

Fixed Assets Turnover Analysis In Assessing Profitability At Pt. Siantar Top Tbk Is Listed On The Idx

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ABSTRACT

Fixed assets are an important concern for management, because they will influence the company's ability to generate profits, and to measure the level of effectiveness and efficiency of the company in using its resources to create profits (rentability). This research uses a qualitative descriptive method, by describing data related to the current situation, the relationship between variables that arise, differences between existing facts, and the influence on a condition. Based on the results of this research, fixed asset turnover at PT Siantar Top Tbk for the 5 years 2014-2018 had an average value of 2.74 times, which means fixed asset turnover is still not good.

Keywords: Measuring Profitability, Asset Turnover, Profit, Company

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I. INTRODUCTION

In general, a company in carrying out operational activities always requires various equipment, supplies and other facilities. To support these business activities in accounting terms are called fixed assets. Fixed assets can be defined as tangible assets acquired in ready-to-use or pre-built form that are used in the company's operational activities, are not intended to be sold within the framework of the company's normal activities and have a useful life exceeding one accounting period. A company's fixed assets can include land, buildings, vehicles and office inventory.

According to S, Munawir, (2010:30) assets are economic facilities or resources owned by a business entity or company whose acquisition price or fair value must be measured objectively.



IAI No. 16, (2012:16) Fixed assets (assets) are tangible assets owned for use in the production or provision of goods or services, for rental to other parties, or for administrative purposes and are expected to be used for more than one period.

Fixed asset turnover is used by company management to measure the efficiency of using fixed assets to support the company's sales activities. is the ratio between the number of assets used in operations (operating assets) to the number of sales obtained during a certain period, fixed asset turnover is a measure of the extent to which these assets have been used in company activities or shows how many times operating assets rotate in a certain period.

Fixed assets are an important concern for management, because they will affect the company's ability to generate profits, and to measure the level of effectiveness and efficiency of the company in using its resources to create profits (rentability).

II. LITERATURE REVIEW

A. Understanding Profitability

There are various meanings or definitions of profitability, each of which is different so that there are often differences in perception, therefore it is not easy to define the term profitability without raising doubts about the truth.

According to Bambang Riyanto (2011:59) The profitability of a company shows the comparison between profits and assets or capital generate that profit. According to Munawir (2010:33) Profitability is the company's ability to generate profits during a certain period.

According to Nitisemito (2010:46) Profitability is the ability of a company to generate profits compared to the capital used and expressed as a percentage.

According to Sutrisno (2011:16) Profitability is the company's ability to generate profits with all the capital working in it.

According to Martono (2013:18) Profitability is a ratio that shows the company's ability to earn profits from the capital used to generate these profits. Based on the description above, it can be concluded that profitability is the ability of a company to earn profits with the capital used during a certain period

B. Understanding Fixed Asset Turnover



According to Samryn (2015:162) fixed assets are the component of long-term assets with the greatest value in a company. According to Riyanto (2011: 115) fixed assets are long-lasting assets that do not or are gradually used up and participate in the production process.

According to Rudianto (2012:256) fixed assets are tangible bodies belonging to a company that are relatively permanent and are used in the company's normal activities, not for buying and selling. According to S. Munawir (2010:30) fixed assets are economic facilities or resources owned by a business entity or company whose acquisition price or fair value must be measured objectively.

IAI No. 16, (2012:16) fixed assets (assets) are tangible assets owned for use in the production or provision of goods or services, for rental to other parties, or for administrative purposes and are expected to be used for more than one period.

C. Fixed Asset Turnover Analysis in Assessing Profitability

Fixed asset turnover is an activity ratio that measures how effectively and efficiently a company uses its assets or fixed assets to generate income. This ratio shows the productivity of fixed assets in generating income. A company that has a high fixed asset or fixed asset turnover ratio shows that the company is able to manage its fixed assets efficiently and effectively. Fixed assets are very important to take into account because these fixed assets are the largest component of the company's total assets. Therefore, the profitability ratio is often referred to as a tool to measure how effective and efficient a company is in managing its fixed assets.

III. METHODS

The type of research used in this research is qualitative research. Meanwhile, conducting qualitative research has several stages. This research interprets and describes data related to the current situation, the relationship between variables that arise, differences between existing facts, and their influence on a condition. The data source used in this research is secondary data, namely research data obtained indirectly through intermediaries, namely from the financial reports of PT Siantar Top Tbk for 2014-2018. Data collection techniques are obtained from documentation, where the author obtains data in the form of documents about company history, financial reports, regulations and so on.

IV. RESULTS

Fixed asset turnover will affect the financial balance of a business. The higher the ratio indicates that the better the business is currently running. Conversely, a lower ratio indicates something needs to be changed. Investment in fixed assets is determined by comparing the profits obtained from a certain level of investment with the costs that would be incurred due to having that level of investment.

In this research, a fixed asset turnover analysis was carried out to assess profitability at PT. Siantar Top Tbk. Which can be obtained from financial reports for the last 5 years from 2014-2018 and based on the results of this research, it is clear that the fixed asset turnover variable has contributed less to profitability.

This means that every increase in fixed asset turnover by 1 unit over 5 years, namely from 2014-2018, will be followed by an increase in profitability of 1.19%.

V. CONCLUSION AND SUGGESTION

A. Conclusion

Based on the results of this research, fixed asset turnover at PT Siantar Top Tbk for the 5 years from 2014-2018 has an average value of 2.74 times, which means that fixed asset turnover is still not good, this is based on the value of fixed asset turnover at PT. Siantar Top Tbk is still below the industry standard value for fixed asset turnover, namely 5 times.

B. Suggestions

To be able to further increase fixed asset turnover at PT. Siantar Top Tbk and better utilize the company's fixed assets to make them more efficient in the following years.

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