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Effect of Capital Structure and Sales Volume on Profitability of UD XY Tania Ariasta Wijaya 1*, Cening Ardina 2, Luh Mei Wahyuni 3 1 Bachelor of Applied Managerial Accounting, Accounting, Bali State Polytechnic 2 Bachelor of Applied Managerial Accounting, Accounting, Bali State Polytechnic 3 Bachelor of Applied Managerial Accounting, Accounting, Bali State Polytechnic *Corresponding Author: taniasingaraja15@gmail.com Abstract: Profitability can be one of the markers to assess the good or bad performance of the company.

Profitability is the company's ability to generate profits within a certain period of time, not only that profitability has an important meaning in an effort to maintain the company's continuity in the long term, because it can indicate whether the company has profitable prospects in the future. Profitability tends to be high, indicating that the company is more effective in carrying out its operations so that it can increase profits optimally. The formation of capital structure and sales volume is an important aspect in knowing its effect on the company's profitability so that it can be taken into consideration for managers in making decisions in order to maximize profits obtained for business continuity. The purpose of this study was to examine and obtain empirical evidence of the effect of capital structure and sales volume on profitability of UD XY. This research is a type of quantitative research.

Sources of data in this study using secondary data which is the result of documentation and direct observation at UD. XY related to the company's balance sheet and income statement for the 2014-2021 period. The analytical method used is the classical assumption test, t test, f test and multiple linear regression analysis using SPSS. Based on the results of the classical assumption test, it is known that the capital structure and sales volume are feasible to be used in this study.

While the results of the Hypothesis Test stated that: (1) the capital structure had a positive and significant effect on the profitability of UD. XY, (2) sales volume has a positive and significant effect on profitability at UD. XY and (3) simultaneously the capital structure and sales volume affect the profitability of UD XY. Keywords: profitability, capital structure , sales volume

Article Information: Submission to Repository on September 2022 Introduction The significant development of the Indonesian economy has had a positive impact as entrepreneurs are increasingly encouraged to start their businesses. Along with that, the growth of new companies in every sector in the industry continues to increase. The company has the meaning as an institution or association that provides various services and goods.

Success **in achieving company goals** is the organizer of company management. Company performance evaluation is measured to be used as the basis for internal or external decisions or strategies. Profitability is currently one indicator of the good or bad performance of a company. Profitability is the company's ability to generate profits over a certain period of time. Profitability not only plays an important role in the survival of a company, but can also show whether the company has profitable prospects in the future.

Not only that, the company will share ways to develop development such as adding modes or increasing sales volume. Every company that wants to start a business, be it a trading company or a service company, needs money to fund all of its activities. The funds referred to here are equity or debt modes. The combination of equity and debt is called the modal structure. According to (Riyanto, 2010), the **capital structure is a** comparison of long-term debt and own capital. In companies, trade sales become unimportant in the trading business. Sales is defined as the amount charged to the buyer for goods or services sold (Kusnadi, 2000).

In the sales process, the company conducts transactions by receiving money for the purchase of goods made by consumers. The amount of income traded by the company is influenced by finances, if the product is not managed properly, it can directly harm the company. This is because the expected sales targets were not met and resulted in a decrease in income. By achieving high sales goals, the company can achieve optimal profit. The profit earned by the customer becomes the benchmark for assessing the success and viability of a company.

UD XY is a trading business that has distribution activities for sari bread. This company is located in Jl. WR. Supratman, Singaraja with the headquarters of the distributor Bai located at Jl. Majapahit No.23, Kuta. This company has proven that it is capable of running and maintaining a trading business since operating in 2011. Table 1. Table of Capital Structure, Sales Volume, Profit of UD XY Year _Quarter _Structure Modal

Year	Quarter	Structure	Modal
2014	1	0,382	0,011
	2	0,379	-0,032
	3	0,387	0,118
	4	0,403	0,010
2015	1	0,411	0,045
	2	0,419	-0,085
	3	0,423	0,328
	4	0,439	0,014
2016	1		

_0,440 _-0,047 _0,009 _ _2 _0,439 _0,024 _0,010 _ _3 _0,439 _0,021 _0,011 _ _4 _0,450
 _0,007 _0,011 _ _2017 _1 _0,451 _0,018 _0,012 _ _2 _0,456 _0,032 _0,012 _ _3 _0,457
 _0,018 _0,013 _ _4 _0,458 _-0,015 _0,030 _ _2018 _1 _0,458 _0,000 _0,009 _ _2 _0,459
 _-0,074 _0,009 _ _3 _0,461 _0,191 _0,010 _ _4 _0,462 _0,038 _0,012 _ _2019 _1 _0,459
 _0,495 _0,030 _ _2 _0,468 _0,358 _0,027 _ _3 _0,469 _0,292 _0,030 _ _4 _0,467 _0,256
 _0,031 _ _2020 _1 _0,476 _0,216 _0,020 _ _2 _0,490 _-0,279 _0,019 _ _3 _0,495 _-0,178
 _0,019 _ _4 _0,500 _-0,352 _0,019 _ _2021 _1 _0,499 _-0,471 _0,016 _ _2 _0,503 _-0,314
 _0,016 _ _3 _0,498 _-0,104 _0,018 _ _4 _0,506 _-0,032 _0,017 _ _Source: Finance report
 UD. XY 2014 From table 1.1 the structure of model, volume, and laba net it is seen that
 growth every quarter is a change.

The **rise and fall of** model as financing all business activities plus the successive sales caused the laba in the company's peroleh to be erratic. Ud. XY thinks that if the capital structure is improved, the profit will also increase with the consideration that the capital structure will be able to increase all the company's operational financing and be able to optimally affect the company's revenue. Another disis UD. XY perlu regulates the **size or magnitude of** the model dalam finances the operation of the irradiate and dilola the turnover of the owned model.

Moreover, this capital structure also comes from **the results of the** loan, where the obligation to repay the loan can also affect the company's profit generation. By knowing the influence of the capital structure owned in influencing the company's profitability, this can be a signpost or signal to the company to be right in making decisions related to the formation and management of the company's capital structure. Sales volume on UD. XY which experiences fluctuations also affects the level of profit obtained, the tightening of the number of products sold with estimation techniques causes frequent sales returns that are not in line with the targets set by the company.

The company thinks that the increasing sales volume must have an impact in line with the profit obtained. However, the company did not realize that in the sales process there would be a company burden that also needed to be incurred. By knowing the effect of sales volume on the profitability obtained, the management is expected to be able to determine sales targets more carefully and be able to pay attention to other things that support the increase in sales volume. The research on the by (Meithasari, 2017) states that the capital structure negatively affects ROA.

This result shows that companies with high leverage with a capital structure lower their ROA because most companies have external investment rather than internal investment. (Pradnyanita Sukmayanti & Triaryati, 2018) bagrees lain that the structure of modal does not affect profitability. This result shows that the size of the company's capital structure

does not affect profitability. Profitability is influenced by variables other than research. Judging has a significant impact on the business because the selling must be supported by assets, and the assets must be increased if the selling increases.

It is known that the selling of the same year can optimize the existing resources. Supported by (Annisa, 2019) yang stated that sales growth has a positive effect on profitability. This is different from the statement that the growth of sales does not affect profitability (Meidiyustiani, 2016). Then research by Hainun and Angeline (2016) showed that capital structure had a positive and significant effect on profitability in manufacturing companies listed on the Indonesia Stock Exchange for the 2011-2013 period.

Sumarni's research (2020) on the effect of working capital and sales volume on food sub-sector manufacturing companies in companies listed on the Indonesia Stock Exchange in 2014-2018 shows that sales volume affects the company's profitability and simultaneously working capital and sales volume affect profitability. Research by Vidyasari et al (2021) states that capital structure and sales growth have no effect on the profitability of manufacturing companies on the Indonesia Stock Exchange in 2017-2019. Furthermore, Tia Adrinani (2020) in her research stated that the capital structure had a negative and significant impact on profitability.

Then research by Cintya Dewi Farhana, Gede Putu Agus Jana Susila and I Wayan Suwendra (2016) showed that sales and inventory turnover had a positive and significant effect on the simultaneous to profitability. The purpose of this study is to determine the effect of capital structure and sales volume on the profitability of UD XY for the 2014-2021 period. Method This research is a case study on a food distributor company in Buleleng Regency with sales areas namely Buleleng, Tabanan and Jembrana Regencies, with a research period of 5 month.

These of secondary data is obtained from the UD XY financial report in the form of an income statement and a balance sheet statement of UD XY for the 2014-2021 period. Data collection procedures through docamination, observation and unstructured interviews. Data analysis techniques start from descriptive statistical tests, classical assumption tests, multiple regression tests, and hypothesis tests. Result and Discussion Descriptive Statistic Test Test is an analysis used to describe the value of a data seen from the minimum, maximum, mean and standard deviation values Table 2.

Descriptive Statistic Test / Source: IBM SPSS, 2022 Table 2 illustrates that, the number of samples in each study variable is 32 samples. The modal structure variable has a value range of 0.38 to 0.51 with a mean value of 0.4532 and a standard deviation value of

0.03516. The sales volume variable has a value range of -0.47 to 0.49 with an average value of 0.0116 and a standard deviation value of 0.20756. Then the profitability variable as measured by the ROA ratio has a value range of 0.1 to 0.03 with an average value of 0.0158 and a standard deviation value of 0,00723.

Test of Classical Assumptions **The results of the** Classical Assumption Test showed that the data in this study were normally distributed, free from symptoms of heteroscedasticity, multicollinearity and autocorrelation. **Multiple Linear Regression Analysis** Table 3. **Multiple Linear Regression Analysis** / Source: IBM SPSS, 2022 Table 3 is the result of **multiple linear regression analysis** in this research. From the table, **the following regression equation** is obtained: $ROA = -0.031 + 0.102X_1 + 0.013X_2 + e$. This equation states that the constant of this regression is -0.031.

That is, if all independent variables have a value of 0, then the value of ROA is also -0.031. The regression coefficient of the modal structure is 0.102. That is, if the modal structure increases by 0.01, the ROA value also increases by 0.102. The sales volume regression coefficient is 0.013. That is, if the sales volume increases by 0.01, the ROA value also increases by 0.013. Hypothesis Test Result t-Test Result Table 4. t-Test Result / Source: IBM SPSS, 2022 The significance value of the modal structure is 0.006. When compared with the significance requirement of 0.05, the significance value of the modal structure is smaller than 0.05.

In addition, if the tcount value **is compared with the** ttabel value, the obtained tcount result is 2,976 and ttabel is 2,037 (ttabel = 0.025; 20-3-1). The two calculations show that there is a significant influence between the modal structure on profitability as measured by the ROA ratio. This means that the hypothesis (H1) is accepted. The significance value of the sales volume is 0.028. When compared with the terms of significance of 0.05. In addition, if the tcount value **is compared with the** ttabel value, the obtained tcount result is 2,321 and ttabel is 2,037 (ttabel = 0.025; 20-3-1).

Both calculations show that there is a significant influence between **sales volume on profitability** as measured by the ROA ratio. This means that the hypothesis (H2) is accepted. F-Test Result Table 5. F-test Result / Source: IBM SPSS, 2022 The F test results based on table 4.8 describe the Fcount value of 5.479, while the Ftabel value (df = 2;29) when searched on Ftabel was found to be 3.33. After comparison, it is very clear that **the Fcount value is greater than** the Ftabel value. In addition, the Fcount value of 5.479 is also greater than 4 and the significance value is also less than 5%, namely 0.010, so that both calculations conclude that the hypothesis (H3) is accepted, namely the modal structure and sales volume **have a significant effect on the** company's profitability simultaneously. **Coefficient of Determination (R²)** Table 6.

R² Result / Source: IBM SPSS, 2022 The result of the Coefficient of Determination Test (R²) shows that the R value is 52.4%. This means that the independent variable has a bound effect on the dependent variable, because the R value is above 5%. Furthermore, the value of Adjusted R Square (R²) is 22.4%, meaning that 22.4% of the independent variables in this study can affect the bound variables, while 77.6% cannot be explained by the variables studied. This is due to the limited variety in this study, where the researcher only examines the effect of the modal structure and sales variables, while there are still several other variables that affect profitability in addition to the two variables studied.

Discussion Capital structure has a significant effect on Profitability The results of this study indicate that the modal structure has a positive and significant effect on profitability, based on the results of statistical analysis, a positive coefficient value of 0.102 is obtained. Significant value 0.006 is smaller than 0.05. The positive impact means an increase in the modal structure compared to profitability. A high modal structure increases profitability. This explains that the capital structure is a factor that can be used as a basis for determining whether a company is profitable or not, and as a consideration in determining profitability (Tia Andriana, 2020).

Sales volume has a significant effect on Profitability The results of this study indicate that the modal structure has a positive and significant effect on profitability, with a positive coefficient value of 0.013 and a significant value of 0.028. That is, the higher the sales volume, the higher the profitability. This result is in accordance with the theory that sales growth can also affect the profitability of Husnan's (2015). The higher the net sales of the company, the higher the gross profit that can be achieved, and the more profitable the company is. The results of this study are supported by the results of an empirical study by (Farhana et al.,

2016) which states that sales growth has a positive effect on profitability Capital structure and sales volume have a simultaneous effect on Profitability This results of this study indicate that the mode structure and volume of sales have a simultaneous effect on profitability (ROA), this can be confirmed by the f test results which show a value of 0.010, which value is smaller than 0.05. It can be stated that the improvement of the modal structure and the volume of sales together increase the profitability of the company.

This can be because the increase in the capital structure can be the basis for the company to increase the company's operational financing starting from the sales side, with the increase in company sales, of course, it will affect the company's profitability.

The modal structure is the variable that has a more dominant influence on profitability than the sales volume, **it can be seen** from the beta value of the modal structure of 0.497, which is larger than the sales volume, which is 0.387. **This is due to the** modal structure owned by UD.

XY has a greater balance of own **capital compared to debt** which causes the company's burden to outside parties and has a greater impact on the profit received, in addition, sales are uncertain and very difficult to predict which makes it very difficult **to increase sales volume** without accompanied by an increase in returns. and costs, this will result in a decrease in the profit earned. This is what makes the modal structure more dominant in influencing the profitability of UD XY Conclusion The Capital structure **has a positive and significant effect on the profitability of** UD XY as evidenced by the T test of 0.006.

Sales volume **has a positive and significant effect on** UD's profitability. XY. Seen from **the results of the** T test, the value is significantly **smaller than 0.05, which is** 0.028. The variables **of capital structure and** sales volume have a simulant effect on profitability with a significant value of 0.010 less than 5%. Based on the two variables studied, it is known that the modal structure variable has a greater or dominant effect than the sales volume variable in influencing the profitability of UD XY. With the research **on the effect of** profitability, UD.

XY can find out the state of his business in terms of profit income which is influenced by the formation of the modal structure and sales volume. This research is also expected to be a material consideration for the management or other parties who have an interest in decisions and policies in carrying out efforts to obtain optimal profits. **The increase or decrease in** profitability was caused by several factors, so that UD.

XY needs to pay attention to the use of funds from outside in the form of debt and still calculate the interest costs of borrowed capital so that every profit that can be obtained is clear. Next, set a sales **strategy to increase sales volume** without forgetting the operating expenses that will be incurred in order to optimize profits Acknowledgment Authors would like to thank the Director of Bali State Polytechnic, all lecturers and all family and friends who supported and helped me during the process of preparing this research. The author would also like to thank the UD XY for providing the data needed in compiling this research. Reference Annisa, A. R. (2019).

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