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Financial Performance Analysis of Savings and Loan Cooperatives (KSP) Swasti Sari Malaka Branch

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Abstract

This study aims to analyze the financial performance of Koperasi Swasti Sari Branch Malaka using financial ratios—liquidity, solvency, profitability, and activity ratios—from 2020 to 2023. The significance of this research lies in its contribution to understanding the financial resilience of cooperatives in Indonesia, particularly in rural and border areas. Using a descriptive quantitative approach**,** the analysis is based on secondary data obtained from financial reports, processed using Microsoft Excel tools. he results show that the average liquidity ratios indicate good short-term financial stability, with a Current Ratio **o**f 151.68% and a Quick Ratio of 151.64%**.** The solvency ratio**,** Debt to Asset Ratio (DAR), averages 67.80%**,** reflecting controlled reliance on debt, though caution is advised for future financing. The profitability performance is excellent, as evidenced by the Net Profit Margin (NPM) of 67.94% and the Return on Assets (ROA) of 15.84%**,** indicating strong profitability management. However, the activity ratios highlight inefficiencies, with Cash Turnover averaging 2.13 times and Receivables Turnover at 0.09 times, underscoring the need for improved cash and receivable management. It is recommended that Koperasi Swasti Sari improve **its** cash and receivables management strategies to enhance operational efficiency, optimize liquidity, and maintain financial sustainability while prudently managing debt to ensure long-term growth.

Keywords: Financial ratios, liquidity, solvency, profitability, activity, financial efficiency.

INTRODUCTION

The economic system in Indonesia is based on three main pillars: State-Owned Enterprises (SOEs), Private-Owned Enterprises (SOEs), and cooperatives. These three pillars are the fundamental infrastructure of the national economy as mandated by Article 33 of the 1945 Constitution. Cooperatives, as one of the main pillars, play an important role in strengthening national economic resilience through the principle of membership based on collectivity and economic solidarity. However, in facing increasingly complex economic dynamics, cooperatives are faced with major challenges to maintain stable and sustainable financial performance (Nalle, 2018).

Financial performance is the main indicator for assessing an organization's success in managing its resources. Adrianus; As, Husain; and Rahayu (2020) state that financial performance is the result achieved by company management in managing assets effectively during a certain period. This assessment is not only important for internal managerial decision-making but also becomes a reference for external parties such as members, creditors, and potential investors. (Celestin, 2019). The financial performance of cooperatives can be measured through various financial ratios such as liquidity ratio, solvency, profitability, and activity (Hamsyah et al., 2023).

Swasti Sari Savings and Loan Cooperative (KSP) Malaka Branch is one of the cooperatives that has a strategic role in supporting the economic growth of the community in Malaka Regency, East Nusa Tenggara. Since its establishment, this cooperative has shown significant development, especially in the number of members which has continued to increase from 2020 to 2023. Based on internal data, the number of members increased from 760 people in 2020 to 3,526 people in 2023. However, this increase in the number of members was not accompanied by stable financial performance, which fluctuated in the same period.

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This fluctuation in financial performance is suspected to be caused by competition with new cooperatives that offer competitive advantages. Based on the financial report of KSP Swasti Sari, Malaka Branch, there is variability in assets, income, and remaining operating results (SHU). This situation raises concerns about the sustainability of the cooperative, especially in meeting short-term obligations, increasing the efficiency of asset use, and maintaining competitive profitability.

To understand the dynamics of the financial performance of the Swasti Sari Savings and Loan Cooperative (KSP) Malaka Branch, an analysis based on relevant empirical data is required. The cooperative's financial data for the period 2020 to 2023 is the basis for evaluation to identify strengths, weaknesses, and opportunities for improvement in financial management. The presentation of this data includes several main indicators, such as assets, liabilities, equity, income, expenses, remaining operating results (SHU), and loans, which describe the overall financial condition of the cooperative. The analysis of this data aims to provide an in-depth picture of the cooperative's financial performance trends, as well as being the basis for formulating a more adaptive and sustainable financial strategy.

Table 1. Financial Report of KSP Kopdit Swasti Sari Malaka Branch for 2020-2023

	Year			
Estimated Name	**2020**	**2021**	**2022**	**2023**
Asset	9,719,055,252	5,664,567,735	24,219,920,333	15,280,686,706
Obligation	5,782,688,237	3,297,601,966	5,448,379,106	9.924.123.116
Equity	3,936,367,015	2,366,965,769	2,771,541,227	5,356,563,590
Income	562,962,723	287,556,068	1,740,737,231	613,425,400
Burden	142,480,377	75,413,328	336,704,504	210,684,810
SHU	420,482,346	212.143.469	1,004,032,727	802.740.590
Loan	4,735,100,000	3,991,650,000	8,638,000,000	5,117,050,000

Source: Ksp. Swasti Sari, Malaka branch, 2020-2023

Based on the data in Table 1, the financial performance of the Swasti Sari Cooperative, Malaka Branch, during the period 2020 to 2023 shows a fluctuating trend. This variability is reflected in several financial indicators, such as assets, liabilities, income, and remaining operating results (SHU). One of the main factors influencing the dynamics of this performance is the increasing competition with new cooperatives that offer more attractive competitive advantages. This condition encourages some people to join other cooperatives, thus impacting the level of member loyalty and the financial stability of the Swasti Sari Cooperative.

This phenomenon emphasizes the importance of adaptive financial management strategies to face external pressures and increase cooperative competitiveness. Optimal financial performance not only reflects the cooperative's ability to manage resources efficiently but also becomes an indicator of public trust in the sustainability of the cooperative (Saz-Gil et al., 2021). As a member-based financial institution, cooperatives are required to increase the efficiency of asset use, minimize liquidity risk, and manage liabilities sustainably in order to create operational stability (Daffa et al., 2024).

In addition, consistent profitability is one of the main determinants of the attractiveness of cooperatives for potential members and investors, as stated by (Dewi et al., 2024), that increasing profitability directly contributes to improving the reputation of financial institutions. Thus, a comprehensive evaluation of the cooperative's financial structure is needed, including efficient working capital management, debt structure balancing, and competitive financial product innovation to maintain a position in an increasingly competitive market (Sanjaya & Nuratama, 2021).

A cooperative is said to be healthy if it has good financial performance. One approach to assessing the financial health of a cooperative is through financial ratio analysis, which includes liquidity, solvency, profitability, and activity ratios. Liquidity ratios measure a company's ability to meet short-term obligations promptly. According to Madushanka & Jathurika, (2018), this ratio is very important because failure to fulfill these obligations can reduce the value of the company and reduce investor confidence. This shows that optimal liquidity is a determining factor in the sustainability of cooperatives.

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Vol. 3 Issue 2, July-December 2024
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In addition, the solvency ratio plays a role in measuring the extent to which a company's assets are financed by debt Blessing & Sakouvogui, (2023) state that this ratio is important for assessing the financial stability of the cooperative and the risks it may face. Profitability ratios, as expressed by Lestari & Wicaksono (2023), are a key indicator of the cooperative's ability to generate profits. Consistent profitability not only reflects operational efficiency but also contributes to the cooperative's attractiveness in the eyes of investors Litamahuputty (2021) adds that the profitability ratio can be used to assess the success of cooperatives in managing assets and capital effectively.

The activity ratio is also an important element in assessing cooperative performance. According to Estiasih, (2021), this ratio measures the level of effectiveness of assets used to support cooperative operations, including through analysis of receivables turnover, fixed asset turnover, and total asset turnover. This analysis not only helps cooperatives improve the efficiency of resource use but also plays a role in creating better competitiveness in the market.

Based on this background, the focus of this study is to analyze the financial performance of the Swasti Sari Savings and Loan Cooperative, Malaka Branch, in the period 2020–2023. The evaluation was carried out using the liquidity, solvency, profitability, and activity ratio approaches based on financial report data during the period. This analysis is expected to provide a comprehensive picture of the cooperative's financial condition and become the basis for strategic decision-making to improve performance in the future.

METHOD

This study employs **a** descriptive quantitative approach to analyze the financial performance of Koperasi Swasti Sari Malaka Branch over the period 2020–2023**.** The data used consists of secondary data, derived from the cooperative's annual financial reports obtained directly from the management of KSP Swasti Sari Malaka Branch. The data analysis is conducted using the financial ratio analysis method**,** which includes liquidity, solvency, profitability, and activity ratios**.** The data is processed using Microsoft Excel as a tool for ratio calculations and data presentation.

Data Selection Criteria

The secondary data was selected based on the following criteria:

1. Annual financial reports of KSP Swasti Sari Malaka Branch that are verified and complete for the period **2020–2023**.
2. Financial reports that include essential components such as assets, liabilities, equity, income, expenses, and remaining operating results (SHU).
3. Data that is consistent and reliable for analysis using the financial ratio method.

Explanation of Financial Ratios

Financial ratios are used due to their relevance in assessing the cooperative's financial performance:

1. **Liquidity Ratio**

   Liquidity ratios are used to measure the cooperative's ability to meet short-term financial obligations promptly. Liquidity ratios are important for assessing how much the cooperative can manage cash and current assets to pay its short-term obligations. According to Supper (2019), liquidity ratios are key indicators used to assess a company's short-term financial health, as well as influencing investment decisions by shareholders and creditors.

   Some of the ratios analyzed in this study are:

   a) Current Ratio: Measures the cooperative's ability to meet short-term obligations using current assets. This ratio is calculated using the following formula:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liablities}} \text{X } 100\%$$

   The assessment criteria refer to the Regulation of the Minister of State for Cooperatives and Small and Medium Enterprises Number 06/per/M.KUKM/V/2006, which provides the following performance standards:

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Vol. 3 Issue 2, July-December 2024
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- Excellent: 200% – 250%
- Good: 175%–< 200% or > 250% – 275%
- Fair: 150% –< 175% or > 275% – 300%
- Poor: 125% – < 150% or > 300% – 325%
- Very Poor: < 125% or > 325%

b) Very Current Ratio (Quick Ratio): Measures the cooperative's ability to meet current liabilities without taking inventory into account. This ratio is calculated using the following formula:

$$\text{Quik Ratio} = \frac{\text{Current Assets} - \text{Supply}}{\text{Current Liablities}} \text{ X } 100$$

c) Cash Ratio: Measures the cooperative's ability to meet short-term obligations using available cash. This ratio is calculated using the following formula:

$$\text{Cash rasio} = \frac{\text{Chas} + \text{Curret Account Savings Bank}}{\text{Current Liablities}} \text{ x } 100\%$$

The cash ratio assessment guidelines refer to Supper (2022), which provides the following criteria:

- Excellent: 10% – 15%
- Good: 16% – 20%
- Poor: 21% – 25%

2. **Solvency Ratio**

The solvency ratio is used to measure the cooperative's ability to meet its long-term obligations, both financial and operational. The solvency ratio can provide an overview of the extent to which the cooperative relies on debt to fund its assets, which in turn affects the risk and stability of the cooperative. According to Aziz & Rahman (2017), the solvency ratio is an important indicator in assessing the level of risk faced by cooperatives in the long term.

a) Debt to Asset Ratio (DAR): Measuring the comparison between total debt and total cooperative assets. This ratio is calculated using the following formula:

$$\text{DAR} = \frac{\text{Total Debt}}{\text{Total Assets}} \times 100\%$$

This ratio assessment refers to the Regulation of the Minister of State for Cooperatives and Small and Medium Enterprises Number 06/per/M.KUKM/V/2006 which provides the following standard criteria:

- Excellent: < 40%
- Good: 40% – 50%
- Fair: 50% – 60%
- Poor: 60% – 80%
- Very Poor: > 80%

b) Debt to Equity Ratio (DER): Measuring the comparison between total debt and equity of the cooperative. This ratio is calculated using the following formula:

$$\text{Long} - \text{Term Debt to Equity Ratio} = \frac{\text{Long} - \text{Term Debt}}{\text{Equity}} \times 100\%$$

The assessment criteria refer to the standards listed in the Regulation of the Minister of State for Cooperatives and Small and Medium Enterprises Number 06/per/M.KUKM/V/2006:

- Excellent: < 70%

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- Good: 70% – 100%
- Fair: 100% – 150%
- Poor: 150% – 200%
- Very Poor: > 200%

3. Profitability Ratio

Profitability ratios are used to measure the cooperative's ability to generate profits from its operational activities. This ratio shows how effective the cooperative is in generating profits compared to the income or assets it has Rutkowska-Ziarko (2015) states that profitability is an important indicator used by investors to evaluate a company's profit potential.

a) Net Profit Margin (NPM): Measures the percentage of net profit to revenue. This ratio is calculated using the following formula:

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

The assessment criteria refer to the Regulation of the Minister of State for Cooperatives and Small and Medium Enterprises Number 06/per/M.KUKM/V/2006:

- Excellent: ≥ 15%
- Good: 10% – < 15%
- Fair: 5% –< 10%
- Poor: 1% –< 5%
- Very Poor: < 1%

b) Return on Assets (ROA): Measuring the efficiency of cooperatives in generating profits from owned assets. This ratio is calculated using the following formula:

$$\text{ROA} = \frac{\text{Net Income}}{\text{Total Assets}} \times 100\%$$

4. Activity Ratio

The activity ratio is used to measure the efficiency of the cooperative in using assets to generate income. This ratio describes how well the cooperative utilizes its resources to increase sales. According to Aisyah et al. (2017), the activity ratio is an important indicator to assess how effective a company or cooperative is in using its assets to generate sales.

a) Cash Turnover: Measures how quickly the cooperative manages its cash to support operations and financing. This ratio is calculated using the formula:
The assessment criteria for cash turnover are:

- Excellent: ≥ 10 times
- Good: 6–10 times
- Fair: 1–5 times
- Poor: < 5 times

b) Accounts receivable turnover
Receivables turnover is a ratio used to measure how long it takes to collect receivables during a period. The following formula is used:

$$\text{Receivables Turnover} = \frac{\text{Revenue}}{\text{BeginnReceivables+Ending Receivables}} \times 1 \quad .$$

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RESEARCH RESULTS AND DISCUSSION

This discussion describes the results of the financial ratio analysis applied to the financial statements of the Swastisari Cooperative, Malaka Branch, 2020–2023. This ratio analysis aims to evaluate the financial performance of the cooperative based on five main aspects: liquidity ratio, solvency ratio, profitability ratio, activity ratio, and operational efficiency ratio. This study uses secondary data obtained from the cooperative's financial statements, which are analyzed using the ratios that have been explained in the method section.

1. Liquidity Ratio

Liquidity ratios are used to assess a company's ability to meet short-term financial obligations. In this cooperative, the three liquidity ratios analyzed are the Current Ratio, Quick Ratio, and Cash Ratio.

a) Current Ratio

Current Ratio (Current Ratio) is a ratio used to measure an entity's ability to meet short-term obligations with current assets owned. This ratio not only reflects the company's liquidity condition but also provides an overview of the efficiency of the company's use of working capital (Nuryani & Sunarsi, 2020). According to Sabrina & Hadian (2021), the Current Ratio also serves to evaluate the extent to which the company can use available cash and other current assets to meet short-term obligations, which in turn can indicate potential liquidity problems if the ratio is at a low level. The results of the calculation of the current ratio at the Swasti Sari Cooperative, Malaka Branch can be seen in the following table.

Table 2. Current Ratio at Swasti Sari Cooperative, Malaka Branch

	2020	**2021**	**2022**	**2023**
Current assets	9,719,055,252	5,664,567,735	24,219,920,333	15,280,686,706
Current Liabilities	5,782,688,237	3,297,601,966	21,448,379,106	9.924.123.116
Current Ratio	**168.07**	**171.78**	**112.92**	**153.98**

Source: Secondary data processing, 2024

The calculation results of the Current Ratio at the Swasti Sari Cooperative showed quite good figures during the 2020–2023 period, with an average of 151.68%. This ratio is in the range of 150% to 175%, which according to the Regulation of the Minister of State for Cooperatives and Small and Medium Enterprises of the Republic of Indonesia (2006), indicates that the cooperative has good liquidity. This means that the cooperative can meet short-term obligations without high risk. These results indicate that the Malaka branch of the Swasti Sari Cooperative has quite good liquidity resilience and has no problems in paying off its short-term debts. According to The Greatest Showman (2020), the Current Ratio value in this range reflects that the cooperative is not only able to manage current assets well but can also ensure operational continuity without being disrupted by liquidity problems.

b) **Very Current Ratio (Quick Ratio)**

The quick ratio is designed to measure the extent to which a company can meet its short-term obligations without relying on liquidity tied up in inventory. According to (2020), a quick ratio is a ratio that reflects the company's ability to meet current liabilities or debts by considering only the most liquid current assets, namely cash and receivables, without taking inventory into account. This ratio provides a more accurate picture of the company's ability to overcome short-term liabilities under more conservative conditions. Sari et al., (2022). The following are the results of the calculation of the very current ratio (quick ratio) at the Swasti Sari Cooperative, Malaka Branch.

IJEC
International Journal of Economics
https://ejournal.ipinternasional.com/index.php/ijec
e-ISSN: 2961-712X
Vol. 3 Issue 2, July-December 2024
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Table 3. Very Current Ratio (Quick Ratio) at Swasti Sari Cooperative, Malaka Branch

	2020	2021	2022	2023
Current assets	9,719,055,252	5,664,567,735	24,219,920,333	15,280,686,706
Inventory /Investor	3,505,000	2,219,450	8,394,600	1,032,800
Current Liabilities	5,782,688,237	3,297,601,966	21,448,379,106	9.924.123.116
	9,715,550,252	5,662,348,285	24,211,525,733	15,279,653,906
Quick Ratio	**168.01**	**171.71**	**112.88**	**153.96**

Source: Secondary data processing, 2024

Based on the results of the Quick Ratio calculation, the average ratio during 2020–2023 was 151.64%. Similar to the Current Ratio, the Quick Ratio also showed good performance, with figures ranging from 150% to 175%, which indicates that the cooperative has quite good liquidity even without taking inventory into account. According to Derestiyani & Susetyo (2023), this ratio provides a more realistic picture of the cooperative's ability to meet obligations without relying on inventory, which may not always be liquid in a short period. This result indicates that the Swasti Sari cooperative, Malaka branch, has an adequate cash position to meet obligations without having to rely on inventory.

c) **Cash Ratio**

The cash ratio is a ratio that reflects the company's cash and cash equivalent position to cover current liabilities or short-term debts. According to The Greatest Showman (2016)states that the cash ratio is a tool used to measure how much cash is available to pay debts. The following are the results of the cash ratio calculation at the Swasti Sari Cooperative, Malaka Branch.

Table 4. Cash Ratio at Swasti Sari Cooperative, Malaka Branch

	2020	2021	2022	2023
Cash and cash equivalents	1,171,398,736	489,631,828	301.292.435	325,193,838
Current Liabilities	5,782,688,237	3,297,601,966	21,448,379,106	9.924.123.116
Cash Ratio	**20.26**	**14.85**	**1.40**	**3.28**

Source: Secondary data processing, 2024

Based on the results of the Cash Ratio calculation, the cooperative has an average ratio of 10.07% during the 2020–2023 period. This ratio indicates that the cooperative has sufficient cash to cover around 10%-15% of its current liabilities, which is to the cooperative assessment guidelines which state that a cash ratio in this range can be considered good (Cooperative Assessment Guidelines, 2008). However, although the cooperative's Cash Ratio is in a good category, this result also indicates that the cooperative does not rely too much on cash to meet short-term obligations, but rather utilizes other current assets in its operations. The significant decrease in the Cash Ratio in 2022 (1.4%) indicates that the cooperative faced challenges in managing cash effectively in that year, which requires further attention.

2. Solvency Ratio

The solvency ratio is a ratio used to measure how capable a company is of meeting its various long-term debt obligations using the assets it owns.

a) Debt to Asset Ratio

Debt to Asset according to Dead End (2023) is a debt ratio that is intended to measure the comparison between total assets and total debt in other words how much of the company's assets

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Vol. 3 Issue 2, July-December 2024
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are financed by debt or how much the company's debt affects asset management. The following are the results of the Debt to Asset Ratio calculation at the Swasti Sari Cooperative, Malaka Branch.

Table 5. Debt to Asset Ratioat the Swasti Sari Cooperative, Malaka Branch

	2020	2021	2022	2023
Total Debt	5,782,688,237	3,297,601,966	21,448,379,106	9.924.123.116
Total Assets	9,719,055,252	5,664,567,735	24,219,920,333	15,280,686,706
Debt to Asset Ratio	**59.50**	**58.21**	**88.56**	**64.95**

Source: Secondary data processing, 2024

The solvency ratio is used to assess the cooperative's ability to meet its long-term obligations by utilizing its assets. One of the commonly used solvency ratios is the Debt-debt-asset ratio (DAR), which measures the proportion of debt to the company's total assets. In the context of the Swasti Sari Cooperative, Malaka Branch, an analysis of the Debt to debt-to-asset ratio shows that in 2022, this ratio was recorded at 67.80%.

This figure shows that more than half of the total cooperative assets are financed through debt. According to Horne & Wachowicz (2012), a Debt to Asset Ratio in the range of 60% -70% indicates that the cooperative is starting to rely more on external funding through debt, which can increase the potential for financial risk if not managed carefully. Although the use of debt can support the expansion and operations of the cooperative, it is important for cooperative management to ensure that high debt levels do not lead to heavy financial burdens in the future. Therefore, although this ratio shows that the cooperative is quite capable of financing its assets through debt, prudent debt management and careful monitoring of the solvency ratio are essential to maintain the financial stability of the cooperative.

b) Long-term Debt to Equity Ratio

*Long Term Debt to Equity Ratio (DER)*is a ratio used to measure the extent to which a cooperative's long-term debt is financed by its equity. This ratio is calculated by comparing the amount of long-term debt with the total equity available. This ratio provides an overview of the cooperative's capital structure, which is important for assessing how much the cooperative is dependent on external financing (debt) in financing its operations and business expansion (Farah et al., 2021). The following are the results of the calculation of the Long Term Debt to Equity Ratio at the Swasti Sari Cooperative, Malaka Branch.

Table 6. Long-term Debt to Equity Ratio*p*There is the Swasti Sari Cooperative, Malaka Branch

	2020	**2021**	**2022**	**2023**
Long-term debt	70,397,350	28,434,750	233,605,150	140,513,000
Owner's equity	3,936,367,015	2,366,965,769	2,771,541,227	5,356,563,590
Long-term Debt to Equity Ratio	**1.79**	**1.20**	**8.43**	**2.62**

Source: Secondary data processing, 2024

Based on the results of the Long Term Debt to Equity Ratio calculation listed in Table 6, the average ratio for the 2020-2023 period at the Swasti Sari Cooperative, Malaka Branch is 3.51%. This figure reflects the relatively low level of dependence of the cooperative on long-term debt, indicating that most of the cooperative's financing comes from internal equity rather than debt. In this case, a low ratio indicates that the cooperative has succeeded in maintaining a healthy capital structure, with a larger proportion of equity compared to long-term debt.

e-ISSN: 2961-712X
Vol. 3 Issue 2, July-December 2024
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According to the Regulation of the Minister of State for Cooperatives and Small and Medium Enterprises of the Republic of Indonesia No. 06/per/M.KUKM/V/2006, a Long Term Debt to Equity Ratio below 70% is considered to be in the very good category. This low ratio indicates that the cooperative is not too dependent on debt to finance its long-term operations, which theoretically can reduce the potential for future financial risk (Salsabila et al., 2023). In this case, the ratio recorded at Swasti Sari Cooperative is far below the specified threshold, reflecting conservative financial management and focusing on the use of equity to maintain financial stability.

Overall, the results of this analysis indicate that Swasti Sari Cooperative, Malaka Branch has a stable capital structure and does not rely excessively on long-term debt financing, which creates a strong foundation for long-term growth and development. However, although this ratio indicates a healthy condition, management still needs to monitor the development of long-term debt to ensure that the use of debt does not lead to an increase in uncontrolled financial risk.

3. Profitability Ratio

The profitability ratio is a ratio used to measure the extent of a company's ability to make a profit, both in relation to asset sales and profit and loss on equity.

a) Net Profit Margin (NPM)

Net Profit Margin is one of the profitability ratio indicators used to measure the extent to which an entity is able to earn a profit from its sales after taking into account all operating costs, other costs, and income taxes. This ratio is calculated by comparing net profit with sales recorded in the same period. NPM provides a clear picture of the efficiency and effectiveness of cooperative operations in generating profits relative to the income earned (Wangarry et al., 2015).

Table 7. Net Profit Margin (NPM) at the Swasti Sari Cooperative, Malaka Branch

	2020	2021	2022	2023
Net profit	420,482,346	212.143.469	1,004,032,727	402,740,590
Sale	562,962,723	287,556,068	1,740,737,231	613,425,400
Net profit margin	**74.69**	**73.77**	**57.68**	**65.65**

Source: Secondary data processing, 2023

Based on the results of the Net Profit Margin calculation at the Swasti Sari Cooperative, Malaka Branch, listed in Table 7, the average Net Profit Margin was 67.94% for the 2020-2023 period. This figure indicates that the cooperative has succeeded in maintaining a very good level of profitability, with a high percentage of net profit from the revenue generated. In this case, the Net Profit Margin reaching more than 60% throughout the period shows an excellent ability to manage costs and taxes, as well as generate significant profits from each sales transaction.

According to the Regulation of the Minister of State for Cooperatives and Small and Medium Enterprises of the Republic of Indonesia No. 06/per/M.KUKM/V/2006, a Net Profit Margin in the range of ≥ 15% is considered very good. Therefore, with an average of 67.94%, Swasti Sari Cooperative, Malaka Branch, far exceeds this threshold, indicating that this cooperative is not only able to cover operational costs and taxes well but is also able to generate significant profits from each sales unit. This reflects optimal financial performance and high efficiency in managing its resources and operations.

This high Net Profit Margin figure also shows that the cooperative has good control over the costs incurred in daily operations, and is able to maintain profit margins even when faced with various external challenges. In this context, the Swasti Sari Cooperative, Malaka Branch, has succeeded in managing the cost structure very efficiently, so that it can generate profits that are proportional to the income generated.

Overall, the results of this analysis indicate that Swasti Sari Cooperative, Malaka Branch has excellent financial performance in terms of profitability, with an extraordinary ability to generate profits from its sales. However, although this ratio shows good performance, the cooperative

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Vol. 3 Issue 2, July-December 2024
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management still needs to maintain and improve operational efficiency to maintain high profitability in the future.

b) *Return on Assets (ROA)*

*Return on Assets (ROA)*is one of the profitability ratios used to measure the extent to which a company or cooperative can generate net profit using the total assets it owns. According to Pangastuti (2019), ROA reflects the results obtained by the company from the amount of assets used. Meanwhile, The Greatest Showman (2018) states that ROA is a measure of income compared to the company's total assets, which describes how effectively the company is utilizing its assets to generate profits.

A higher ROA indicates that the company or cooperative can generate greater profits with relatively less asset capital. Conversely, low ROA may indicate that the company has not fully optimized its assets to generate profits. In this case, ROA can also function as an indicator for investors to assess the efficiency and attractiveness of investment in the company or cooperative. The higher the ROA, the more attractive the potential profits that can be obtained by investors, which in the end can encourage an increase in the company's stock value (Ryan, 2016).

Table 8. Return on Assets (ROA)at the Swasti Sari Cooperative, Malaka Branch

	2020	**2021**	**2022**	**2023**
SHU	420,482,346	212.143.469	1,004,032,727	402,740,590
Owner's equity	3,936,367,015	2,366,965,769	2,771,541,227	5,356,563,590
Return on assets	**10.68**	**8.96**	**36.23**	**7.52**

Source: Secondary data processing, 2004

Based on the calculation results of Return on Assets (ROA) listed in Table 8, the average ROA at the Swasti Sari Cooperative, Malaka Branch for the period 2020-2023 was 15.84%. This figure shows that the cooperative has a good ability to generate profits from its assets. In this context, a Return on Assets (ROA) exceeding 10% indicates that this cooperative has very good performance in utilizing asset resources to generate profits, with the category included in the Regulation of the Minister of State for Cooperatives and Small and Medium Enterprises of the Republic of Indonesia No. 06/per/M.KUKM/V/2006, which states that ROA ranging from ≥ 10% is considered very good.

Overall, the results of this calculation show that the Swasti Sari Cooperative, Malaka Branch, has succeeded in utilizing its assets efficiently to generate significant profits. Although there are variations in the ROA value each year, with the highest figure recorded in 2022 (36.23%), on average this cooperative continues to show solid and adequate performance in managing assets to generate profits.

It is important to note that high ROA not only reflects operational efficiency but also indicates potential attraction for investors, which can contribute to capital increase and future business expansion of the cooperative. Therefore, effective asset management and continuous increase in ROA are important factors that need to be maintained by cooperatives to support the growth and sustainability of their businesses.

4. Activity Ratio

The activity ratio is an important indicator used to assess the extent to which a company or cooperative is efficient in managing its assets to obtain sales. This ratio provides an overview of the effectiveness of cash management, receivables, and other assets that support the company's operations in achieving financial goals. In financial literature, activity ratios are often used to measure the effectiveness of asset use through cash turnover and receivables turnover, which reflect how well a company can optimize resources to generate revenue (Rahmayanti & Indiraswari, 2022).

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Two types of activity ratios used for the analysis of Swasti Sari Cooperative, Malaka Branch are Cash Turnover and Receivables Turnover. Both of these ratios provide important insights into the speed of the company in managing and utilizing available financial resources.

1. **Cash Turnover**

Cash turnover is a ratio that describes how efficiently a company uses its cash to generate sales. According to Kasmir (2014), this ratio measures the company's effectiveness in using available cash to support operations, including facilitating transactions and sales activities.

Table 9. Cash TurnoverAt the Swasti Sari Cooperative, Malaka Branch

	2020	2021	2022	2023
Sale	562,962,723	287,556,068	1,740,737,231	613,425,400
Average cash	1,171,398,736	489,631,828	301.292.435	325,193,838
Cash Turnover	**0.48**	**0.59**	**5.78**	**1.89**

Source: Secondary data processing, 2024

Based on Table 9, the results of the Cash Turnover calculation for the Swasti Sari Cooperative, Malaka Branch from 2020 to 2023 show significant fluctuations. The average cash turnover in that period was 2.13 times. Although there was an increase in 2021 and 2022, the cash turnover value of this cooperative is still relatively low. As a reference, Wajo (2021) stated that cash turnover below 5 times is considered less efficient. This indicates that the cooperative is still not optimal in utilizing available cash to generate income. A relatively low cash turnover figure may indicate potential waste in the use of cash or a lack of efficiency in the management of existing funds.

2. **Receivables Turnover**

In addition to cash turnover, another ratio that is often analyzed is the Receivables Turnover. This ratio measures how quickly a company can collect its receivables from customers, indicating how efficient the company is in managing its bills and converting receivables into cash (Edy Firmansyah et al., 2022). Good accounts receivable turnover indicates that the company can manage accounts receivable collections quickly, which supports smooth cash flow and reduces the risk of losses due to bad debts.

Table 10. Accounts Receivable TurnoverAt the Swasti Sari Cooperative, Malaka Branch

	2020	**2021**	**2022**	**2022**
Sale	562,962,723	287,556,068	1,740,737,231	613,425,400
Receivables	5,698,208,100	3,943,701,300	12,296,403,000	7,803,292,000
Receivables Turnover	**0.10**	**0.07**	**0.14**	**0.08**

Source: Secondary data processing, 2023

The results of the calculation of Receivables Turnover in Table 10 show that the Swasti Sari Cooperative, Malaka Branch, experienced a very low receivables turnover, with an average receivables turnover of 0.09 times for the period 2020-2023. This indicates that the cooperative is very slow in collecting receivables from customers. Wijaya & Tjun Tjun (2018) explain that the receivables turnover ratio that is in the range of <1-3 times can be categorized as very bad. In this context, a very low receivables turnover indicates a serious problem in the management of receivables that can hinder cash inflow. This situation has the potential to add pressure to the financial position of the cooperative because delays in the payment of receivables can affect the cooperative's ability to meet short-term obligations and fund its operations.

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Vol. 3 Issue 2, July-December 2024
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Based on the analysis of Cash Turnover and Receivables Turnover, it can be concluded that Swasti Sari Cooperative, Malaka Branch needs to improve efficiency in cash and receivables management. Although cash turnover has increased in recent years, the ratio is still below 5 times indicating that cash management is still inefficient. In addition, the low receivables turnover, which is far below good standards, indicates that the cooperative needs to make significant improvements in terms of managing receivables and receiving payments from customers.

Improvement in both of these activity ratios is essential to improve the operational efficiency and financial health of the cooperative. By improving cash and receivable turnover, the cooperative can not only increase liquidity but also ensure smooth operations and reduce dependence on external funding sources.

CONCLUSIONS

Based on the results of the financial ratio analysis conducted on the Swasti Sari Cooperative, Malaka Branch for the period 2020 to 2023, the following conclusions can be drawn:

1. Liquidity Ratio
   a) Current Ratio shows that the cooperative has a fairly good position in meeting short-term obligations with a stable level of adequacy during the period. This reflects the management of current assets that are efficient enough to support cooperative operations.
   b) Very Current Ratio (Quick Ratio)showed good performance with an average of 151.64%, which is in the "good" category according to the standards of the Regulation of the Minister of State for Cooperatives and Small and Medium Enterprises of the Republic of Indonesia. This ratio reflects the cooperative's ability to meet short-term obligations without relying on inventory.
   c) Cash ratios show lower results compared to other ratios, which indicates that the cooperative has a higher dependence on assets other than cash to meet short-term obligations.

2. Solvency Ratio
   a) *Debt to Asset Ratio*(DAR)shows that the cooperative keeps the proportion of debt to assets under control with a ratio varying between 40% to 60% during the analysis period. Although there was an increase in 2022, overall, the cooperative managed to manage debt quite well.
   b) *Long-term Debt to debt-to-equity ratio*s showed good results with an average of 3.51% during the 2020-2023 period, which is in the "very good" category. This shows that the cooperative does not rely too much on long-term debt to finance its operational and expansion activities.

3. Profitability Ratio
   a) *Net Profit Margin (NPM)*shows that the cooperative managed to gain significant profits from each sale, with an average of 67.94% during the 2020-2023 period. This ratio reflects efficiency in managing costs and profits, which is in the "very good" category.
   b) *Return on Assets (ROA)*shows that the cooperative has a fairly good ability to generate profits from its assets, with an average of 15.84%. This ratio shows that the cooperative has succeeded in optimizing the use of assets to generate significant profits.

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DOI: 10.55299/ijec.v3i2.1199

4. Activity Ratio
   a) Cash Turnovers showed lower results with an average of 2.13 times, which reflects that the cooperative's cash turnover is relatively less efficient. This indicates that cooperatives need to increase the effectiveness of cash use in supporting their operations.
   b) Receivables Turnovers showed poor results with an average of 0.09 times, which indicates that cooperatives need to improve their receivables management to increase efficiency in collection and working capital turnover.

Suggestion

Based on the results of the analysis, several suggestions that can be given to the Swasti Sari Cooperative, Malaka Branch are as follows:

1. Cash Efficiency Improvement
   Cooperatives need to focus on increasing cash turnover by optimizing the use of existing cash. This can be done through better management of operational expenses and accelerating the process of receiving cash from receivables.
2. Receivables Management Improvement
   Given the low receivables turnover, cooperatives need to improve their receivables management system in a more efficient manner, such as accelerating receivables collection and establishing a more stringent payment policy.
3. Prudent Debt Management
   Although cooperatives have relatively controlled debt levels, the increase in debt use in 2022 needs to be watched out for. Cooperatives must be more careful in making decisions related to debt financing, especially in the face of global and domestic economic uncertainty.
4. Profitability Maintenance
   Although the cooperative's profitability ratio is very good, the cooperative must continue to maintain the level of operational efficiency to ensure that profits can continue to be increased, especially in the face of potential market challenges and increasing operational costs.

With these improvement steps, it is hoped that Swasti Sari Cooperative, Malaka Branch can maintain stable and healthy financial performance in the future while ensuring long-term sustainability and growth.

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