

## The Effect of Inventory Turnover Ratio and Total Asset Turnover Ratio on Profitability Economics at PT. Alfa Scorpii Sibolga

Febri Syahraini Nasution<sup>1\*</sup>, Safriadi Pohan<sup>2</sup>, Rahmadiyah Hanum<sup>3</sup>  
Sekolah Tinggi Ilmu Ekonomi Al Washliyah Sibolga<sup>1\*,2,3</sup>

Article Info	ABSTRACT
<p><b>Corresponding Author:</b> Febri Syahraini Nasution E-mail: <a href="mailto:febrysahraini10@gmail.com">febrysahraini10@gmail.com</a></p>	<p>This research aims to determine whether the inventory turnover ratio (X1) and total asset turnover ratio (X2) both partially and simultaneously have a significant effect on economic profitability at PT. Alfa Scorpii Sibolga. The data analysis methods used are classical assumption testing, multiple linear regression analysis and hypothesis testing. The data used in this research is secondary data, by collecting PT financial reports. Alfa Scorpii Sibolga which consists of a balance sheet and profit and loss report for 2018 to 2022. The sample used in this research is a financial report in the form of a balance sheet and profit and loss report of PT. Alfa Scorpii Sibolga 2018 – 2022. The results of the F test, obtained an F value of 0.390 with a significance level of 0.719, meaning that simultaneously (simultaneously) the inventory turnover ratio and total asset turnover ratio have an insignificant effect on economic profitability. The partial t test results show the level of significance obtained from the independent variables, namely the inventory turnover ratio of -0.823 and the total asset turnover ratio of 0.874. This shows that the inventory turnover ratio has an insignificant negative effect and the total asset turnover ratio has an insignificant positive effect on economic profitability. Based on the research results, the researcher suggests that investors should pay attention to the value of the inventory turnover ratio and total asset turnover ratio before making a decision to invest, and companies should pay attention to inventory and total asset management by paying attention to the inventory turnover ratio and total asset turnover ratio to make it more effective and efficient so as to achieve maximum profits.</p> <p><b>Keywords:</b> Inventory Turnover Ratio, Total Asset Turnover Ratio, Economic Profitability</p>

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### INTRODUCTION

In operational activities, any organisation must have goals and targets. The company's goal is to maximise revenues with sacrifices to survive. Managers must anticipate internal and external changes to achieve company goals efficiently. Planning and monitoring can help predict change.

*The Effect of Inventory Turnover Ratio and Total Asset Turnover Ratio on Profitability Economics at PT. Alfa Scorpii Sibolga -*  
**Febri Syahraini Nasution et al**

Measurement of a company's ability to manage its company assets, namely the Total Asset Turnover ratio. Total Asset Turnover is a ratio used to measure the turnover of all assets owned by a company and measure how many sales are obtained from each rupiah of assets. Total Asset Turnover itself is a reflection of the company's ability to manage its assets to generate sales(Thian, 2022). This ratio is a comparison between sales and the company's total assets.

One way to find out that the company's performance is good is to carry out an analysis of the financial condition which is reflected in the company's financial ratios. An overview of the financial condition can be seen from the company's financial reports which consist of a balance sheet, profit and loss report, change in equity report, and cash flow report. The balance sheet reflects the value of assets, liabilities and capital in a certain period(Agleintan et al., 2019). To determine the effectiveness and efficiency of utilizing company resources, it can be measured from the level of total asset turnover, accounts receivable turnover and inventory turnover(Budiang et al., 2017). Fixed asset turnover shows the extent to which the company uses the company's fixed assets such as buildings, vehicles, machines and office equipment. Fixed asset turnover determines the size of the profit a company obtains from selling products or services(Ajibroto et al., 2021). This can be seen from the higher the fixed asset turnover rate, the more effectively the company manages its assets. Inventory turnover proves the company's effectiveness in managing inventory in one period. To maintain inventory, it is necessary to have an inventory policy within the company, this is intended to optimize company investment. If the company is wrong in determining inventory policy, it will directly reduce the company's profits(Akmalia & Pambudi, 2020; Indriyani et al., 2023; Paramarta & Aripin, 2024; Sudarmo, 2020). If a company has little inventory, sales will decrease. On the other hand, if a company has excess inventory, there will be an increase in inventory costs.

Inventory turnover shows the company's effectiveness in managing its working capital. The smaller the working capital invested in inventory, the higher the inventory turnover ratio, which means it is good for the company. However, if the inventory turnover ratio is lower, then investment is too high. If the company is able to manage inventory well, it can carry out its operations effectively and efficiently which will affect the company's profit level.

Previous research that supports this research is by (I. S. Kurniawan et al., 2022) which states that inventory turnover has a positive influence on profitability (ROA and ROE), accounts receivable turnover has a positive influence on profitability (ROA and ROE), while cash turnover has a negative influence on (ROA and ROE). The results of the F test or simultaneous test show that together inventory turnover, accounts receivable turnover and cash turnover have a positive effect on profitability (ROA and ROE). Second by(Fitriana et al., 2020)which states that simultaneously there is a significant influence between cash turnover, receivables turnover and inventory turnover on profitability. Then partially, cash turnover and receivables turnover have no effect on profitability. Only inventory turnover has a significant influence on the profitability of Basic Industry and Chemicals manufacturing companies listed on the Indonesian Stock Exchange.

Based on the description above and interviews with PT sales staff. Alfa Scorpii Sibolga stated that the average profit of dealer companies had not increased significantly. Even though there has been an increase, if seen in terms of the percentage increase, the

percentage of dealer company profits has decreased. There was quite a decrease in the value of profits in 2018-2020, while in 2021 to 2022 there was an increase in the percentage value of profits without experiencing a decrease in the value of profits. When viewed in terms of the average percentage of overall company profit. This shows that the dealer companies in Sibolga are doing their best to maintain their profits even though there is a decline when viewed in terms of the percentage increase. So the author is interested in conducting research with the title *The Influence of Inventory Turnover Ratio and Fixed Asset Turnover Ratio on Economic Profitability at PT. Alfa Scorpii Sibolga*.

## METHOD

The type of research used in this research is the research approach used is research using associative descriptive methods (Ibrahim et al., 2023; Paramarta et al., 2024; Sugiyono, 2018). In this research, the author wants to know the effect of inventory turnover ratio and total asset turnover on economic profitability at PT. Alfa Scorpii Sibolga. Based on the type of data, this research is quantitative research, namely data that contains certain numbers or numbers (Aripin & Paramarta, 2024; Indriyani et al., 2023; H. Kurniawan et al., 2023; Saputra et al., 2024; Setrojoyo et al., 2023; Waty et al., 2023). This research uses secondary data in the form of financial reports at PT. Alfa Scorpii Sibolga. This research will be held at PT. Alfa Scorpii Sibolga. The location of this research is located at Jl. Brigadier General Katamso, Pasar Baru Village, Sibolga City District, Sibolga. The sample used is the Financial Report consisting of the balance sheet and profit loss to analyze the increase in profits made at PT. Alfa Scorpii Sibolga for 5 years (2018-2022).

The data collection techniques that the author uses in this research are as follows:

1. Literature Study, namely by studying various reading sources that are closely related to the research problem, both in the form of scientific books and statutory regulations.
2. Field studies, namely by collecting data directly from the research location which is carried out by:
  - a. Interview, which is a method of collecting data by holding face-to-face questions and answers with parties who can provide information about income and the number of assets depicted in the profit and loss statement and balance sheet which is a research factor.
  - b. In this research, the data collection technique is a documentation technique, namely data from financial reports in the form of financial reports issued by PT. Alfa Scorpii Sibolga, the data collected is in the form of a financial report in the form of a balance sheet describing the total assets and equity used as well as a profit and loss report which describes income.

The analytical method used to test and prove the hypothesis is with the associative approach descriptive method and all formula calculations are carried out using the Statistical Package For Social Sciences (SPSS) Software Version 21 Windows with several stages for analyzing the data as follows:

- A. Classic assumption test
- B. Multiple Correlation Test

- C. Determination Test
- D. Multiple Linear Regression Test
- E. T test
- F. F test

## RESULTS AND DISCUSSION

### Descriptive statistics

#### a. Inventory Turnover Ratio Variable (X1)

In table 1, table 2, table 3, data on the inventory turnover ratio (X1) for each item will be tabulated. Furthermore, the inventory turnover ratio data (X1) for each item is interpreted as the average value above indicating that the inventory turnover ratio (X1) at PT. Alfa Scorpii Sibolga is good, this can be seen from the values in table 1 below.

**Table 1. Time Series Data Regarding Inventory Turnover Ratio**

Year	Cost of goods sold	Initial inventory	Ending inventory	Average Inventory	Inventory turnover ratio	Growth
2018	11,753,681	670,000	864,357	767,179	15.32	-
2019	11,760,946	864,357	742,520	803,439	14.64	(0.05)
2020	10,800,978	742,520	710,000	726,260	14.87	0.02
2021	12,600,830	710,000	630,000	670,000	18.81	0.21
2022	13,130,850	630,000	695,000	662,500	19.82	0.05
Amount	60,047,285	3,616,877	3,641,877	3,629,377	83.46	0.23
Average	12,009,457	723,375	728,375	725,875	16.69	0.06

Source: PT. Alfa Scorpii Sibolga, processed 2023

Based on the interpretation of the average value above, it shows that the inventory turnover ratio of PT. Alfa Scorpii Sibolga is good, this can be seen from the average value of the inventory turnover ratio per year for five years growing by 0.06 (6%). For 2019, the inventory turnover ratio was 14.64, a decrease compared to 2018 of 0.05 or 5%. Meanwhile, in 2020 the inventory turnover ratio was 14.87, an increase of 0.02 (2%) compared to 2019, while in 2020 the inventory turnover ratio was 14.87. In 2021 the inventory turnover ratio was 18.81, an increase of 0.21 (21%), while in 2022 the inventory turnover ratio was 19.82 times, so there was an increase of 0.05 or 5% compared to 2021.

#### b. Total Asset Turnover Ratio

The independent variable (X2) used in this research is the activity ratio with a measuring instrument, namely the total asset turnover ratio. The activity ratio is a financial ratio that is used to measure how efficiently the company's available assets are used. The following are the results of calculating inventory turnover at PT. Alfa Scorpii Sibolga 2018-2012 period.

**Table 2. Time Series Data Regarding Total Asset Turnover Ratio**

Year	Sale	Total Assets	Total Asset Turnover Ratio	Growth
------	------	--------------	----------------------------	--------

2018	11,753,681	6,475,181	1.82	-
2019	11,760,946	6,591,166	1.78	(0.02)
2020	10,800,978	6,625,000	1.63	(0.09)
2021	12,600,830	6,607,000	1.91	0.15
2022	13,130,850	6,593,000	1.99	0.04
Amount	60,047,285	32,891,347	9.13	0.08
Average	12,009,457	6,578,269	1.83	0.02

Source: Financial Report PT. Alfa Scorpil Sibolga (2023)

From Table 2 it can be seen that the average total asset turnover ratio of PT. Alfa Scorpil Sibolga experienced increases and decreases. The value of the total asset turnover ratio decreased from 2018 to 2019 by only 0.02 or 2%, from 1.82 times to 1.78 times in 2019. The decline occurred again in 2020 compared to 2019 of 0.09 or 9% from 1.78 times in 2019 to 1.63 times in 2020. For 2021 there was an increase of 0.15 or 15% compared to 2020 from 1.63 times to 1.91 times, for 2022 there was another increase of 0.04 or 4% compared to 2021 from 1.91 times the total asset turnover ratio to 1.99 times for 2022. Overall the total asset turnover ratio has increased by an average of 0.02 or 2% over 5 years, this shows an increase in the ratio total asset turnover, which means the higher the sales that occur at PT. Alfa Scorpil Sibolga so that investment in total assets turns over faster to help inventory be sold so that it becomes cash which includes profits obtained from each rupiah of sales.

### c. Economic Profitability

The dependent variable (Y) used in this research is profitability with a measuring tool, namely economic profitability. Profitability is a ratio used to measure the ability of company management to obtain profits and manage the company's overall business efficiency level. The following are the results of calculating economic profitability at PT. Alfa Scorpil Sibolga for the 2018-2022 period.

**Table. 3. Time Series Data on Economic Profitability**

Year	Net profit	Total assets	RMS	Change
2018	890,538	6,475,181	0.138	-
2019	857,669	6,591,166	0.130	(0.06)
2020	922,668	6,625,000	0.139	0.07
2021	930,530	6,607,000	0.141	0.01
2022	937,332	6,593,500	0.142	0.01
Amount	4,538,737	32,891,847	0.690	0.03
Average	907,747	6,578,369	0.138	0.01

Source: Financial Report PT. Alfa Scorpil Sibolga, Processed, 2023

Based on the interpretation of the average value above, it shows that economic profitability at PT. Alfa Scorpil Sibolga is quite good, this can be seen from the average value of economic profitability of 0.138 (13.8%) for 5 years (2018-2022). For 2018, economic profitability was 0.138, while in 2019 there was a decrease of 0.06 (6%), to 0.130. In 2020 there was an increase of 0.07 (7%) to 0.139 (13.9%). In 2021, economic profitability will

increase again by 0.01 (1%) to 0.141 (14.1%) compared to the previous year. Furthermore, in 2022 economic profitability will increase by 0.01 (1%) to 0.142 (14.2%).

### Classic assumption test

#### a) Normality test

To detect whether the residuals are normally distributed or not, namely by graphic analysis and statistical tests. In this research, two methods were used:

##### 1) Graphic Analysis

The graphic analysis that the author uses in this research is histogram graphic analysis. On a histogram graph, data that follows or approaches a normal distribution is a bell-shaped data distribution. In this study, the data on the histogram graph is bell-shaped so it can be concluded that the data distribution is normal. It can be seen in the following image:

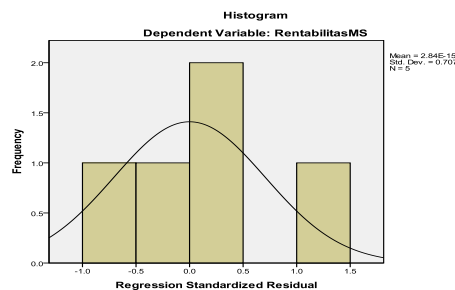


Figure 1. Histogram Graph of Inventory Turnover Ratio Variables, Total Asset Turnover Ratio and Economic Profitability (Source: SPSS 26 processed results)

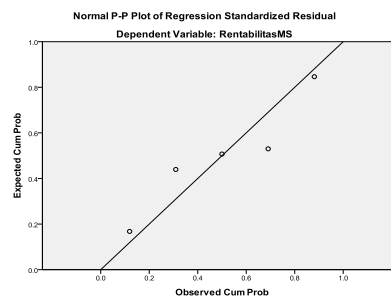


Figure 2. Normal graph PP Plot of Regression Standardized Residual (Source: SPSS 26 processed results)

Based on the picture and graph above (histogram graph) it shows that the data distribution of the variables inventory turnover ratio, total asset turnover ratio and economic profitability is close to normal. This is shown by the points on the scatter plot which appear to follow the data along the diagonal line.

##### 2) Statistical Analysis

To test normality is the Kolmogorov Smirnov (KS) statistical test. This test is carried out by making a hypothesis: If the probability (Asymp. Sig) is below 0.05 and the KS Z value is above the Z value for 0.05 of 1.97, then  $H_0$  is rejected, meaning the residual data is not normally distributed, if the probability is above 0.05 and the KS Z value is below the Z value for 0.05 which is 1.97, meaning the residual data is normally distributed. The results of the Kolmogorov Smirnov test can be seen in the following table:

### 3) Statistical analysis

One of the statistical tests to test normality is the Kolmogorov Smirnov (KS) statistical test. This test is carried out by making a hypothesis: If the probability (Asymp. Sig) is below 0.05 and the KS Z value is above the Z value for 0.05 of 1.97, then  $H_a$  is rejected, meaning the residual data is not normally distributed, if the probability is above 0.05 and the KS Z value is below the Z value for 0.05 which is 1.97, meaning the residual data is normally distributed. The results of the Kolmogorov Smirnov test can be seen in the following table:

**Table 4. One sample Kolmogorov Smirnov Test**

		Unstandardized Residuals
N		5
Normal Parameters, b	Mean	.0000000
	Std. Deviation	.01758575
Most Extreme Differences	Absolute	.258
	Positive	.258
	negative	-.215
Kolmogorov-Smirnov Z		.576
Asymp. Sig. (2-tailed)		.894

a. Test distribution is Normal.

b. Calculated from data.

Source: SPSS 23 processed results

From the table above it can be seen that Asymp. The sig of 894 is above the probability value of 0.05 and the Kolmorov Smirnov Z value of 0.576 is smaller than the Z value for sig 5%, namely 1.97, which means that the three variable data are normally distributed.

### Correlation Analysis

To find out whether there is a correlation between the inventory turnover ratio (variable :

**Table 5. Correlation Coefficient Output**

		Correlations		
		Ratio per inventory	Ratio per total assets	MS profitability
Rasiinventory	Pearson Correlation	1	.866	-.080
	Sig. (2-tailed)		.058	.898
	N	5	5	5
Ratiototalassets	Pearson Correlation	.866	1	.193
	Sig. (2-tailed)	.058		.756
	N	5	5	5
Economic profitability	Pearson Correlation	-.080	.193	1
	Sig. (2-tailed)	.898	.756	
	N	5	5	5

Source: SPSS 26 processed results

From table 5 above, it can be seen that there is a negative relationship between the inventory turnover ratio (X1) and economic profitability of -0.080, and a positive relationship between the total asset turnover ratio (X2) and economic profitability of 0.193. To be able to provide an interpretation of the strength of this relationship, Sugiyono's guidelines can be used in Chapter III, page 35, so the correlation coefficient found between the inventory turnover ratio and economic profitability is -0.080, which is in the very low negative correlation category. Likewise, the positive relationship between the total asset turnover ratio (X2) and economic profitability is 0.193, including the very low correlation category. So there is a very low and negative relationship for X1 (inventory turnover ratio) and a positive relationship between the total asset turnover ratio (X2) and economic profitability at PT. Alfa Scorpil Sibolga.

**Coefficient of Determination**

Next, to determine the magnitude of the influence of the inventory turnover ratio (X1) and total asset turnover ratio (X2) on economic profitability (Y) at PT. Alfa Scorpil Sibolga can be done using the SPSS output coefficient of determination (r2) as follows:

**Table 6. Determination Coefficient Output  
Model Summary b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.530a	.281	.238	.02487	2,324

a. Predictors: (Constant), Total assets ratio, Inventory ratio

b. Dependent Variable: Economic profitability

Source: SPSS 26 processed results

From the calculations in table 6 above, a coefficient of determination of 0.238 can be obtained, this means that the variation in the dependent variable (economic profitability) of 23.8% is determined by the two independent variables, inventory turnover ratio (X1) and total asset turnover ratio (X2) and the remaining 76.2% is determined by other factors not discussed by the author.

**Multiple Linear Regression**

To determine the significant influence between variables X and Y, a simple linear regression calculation is carried out as follows:

**Table 7. Regression coefficient output and hypothesis testing (t test)**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,064	,204		,312	,784
	Rasiinventory	-.008	,010	-.988	-.823	,497
	Ratiototalassets	,159	,182	1,048	,874	,474

a. Dependent Variable: Economic profitability

Source: SPSS 26 processed results

From the calculations in table 7 above, the following regression equation is obtained:  
 $Y = 0.064 - 0.008X_1 + 0.159X_2$ , this can be interpreted as follows:

- 1) The regression constant value is 0.064, indicating that when the inventory turnover ratio and total asset turnover ratio are constant or  $X = 0$ , then the economic profitability at PT. Alfa Scorpil Sibolga is 0.064.
- 2) Variable  $X_1$  (inventory turnover ratio) has a regression coefficient of -0.008, has a negative influence on  $Y$  (economic profitability). This means that if the inventory turnover ratio variable increases with the assumption that other variables are constant, then this can reduce economic profitability at PT. Alfa Scorpil Sibolga is 0.008 or 0.8%.
- 3) Variable  $X_2$  (total asset turnover ratio) has a regression coefficient of -0.159, has a positive influence on  $Y$  (economic profitability). This means that if the total asset turnover ratio variable increases with the assumption that other variables are constant, then this can increase economic profitability at PT. Alfa Scorpil Sibolga was 0.159 or 15.9%.

## Hypothesis Test (t Test)

### 1) Inventory Turnover Ratio Variable

Once the regression coefficient value is known, the next step is to test the coefficients individually or partially. Hypothesis: There is an influence of the inventory turnover ratio on economic profitability at PT. Alfa Scorpil Sibolga.

a). Testing steps

$H_0 = b_1 = 0$  This means that there is no significant influence between the inventory turnover ratio variable on economic profitability at PT. Alfa Scorpil Sibolga.

$H_a = b_1 \neq 0$  meaning that there is a significant influence between the inventory turnover ratio variable on economic profitability at PT. Alfa Scorpil Sibolga.

- b) Conventional testing criteria found that the error level  $\alpha = 0.025$  (two-sided test) with  $df = nk$  or  $5 - 2 = 3$ , the results are known. For  $t$  table = 3.18245 and calculated  $t = -0.823$ . Because  $t$  calculated is negative >  $t$  table is negative, the inventory turnover ratio variable ( $X_1$ ) has no significant effect on economic profitability, meaning that  $H_0$  is accepted,  $H_a$  is rejected.

- c) The SPSS test criteria are by looking at the significance probability (P-value) = 0.497 or 49.7% greater than 5%, then H<sub>0</sub> is accepted, H<sub>a</sub> is rejected so it can be said that the inventory turnover ratio variable (X<sub>1</sub>) has an insignificant effect on economic profitability in PT. Alfa Scorpil Sibolga, thus the proposed hypothesis is not proven.

## 2) Total Asset Turnover Ratio Variable

Hypothesis: There is an influence of the total asset turnover ratio on economic profitability at PT. Alfa Scorpil Sibolga.

### a). Testing steps

H<sub>0</sub> = b<sub>1</sub> = 0 This means that there is no significant influence between the total asset turnover ratio variable on economic profitability at PT. Alfa Scorpil Sibolga.

H<sub>a</sub> = b<sub>1</sub> ≠ 0 This means that there is a significant influence between the total asset turnover ratio variable on economic profitability at PT. Alfa Scorpil Sibolga.

- b) Conventional testing criteria found that the error level α = 0.025 (two-sided test) with df = nk or 5-2=3, the results are known. For t table = 3.18245 and calculated t = 0.874. Because t count < t table, the total asset turnover ratio variable (X<sub>2</sub>) has no significant effect on economic profitability, meaning that H<sub>0</sub> is accepted, H<sub>a</sub> is rejected.
- c) The SPSS test criteria are by looking at the significance probability (P-value) = 0.474 or 47.4% which is greater than 5% then H<sub>0</sub> is accepted, H<sub>a</sub> is rejected so it can be said that the total asset turnover ratio variable (X<sub>2</sub>) has an insignificant effect on economic profitability at PT. Alfa Scorpil Sibolga, thus the proposed hypothesis is not proven.

## F test (together/simultaneously or simultaneously)

This test is intended to determine the proposed hypothesis, namely: there is an influence between the variables inventory turnover ratio, total asset turnover ratio simultaneously on economic profitability at PT. Alfa Scorpil Sibolga, proven whether it is true or not using the F test. This test was carried out to test the influence of X<sub>1</sub> and X<sub>2</sub> on Y together.

**Table 8. Simultaneous Test Results  
ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,002	2	,000	,390	.719a
	Residual	,001	2	,001		
	Total	,002	4			

a. Predictors: (Constant), Total assets ratio, Inventory ratio

b. Dependent Variable: Economic profitability

Source: SPSS 26 processed results

F test used to test the significance of the influence of variables X<sub>1</sub> and X<sub>2</sub> on variable Y.

- a. H<sub>0</sub>: b<sub>1</sub>, b<sub>2</sub>, = 0 : This means that there is no significant influence of the variables inventory turnover ratio and total asset turnover ratio simultaneously on economic profitability at PT. Alfa Scorpil Sibolga.

H<sub>a</sub>: b<sub>1</sub>, b<sub>2</sub>, ≠ 0 : This means that there is a significant influence of the inventory turnover ratio and total asset turnover ratio simultaneously on the economic profitability of PT. Alfa Scorpil Sibolga.

#### Test criteria

- 1) Conventionally at the real level = 0.05 with df numerator = 2 and df denominator = 5 (obtained from the results of df,  $(nk-1) = (5-2-1) = 2$ , it is known that  $F_{table} = 19.00$  and calculated  $F = 0.390$ . Because  $F_{count} < F_{Table}$ ,  $H_0$  is accepted, and  $H_a$  is rejected so that the inventory turnover ratio and total asset turnover ratio variables have no significant effect on economic profitability at PT Alfa Scorpii Sibolga.
- 2) SPSS that is, by looking at the significance probability (P-value) = 0.719 or 71.9% which is greater than 5% then  $H_0$  is accepted,  $H_a$  is rejected so it can be said that the variables inventory turnover ratio and total asset turnover ratio have no significant effect on economic profitability at PT. Alfa Scorpii Sibolga, thus the proposed hypothesis was not proven to be accepted.

#### Discussion

From the results of the analysis using the SPSS version 26 program, it shows that the normality test is seen in the Asymp. Sig. (2-tailed) is 0.894, so the value of Asymp. Sig. (2-tailed)  $> \alpha 0.05$ , and Kolmogorov Smirnov Z of 0.576 is smaller than 1.97, then the data is normally distributed. Meanwhile, in the Multicollinearity Test, it can be seen that the independent variables, namely the inventory turnover ratio and total asset turnover ratio, have a Variance Inflation Factor value of 4.003 (not exceeding 5), so that there is no multicollinearity in the independent variables of this research. And in the Heteroscedasticity Test it can be seen that the points are spread randomly, do not form a regular/unclear pattern, and are spread both above and below the number 0 on the Y axis. Thus this does not happen in the regression model.

In the multiple linear regression analysis model, the value of Sig = 0.497 is obtained for the inventory turnover ratio variable, which means  $>$  the significant criterion (0.05), thus the effect of the inventory turnover ratio on economic profitability is not significant, while the total asset turnover ratio variable obtains a sig of 0.474 which means  $>$  from the significant criteria (0.05) so it can be interpreted that the total asset turnover ratio has no significant effect on economic profitability at PT. Alfa Scorpii Sibolga. Then, when testing the hypothesis simultaneously using the summary model, it can be seen that the coefficient of determination (Adjusted R Square) is 0.238 and Sig. (2-tailed) 0.719, which means that the influence of the inventory turnover ratio and total asset turnover ratio has no significant effect on economic profitability at PT. Alfa Scorpii Sibolga was 23.8% and the remaining 76.2% was influenced by other factors not included in the model.

The results of the research follow what is required by statistical research theory by carrying out several tests before being included in the model. Likewise, this research has the same results, the only difference is that this research has no significant effect compared to the research conducted (I. S. Kurniawan et al., 2022; Suminar, 2015) simultaneously the inventory turnover ratio, accounts receivable turnover and total asset turnover ratio have an influence on profitability (economic profitability). Next, partial research results (Fitriana et al., 2020) Inventory turnover ratio has a significant effect on profitability in Basic Industry and Chemicals manufacturing companies listed on the Indonesia Stock Exchange.

Meanwhile, previous research was carried out (Widia Praptiwi, 2021) resulted in a conclusion showing that simultaneously fixed asset turnover, receivable turnover and inventory turnover had a positive and insignificant effect on profitability (ROA). as well as the

research carried out (I. S. Kurniawan et al., 2022) also provides research results showing that the inventory turnover ratio does not have a significant effect on profitability (ROA).

From the results of both studies, they both conclude that the inventory turnover ratio has an influence on profitability (ROA), but research (Hermanto & Chohan, 2023) concluded that the inventory turnover cycle had an insignificant effect, different from the results of this study, where the inventory turnover ratio had a negative effect on economic profitability, the total asset turnover ratio had a positive effect and was not significant either simultaneously or partially for each of the inventory turnover ratio and ratio variables. total asset turnover on economic profitability at PT. Alfa Scorpii Sibolga.

## CONCLUSION

Based on the description of research results regarding the influence of the inventory turnover ratio (X1), total asset turnover ratio (X2) on economic profitability at PT. Alfa Scorpii Sibolga, it can be concluded as follows: a) The results of the normality test with a bell-shaped histogram and a normal PP plot. The standardized residual plot shows that all the residual data points for the three variables in the scatter plot follow the data along the diagonal line, as well as the Kolmogorov Smirnov statistical test. where the Z value obtained is 0.576, which is smaller than the Z value for 5% significance, namely 1.97 and the probability value (asymptotic Sig) of 0.894 is above 0.05, so it can be concluded that the three variable data are normally distributed. b) Based on the heteroscedasticity test, it can be seen that the points are spread randomly and spread both above and below the zero number on the Y axis, so it can be concluded that there is no heteroscedasticity problem. c) Based on the multicollinearity test, the tolerance value for each variable (inventory turnover ratio and total asset turnover ratio) is 0.250. The VIF value for each variable is 4.003. Based on the results above, the calculation of the tolerance value is more than 0.10 and the VIF value does not exceed 5. These results can be concluded that there is no multicollinearity in all variables in the regression model. d) Based on the auto correlation test, the Durbin Watson value was obtained at 2.324 which is in the dL and 4-dU areas, namely  $DW = 2.324$  which is at dU 0.9455 and  $4 - 1.5432$  so there is no autocorrelation. e) Based on the correlation coefficient between the inventory turnover ratio variable and economic profitability which is -0.080, it can be said that there is a very low and negative relationship. The variable ratio of total asset turnover to economic profitability is 0.193, so there is a very low and positive relationship at PT. Alfa Scorpii Sibolga. f) The obtained multiple linear regression equation is  $Y = 0.064 - 0.008$  The total asset turnover ratio variable (X2) shows a positive influence on economic profitability of 0.159 at PT. Alfa Scorpii Sibolga. A constant of 0.064 indicates that the inventory turnover ratio, total asset turnover ratio, under constant conditions or  $X = 0$ , means economic profitability at PT. Alfa Scorpii Sibolga is 0.064. g) Based on the analysis of the Coefficient of Determination obtained at  $0.238 = 23.8\%$ , this means that the model's ability to explain variations in economic profitability by the inventory turnover ratio variable (X1) and the total asset turnover ratio variable (X2) is 23.8% in PT. Alfa Scorpii Sibolga, while the remainder was explained by other variables not included in the model amounting to 76.2%. h) Based on the t test (hypothesis test) which was carried out by comparing the calculated t value with the t table, it was found that the negative calculated t value was greater than the

negative t table, namely  $-0.823 > -3.18245$ . Because the negative t count is greater than the t table and the probability value obtained is  $0.497 > 0.05$ , it can be concluded that there is an insignificant influence between the inventory turnover ratio (X1) on economic profitability (Y) at PT. Alfa Scorpii Sibolga and the proposed hypothesis is rejected. For the hypothesis of the influence of the total asset turnover ratio variable (X2) on economic profitability (Y) at PT. Alfa Scorpii Sibolga is also not proven because the t count of 0.874 is smaller than the t table of 3.18245 or the probability value is  $0.474 > \alpha 0.05$  (5%) so it can be concluded that the total asset turnover ratio (X2) has no significant effect on economic profitability at PT. Alfa Scorpii Sibolga. i) Based on the F test, where the calculated F is  $0.390 < F$  table of 19.00 and the probability of significance obtained is  $0.719 > \alpha 0.05$  so the hypothesis proposed is that there is an influence of the inventory turnover ratio and total asset turnover ratio simultaneously on economic profitability at PT. Alfa Scorpii Sibolga can be rejected or insignificant.

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