 2019, indicating challenges in liquidity for operational support. However, there was an improvement in 2018 and 2020, suggesting enhanced liquidity management. A similar pattern is observed in PT. Bank Central Asia (BCA), with fluctuating ratios consistently below the expected standard, indicating a persistent liquidity challenge for operational support. Statistical analysis further corroborates these findings.

For BRI, the One Sample T-Test results show that the null hypothesis (H0) is accepted, signifying that BRI maintains high liquidity levels, making it capable of effectively supporting its operations. Conversely, for BCA, the One Sample T-Test results lead to the rejection of the null hypothesis, indicating that BCA faces liquidity constraints and is incapable of adequately supporting its operations. In summary, both descriptive and statistical analyses point to the varying degrees of effectiveness in managing working capital in these banks. BRI demonstrates an ability to maintain high liquidity levels, suggesting effective operational support, while BCA consistently faces lower liquidity, implying operational challenges. These findings offer valuable insights that can guide decisions regarding liquidity management and operational strategies for these financial institutions..

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