The Effect of Cash Turnover, Accounts Receivable and Inventory on Profitability (Study on: Food and Beverage Companies Listed on the Indonesian Stock Exchange in 2019-2024)

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Abstract. The food and beverage industry is a strategic sector that plays a major role in supporting national economic growth, both through its contribution to Gross Domestic Product (GDP) and its competitiveness in the global market. Amid rapid growth, companies in this sector face significant challenges in maintaining sustainable profitability. One of the key factors in achieving profitability is the efficient management of working capital, particularly cash turnover, accounts receivable turnover, and inventory turnover. Therefore, this study aims to analyze the effect of cash turnover, accounts receivable turnover, and inventory turnover on the profitability of food and beverage companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2024 period. This research employs an associative approach with a quantitative method. The population consists of 84 food and beverage companies listed on the IDX as of 2024. Through purposive sampling based on specific criteria, 23 companies were selected as research samples. The data used are secondary data obtained from annual financial reports published by the companies. Profitability is measured using Return on Assets (ROA), while the independent variables are cash turnover, accounts receivable turnover, and inventory turnover. Data analysis was conducted using multiple linear regression, along with classical assumption tests to ensure the reliability of the model. The results show significant variations among companies in terms of working capital management efficiency. The average cash turnover was 27.02 times, accounts receivable turnover was 16.14 times, and inventory turnover was 22.73 times during the observation period. Meanwhile, the average ROA was 8.54 percent, indicating a relatively strong level of profitability within the sector. The regression model fulfills all classical assumption tests, including no multicollinearity, no heteroscedasticity, and normally distributed data. The regression analysis revealed that cash turnover, accounts receivable turnover, and inventory turnover all have a positive and significant effect on profitability. This indicates that the more efficiently companies manage these aspects, the greater their ability to generate profits. These findings reinforce the theory that efficient working capital management plays an essential role in improving profitability. In conclusion, optimizing cash turnover, accounts receivable turnover, and inventory turnover is necessary to improve profitability

sustainably. Additionally, enhancing operational efficiency and considering external factors are also important to strengthen the financial performance of food and beverage companies in Indonesia.

Keywords: *Accounts; Inventory; Receivable; Turnover.*

1. Introduction

The food and beverage industry is a strategic sector that contributes significantly to Indonesia's economic growth. Continued expansion in this industry is driven by increasing public consumption, which aligns with population growth and increasing purchasing power. Furthermore, culinary diversity and the richness of local culture not only expand market potential and commercial opportunities but also enrich the dynamics of business development in this sector.

On the Indonesia Stock Exchange (IDX), companies operating in the food and beverage subsector are recorded as making significant contributions to the movement and dynamics of capital market activity. As a provider of basic necessities, this sector demonstrates a relatively high level of resilience despite global economic fluctuations and uncertainty. This resilience confirms its position as a key pillar of national economic growth. However, to maintain sustainable growth and profitability, businesses in this sector need to implement efficient, disciplined financial management practices based on measurable performance measurements.

As a strategic sector for the Indonesian economy, the food and beverage industry has recorded impressive growth in recent years. Support from government policies, such as fiscal incentives and export promotion, has been a key factor driving this sector's positive performance. In 2023, the food and beverage subsector demonstrated stable expansionary performance, growing 4.47% annually, even though the domestic economy is still in the recovery phase following the COVID-19 pandemic. From a macroeconomic perspective, the food and beverage sector contributes significantly to the national economy, contributing approximately 39.10% to non-oil and gas GDP and 6.55% to overall GDP. These figures confirm that this subsector plays a crucial role in supporting Indonesia's economic structure.(Waluyo, 2024).

In addition to contributing to GDP, the competitiveness of the food and beverage sector is also reflected in export achievements, which in 2023 reached 41.70 billion US dollars, with a trade surplus of 25.21 billion US dollars.(Usman, 2024)This data demonstrates that this sector not only plays a crucial role in meeting domestic consumer needs but also possesses high competitiveness in the global market. With its substantial contribution to national economic growth and positive expansion prospects, this sector deserves to be a top priority on Indonesia's industrial development agenda.

In line with its macroeconomic contribution, profitability is a key indicator for evaluating a corporation's success in converting market opportunities into financial performance. High profitability reflects a company's ability to generate consistent profits, thereby strengthening its competitiveness within the industry. One commonly used indicator to assess profitability is Return on Assets (ROA), which reflects the extent to which a company can optimize the use of its assets to generate profits.

In the context of the food and beverage industry, ROA is a crucial indicator, given that companies in this sector often own substantial physical assets, such as factories, production facilities, and distribution centers. A high ROA indicates a company's ability to optimize available assets to create added value while maintaining business growth. Conversely, a low ROA may indicate inefficiencies in asset management, which can negatively impact overall profitability.

In this study, Return on Assets (ROA) is used as the primary indicator to measure profitability. ROA was selected based on its ability to reflect management's efficiency in managing all company assets to generate profits.(Kasmir, 2019)A high level of profitability is seen as a key factor for business sustainability and operational optimization. Furthermore, profitability, whether high or low, is influenced by several factors, one of which is the effectiveness of working capital management.(Kasmir, 2019).

Factors such as production cost management, marketing strategies, and supply chain efficiency play a crucial role in influencing ROA and profitability of companies in this sector. Increasing competition in both domestic and international markets requires companies to manage working capital more efficiently to maintain optimal profitability despite various economic pressures.

Refer toCashmere (2019)Working capital is defined as funds allocated to support a company's daily operational activities. This working capital is a form of investment in current or short-term assets, which include cash, bank accounts, marketable securities, accounts receivable, inventory, and other current assets. Based on this definition, the main elements of working capital are cash, accounts receivable, and inventory. Therefore, determining adequate working capital requirements to ensure smooth operations can be done through an analysis of the turnover of each component, namely cash, accounts receivable, and inventory.

While the food and beverage industry offers significant potential, it also faces significant challenges, particularly related to effective working capital management. Working capital, which encompasses cash flow, accounts receivable, and inventory, plays a crucial role in ensuring smooth operational activities, maintaining business sustainability, and is a key determinant of company performance.(Yunita & Argamaya, 2022)The unique characteristics of the food and beverage sector, such as seasonal demand cycles, fluctuating raw material prices, and the need to maintain large inventories, add to the complexity of working capital management. These challenges are exacerbated by global market fluctuations and increased

operational cost pressures, necessitating a more adaptive and integrated working capital management strategy.

This phenomenon also highlights the importance of understanding how working capital efficiency can impact profitability through more complex mechanisms. In practice, companies with high cash and inventory turnover rates often face storage costs or the risk of product expiration, which reduce net income. Furthermore, reliance on working capital efficiency without the support of solid operational management can reduce a company's flexibility in responding to dynamic market changes. Therefore, a strategy is needed that not only focuses on optimizing working capital but also integrates innovation in operational management and risk diversification.

2. Research Methods

This research employs an associative approach, a method used to examine and analyze the relationship between two or more variables. This approach emphasizes not only the presence or absence of a relationship but also explores the intensity, pattern, and direction of the relationship, which can be positive or negative.(Martono, 2016)Thus, this study seeks to provide a comprehensive understanding of the interrelationships between variables, thus serving as a reference for decision-making and recommendation formulation. This study uses a combination of quantitative data, namely numbers, and descriptive data in the form of narrative words, terms, and sentences which are then transformed into numerical form for further analysis.(Martono, 2016)The use of quantitative data allows for systematic analysis using statistical techniques, resulting in more objective, measurable, and replicable research results. The choice of an associative approach combined with quantitative data was based on the research objective, which was to reveal relationships between variables supported by strong empirical evidence. The combination of the two allows for valid hypothesis testing and the development of academically sound final findings to address the research problem.

3. Results and Discussion

Profitability in this study was measured using the Return on Assets (ROA) ratio, which represents the effectiveness of company management in managing assets to generate profits. A higher ROA indicates a more optimal financial performance in generating profits. Furthermore, the ROA calculation results for 23 issuers in the food and beverage industry during the observation period are presented in the following section:

Table Return on Assets (Y) Ratio Calculation Results

No	Company Code	2019	2020	2021	2022	2023	2024
1	AALI	7.83	3.00	6.48	5.90	3.66	3.99
2	BISI	10.43	9.45	12.16	15.34	15.27	4.91
3	BUDI	2.04	2.11	2.78	2.80	3.03	1.61
4	CAMP	7.26	4.05	7.10	11.28	11.70	8.97
5	CHECK	15.47	11.61	11.02	12.84	8.11	9.39
6	CPIN	12.38	12.33	10.22	7.35	5.66	8.68

7	DLTA	22.29	10.12	14.37	17.61	16.48	12.72
8	DSNG	1.53	3.37	5.30	7.86	5.19	4.94
9	FISH	2.63	4.44	5.66	6.99	4.93	1.67
10	GOOD	8.23	3.89	6.28	5.80	7.81	7.41
11	HOCKEY	2.22	4.19	1.29	2.21	1.40	2.67
12	INDF	5.10	3.96	4.26	3.52	4.37	4.28
13	JPFA	7.01	3.53	7.07	4.34	2.73	8.71
14	CHEESE	14.71	17.93	18.85	13.65	9.70	15.08
15	LSIP	2.48	6.37	8.36	8.35	6.09	10.67
16	MGRO	9.86	3.61	4.31	7.85	5.68	6.78
17	MLBI	21.62	21.83	22.78	24.40	21.29	21.19
18	MYOR	10.44	10.42	5.96	8.72	13.38	10.09
19	BREAD	4.43	6.83	6.71	10.46	8.45	9.68
20	SKLT	5.69	5.49	9.51	7.27	6.07	7.21
21	TBLA	3.82	3.49	3.77	3.38	2.36	2.52
22	TGKA	14.30	14.23	14.13	11.43	10.01	8.82
23	ULTJ	15.62	12.56	17.17	13.03	15.55	13.43

Data source: Processed data, 2025

Based on Table 23 companies exhibited fluctuations in profitability from 2019 to 2024, reflected in their Return on Assets (ROA) ratio. Several companies, such as MLBI, DLTA, and KEJU, consistently recorded high ROAs, indicating efficient asset utilization. Conversely, companies like HOKI, BUDI, and DSNG had low ROAs, reflecting suboptimal financial performance. There were also companies with sharp fluctuations, such as BISI and JPFA, indicating significant influences from industry conditions and other external factors. In general, these differences in ROA values reflect variations in each issuer's ability to generate returns on its assets.

*Cash turnover*Cash turnover is defined as an activity ratio used to measure the speed of cash turnover within an accounting period as a result of a company's operational activities. This ratio reflects the level of management efficiency in managing cash to support business continuity. A higher cash turnover ratio indicates a company's improved ability to maintain liquidity and manage cash flow. Furthermore, the results of the cash turnover ratio calculations for each sample company during the research observation period are presented in the following section.

Table Cash Turnover Calculation Results (X1)

No	Company Code	2019	2020	2021	2022	2023	2024
1	AALI	14.21	7.81	9.26	6.24	4.00	12.74
2	BISI	25.60	13.73	29.13	34.74	24.13	12.15
3	BUDI	29.15	37.64	39.03	53.17	61.96	49.76
4	CAMP	33.04	12.14	63.71	95.26	86.03	45.66
5	CHECK	9.72	8.57	7.27	8.03	12.12	15.51
6	CPIN	17.04	8.57	18.40	11.40	10.11	17.42
7	DLTA	1.05	0.81	0.87	1.84	1.22	1.18
8	DSNG	12.26	13.06	19.25	27.34	23.00	20.97
9	FISH	14.36	18.88	22.46	29.38	23.11	18.55

10	GOOD	17.00	11.07	13.28	12.50	13.29	12.21
11	HOCKEY	12.26	23.98	21.78	25.70	14.70	18.20
12	INDF	62.62	45.08	86.20	24.23	94.94	73.32
13	JPFA	37.95	20.97	42.24	32.32	31.73	41.08
14	CHEESE	1.36	4.33	5.58	4.74	3.14	8.89
15	LSIP	2.88	1.94	2.46	1.23	1.98	2.88
16	MGRO	14.09	13.73	13.36	16.93	16.08	19.98
17	MLBI	92.57	104.95	117.09	128.57	82.50	73.22
18	MYOR	13.84	9.04	8.78	12.09	23.52	7.90
19	BREAD	12.96	49.81	33.06	52.57	26.37	77.32
20	SKLT	16.84	14.23	18.36	13.38	11.00	17.52
21	TBLA	32.01	10.97	27.32	30.05	25.23	18.51
22	TGKA	25.82	31.60	25.91	18.71	17.48	10.23
23	ULTJ	53.35	33.06	72.53	42.73	63.67	53.38

Data source: Processed data, 2025

Table indicates that cash turnover ratios vary significantly between companies and between years. MLBI consistently recorded the highest ratio, demonstrating exceptional efficiency in managing its operating cash, reaching 128.57 times in 2022. Conversely, companies such as DLTA, LSIP, and KEJU exhibited very low ratios, reflecting slow cash turnover and potential liquidity issues. Sharp fluctuations were also observed for INDF, ROTI, and CAMP, which experienced spikes in their ratios in certain years, likely due to changes in management policies or seasonal business cycles. In general, a high cash turnover ratio indicates effective cash flow management, but stability over time is also an important indicator of a company's financial efficiency.

Discussion:

1) Descriptive Statistical Analysis

Descriptive statistical analysis was applied to describe the characteristics of the data for each research variable, consisting of cash turnover, accounts receivable turnover, inventory turnover, and Return on Assets (ROA). The purpose of this analysis is to provide an initial overview of the distribution pattern, measures of central tendency, and the level of data dispersion. The researcher displays statistical parameters in the form of minimum, maximum, average (mean), and standard deviation values. The data in this study were analyzed using these parameters. In this research, the number of observations analyzed was 23 companies obtained over a six-year period (2019–2024), with data that met the listwise validity criteria.

Table Descriptive Statistics Results

	N	Minimum	Maximum	Mean	Standard Deviation
Cash Turnover	138	,81	128.57	27,0168	25.75175
Accounts Receivable Turnover	138	1.54	83.91	16,1407	15.76307
inventory turnover	138	,93	92.17	22,7361	21.23843
Return on Asset	138	1.29	24.40	8,5396	5,29093

Valid N (listwise)	138

Data source: Processed data, 2025

The results in the table above show that the cash turnover variable has a lowest value of 0.81 and a highest value of 128.57, with a mean of 27.02 and a standard deviation of 25.75. The very high maximum value indicates significant differences between companies in managing their cash, with some companies capable of achieving very fast cash cycles. The high standard deviation also indicates that cash turnover varies significantly between companies, reflecting differences in operational strategies or different industry conditions.

For the accounts receivable turnover variable, the lowest value was recorded at 1.54 and the highest at 83.91, with a mean of 16.14 and a standard deviation of 15.76. This average indicates that companies generally turn over their accounts receivable approximately 16 times per year. However, the relatively large standard deviation indicates an imbalance in companies' ability to collect receivables, with some companies managing their receivables efficiently, while others experience delays in the collection process.

For inventory turnover, the minimum value was 0.93 and the maximum was 92.17, with a mean of 22.74 and a standard deviation of 21.24. This relatively high mean value indicates that most companies are able to efficiently turn over inventory within a year. However, as with the previous variable, a large standard deviation indicates a wide spread in the data, meaning there are significant differences in the level of inventory management efficiency between companies.

Finally, researchers recorded a Return on Assets (ROA) variable with a minimum value of 1.29, a maximum of 24.40, a mean of 8.54, and a standard deviation of 5.29. This fact reflects that most issuers have a fairly good ability to generate profits from their assets. However, the relatively moderate spread in the standard deviation indicates moderate variation in company profitability. These results provide an important basis for further analysis to examine the relationship between operational efficiency and company profitability.

2) Classical Assumption Test

    a.   Multicollinearity Test

A multicollinearity test is performed to determine the degree of interdependence between the independent variables that make up the regression model. A model is classified as multicollinearity-free if the Tolerance value exceeds the 0.10 threshold and the Variance Inflation Factor (VIF) is below 10, indicating that each independent variable makes a unique contribution without any duplication of information.

Table Multicollinearity Test

Variables	Collinearity Statistics	
	Tolerance	**VIF**
Cash Turnover	0.903	1,108

| Accounts Receivable Turnover	0.941	1,063
inventory turnover	0.905	1,104

Data source: Processed data, 2025

The results of the multicollinearity test in the Coefficients Table show that all independent variables have tolerance values above 0.90, while the VIF values range from 1.063 to 1.108. These values are still far from the critical limit indicating multicollinearity. This condition indicates that there is no significant relationship between the independent variables that could potentially disrupt the stability of the regression framework. The conclusion that can be drawn indicates that the regression model is free from multicollinearity symptoms, so further analysis at the hypothesis testing stage can be conducted.

b. Heteroscedasticity Test

Differences in residual variance in the regression model are examined using a heteroscedasticity test. The assumption of homoscedasticity, or constant residual variance, is crucial for ensuring the efficiency and reliability of parameter estimates. Violation of this assumption, known as heteroscedasticity, can reduce the validity of the regression results.

In this study, heteroscedasticity testing was performed visually using a scatterplot depicting the relationship between predicted and residual values. The random distribution of points in the graph, with no identifiable pattern, indicates that the model is free from heteroscedasticity issues. Thus, the regression model is deemed suitable for further analysis. The visualization results of the heteroscedasticity test are presented in Graph.

**Figure Visualization of Heteroscedasticity Test**
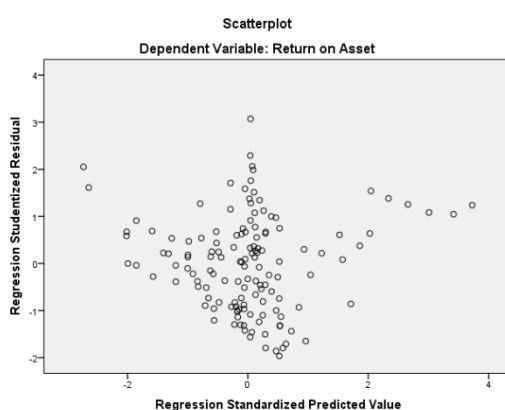
Data source: Processed data, 2025

The scatterplot of ZPRED and SRESID points is observed to be randomly distributed around the zero line, with no discernible pattern. This indicates that the applied regression model is free from heteroscedasticity, thus the obtained parameter estimates can be considered valid and highly reliable.

c.   Normality Test

Researchers conducted a normality test to evaluate whether the residuals in the regression model had a normal distribution, one of the main assumptions in classical linear regression. In this study, the test was performed visually using a Normal PP Plot. If the residual points spread along a diagonal line and do not form a specific pattern, it can be concluded that the normality assumption is met. This approach was taken to ensure the validity of the regression model used and ensure that the estimation results can be interpreted confidently.

Figure Visualization of Normality Test
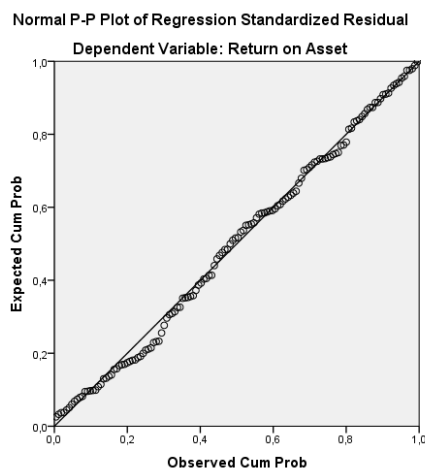
Data source: Processed data, 2025

Based on the Normal PP Plot graph, the distribution of residual points appears to follow and spread around the diagonal line consistently. This indicates that the normality assumption in the regression model is met, so the parameter estimates can be considered valid and the results of the regression analysis can be interpreted reliably.

d.   Autocorrelation Test

The autocorrelation test aims to detect the relationship between residuals in a regression model, as the presence of autocorrelation can violate classical assumptions and affect estimation accuracy, particularly in time series or panel data. One commonly used method is the Durbin-Watson (DW) test. The model indicates the absence of autocorrelation if the DW value approaches 2; a DW value below 2 indicates positive autocorrelation, while a value above 2 indicates negative autocorrelation.

Table Autocorrelation Test

Model	Durbin-Watson
1	0.919

Data source: Processed data, 2025

The test results listed in Table 4.8 show that the Durbin-Watson (DW) value was recorded at 0.919. Because it is below 2, this indicates positive autocorrelation in the regression model used. This condition requires attention because autocorrelation can cause the regression coefficients to become inefficient, even though they remain unbiased. Therefore, to improve estimation accuracy and improve the model, researchers can consider using alternative estimation methods or conducting additional tests to address potential autocorrelation.

3) Multiple Regression Analysis

Multiple linear regression is used to examine the simultaneous or partial effects of a set of independent variables on a single dependent variable. In this study, this procedure was applied to assess the extent to which cash turnover, accounts receivable turnover, and inventory turnover impact Return on Assets (ROA). This approach allows for the individual contribution of each variable to be described, while also revealing the most dominant factors influencing ROA. The results of the regression tests are outlined in the following table.

Table t-Test (Partial)

Model	B
(Constant)	8,621
Cash Turnover	0.087
Accounts Receivable Turnover	0.017
Inventory Turnover	0.119

Data source: Processed data, 2025

Based on the results of multiple linear regression analysis, the following regression equation was obtained:

$$ROA = 8,621 + 0,087\,(Perputaran\ Kas) + 0,017\,(Perputaran\ Piutang) + 0,119\,(Perputaran\ Persediaan)$$

The constant coefficient of 8.621 estimated results shows that if all independent variables are zero, the company's Return on Assets (ROA) is projected to reach 8.621. In addition, every one unit increase in cash turnover is estimated to increase ROA by 0.087, assuming other variables remain unchanged. This confirms that cash management efficiency has a positive contribution to the company's profitability.

The accounts receivable turnover coefficient was recorded at 0.017, meaning that every one-unit increase in accounts receivable turnover can increase ROA by 0.017. Although the effect is relatively small, this result indicates that accelerated accounts receivable collection contributes positively to company profitability. Meanwhile, inventory turnover had the largest coefficient, at 0.119, indicating that effective inventory management provides the most dominant contribution to increasing ROA.

In general, these three exogenous variables contribute positively to the company's financial performance, as measured using the ROA ratio, with inventory turnover being the most influential factor in increasing profitability.

A partial hypothesis test (t-test) is conducted to evaluate the impact of each exogenous variable on the endogenous variable separately. In this research, the t-test is used to assess whether cash turnover, accounts receivable turnover, and inventory turnover have a significant effect on Return on Assets (ROA). The test decision is based on a comparison between the significance value (Sig.) and the significance level (α) of 0.05. If the Sig. value is less than 0.05, the exogenous variable is considered to have a substantial impact on ROA.

Table Hypothesis Testing

Model	B	T	Sig.
(Constant)	8,621	11,353	,000
Cash Turnover	0.087	5,545	,000
Accounts Receivable Turnover	0.017	,658	,511
Inventory Turnover	0.119	6,250	,000

Data source: Processed data, 2025

Researchers found through a t-test that the cash turnover variable has a coefficient of 0.087, with a t-value of 5.545 and a significance level of 0.000. Because this significance value is less than 0.05, it can be concluded that cash turnover has a significant effect on Return on Assets (ROA). This finding indicates that increasing cash management efficiency has the potential to drive increased company profitability, as reflected in the increase in ROA. Thus, optimal cash management positively contributes to the company's overall financial performance.

Table R-square test

R Square	Adjusted R square
0.269	0.280

Data source: Processed data, 2025

Based on the model summary results, an R Square value of 0.296 was obtained, indicating that approximately 29.6% of the variation in ROA can be explained jointly by the three independent variables in the model. The Adjusted R Square value of 0.280 reflects the level of R Square adjustment after taking into account the number of predictor variables and sample size, while also confirming that the model remains relevant despite the corrections. In addition, the R value of 0.544 indicates a fairly strong relationship between the independent variables simultaneously and ROA.

Interpretation of Regression Results:

1) Cash Turnover to Profitability

In this study, the first hypothesis proposed is that cash turnover has a positive and significant impact on company profitability. This hypothesis was tested using multiple linear regression

analysis, and the results of data processing using SPSS software demonstrated empirical support for this hypothesis, as explained below.

Cash turnover is an indicator of a company's efficiency in managing its operational cash flow.(Hidayati et al., 2024)This ratio reflects how quickly cash turns over in the operating cycle to generate revenue. From a financial management perspective, the higher the cash turnover, the more effectively the company utilizes its liquid funds to support business activities.(Prastiwi & Sarjana, 2023)This efficiency is expected to have an impact on increasing profitability, so cash turnover is empirically tested to assess its contribution to Return on Assets (ROA).

The multiple linear regression estimation results show that the cash turnover variable has a coefficient of 0.087 with a significance level of 0.000, which is below the significance threshold of 0.05. This confirms that cash turnover has a positive and significant effect on company profitability. This means that every one unit increase in cash turnover, assuming other variables are constant, will increase ROA by 0.087. This finding indicates that efficiency in operational cash management contributes directly to a company's financial performance and emphasizes the importance of cash management as a strategy for increasing profitability. The faster the cash turnover occurs, the faster the company is able to increase profitability, and conversely, slower cash turnover tends to delay the achievement of profits.

2) Receivables Turnover to Profitability

The second assumption in this research is that accounts receivable turnover has a positive and significant effect on company profitability. To test this hypothesis, the researchers used multiple linear regression as an analytical approach, with data processing assisted by SPSS software. The results of the empirical analysis are described below.

The output of this study is consistent with previous research.Wahyusari et al. (2023) At PT Metrodata Electronics, which showed that accounts receivable turnover had no significant effect on ROA, although it could simultaneously influence profitability along with other variables. However, this finding differs from several previous studies that showed a positive and significant relationship. For example,Susilowati & Sparta (2024)found that accounts receivable turnover had a significant effect on profitability in manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange in the 2016–2020 period.Prastiwi & Sarjana (2023)at PT Ultrajaya Milk Industry Tbk (2014–2021) also reported a positive and significant influence of accounts receivable turnover on profitability.

Theoretically, the relationship between accounts receivable turnover and ROA is not always consistent because the effectiveness of receivables in increasing profits depends heavily on the company's management of receivables. Internal factors, such as credit policies, collection systems, and operational efficiency, play a significant role in determining how quickly receivables are converted to cash. Furthermore, industry conditions, including the level of

competition, business cycles, and consumer purchasing power, also influence the impact of receivables turnover on company profitability.

3) Inventory Turnover on Profitability

The third hypothesis in this study states that inventory turnover has a positive and significant impact on company profitability. To test this hypothesis, the researchers employed multiple linear regression analysis as the primary method, with data processing using SPSS software. The empirical findings can be summarized as follows.

4. Conclusion

This study aims to analyze the effect of cash turnover, accounts receivable turnover, and inventory turnover on the profitability of companies operating in the food and beverage sector and listed on the Indonesia Stock Exchange (IDX) during the 2019–2024 period. Based on the results of data processing and analysis, the research conclusions can be summarized as follows: Cash Turnover the results of the study show that cash turnover has a positive and significant impact on company profitability, as measured by Return on Assets (ROA). This finding confirms that the higher the cash turnover, the more efficient the company is in managing liquidity, which in turn increases corporate profits. This conclusion supports the first hypothesis (H1) and aligns with the financial management concept that optimal cash management is a key factor in improving a company's financial performance.

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