

THE EFFECT OF SALES GROWTH RATIO, INVENTORY TURN OVER RATIO, GROWTH OPPORTUNITY TO COMPANY'S PROFITABILITY (SURVEY IN INDONESIA'S STOCKS EXCHANGE)

¹RATNA MAPPANYUKI, ²MEIPITA SARI

¹Doctoral student of Accounting, Faculty of Economics and Business, Diponegoro University, Semarang, West Java-Indonesia

^{1,2}Department of Accounting, Faculty of Economics and Business, MercuBuana University, Jakarta-Indonesia
E-mail : ¹meipitasaris@gmail.com, ²r.mappanyuki@gmail.com

Abstract - The purpose of this study to demonstrate empirically the effect of sales growth ratio, inventory turnover ratio, and growth opportunity to profitability (Return On Assets, Net Profit Margin, Return On Equity) on manufacturing companies listed in Indonesia Stock Exchange. The method used in this research is descriptive quantitative and Multiple Linear Regression Analysis results show that: Partially Sales Growth Ratio (SGR) had no significant effect on Return On Assets and Net Profit Margin, Return On Equity significant effect on Sales Growth Ratio (SGR) Inventory Turnover Ratio partially no effect on Return on Assets and Return on Equity, Net Profit Margin significant effect on Inventory Turnover Ratio. Growth Opportunity (GWOP) partially not have a significant effect on Return On Assets, Net Profit Margin, and Return On Equity.

Keywords - Sales Growth Ratio, Inventory Turnover Ratio, Growth Opportunity, Profitability ratios (ROA, NPM, ROE).

I. INTRODUCTION

Profitability be a measure of performance or ability to profit corporation norm size for the company's health, therefore the company is always trying to improve profitability. In this research is used profitability ratios Net Profit Margin, Return on Assets, Return on Equity. By knowing the profitability ratio that is owned, companies can monitor the progress of the company

Sales growth ratio is a ratio that measures sales growth by measuring the difference in the value of sales in the period. While Kesuma (2009) states that sales growth (sales growth) is an increase in sales from year to year or from time to time Growth opportunity represents a growth opportunity in the future (Setiawan, 2009: 165). Influence on profitability growth opportunity, a company that has a high growth opportunity have investment value in large numbers, especially in the economic life of fixed assets of more than one year. The impact of the substantial investment that the companies will have the opportunity of high growth and high profitability (Setiawan, 2009: 165). Inventory turnover ratio is expressed as sales divided by inventories (Brigham and Houston, 2010: 136). Inventory turnover ratio shows how efficiently the company manages the inventory, ie by showing how many times the inventory turns over a year. This rate type is highly dependent on the type of industry in which the company is located.

The big difference in the results of previous studies such as research Hassan AftabQazi (2011) stated that the inventory turnover positive significant effect on profitability. The results of the Zhuquan Asif Iqbal and Wang (2014) show inventory turnover negatively affect profitability.

Based on the results of previous studies conducted by Hansen and JuniartiVerawati (2014) showed that sales growth had no effect on profitability, but the results of LaurenskySuriadi (2013) showed that sales growth positive effect on profitability.

While the results of previous studies conducted by Setiawan (2009), about the effect of growth opportunity and the size of the company to profitability of manufacturing companies in Indonesia. The results of these studies indicate that growth opportunity positive significant effect on the profitability of the company, but the author wants to re-examine the use of data in different years, whether the thus obtained different results or not.

Based on these descriptions can be concluded that the results of previous studies produce evidence of heterogeneity so that researchers wishing to do research with title "Influence Sales growth ratio, Inventory Turnover Ratio, Growth opportunity To Profitability In Manufacturing Companies Listed in Indonesia Stock Exchange (BEI)". **Research Purposes:** In accordance with the formulation of the problem posed in this study, the purpose of this study was to prove the influence of empirical seacara growth opportunity, growth Sales and Inventory Turnover Ratio ratio of profitability on the manufacturing companies in the Indonesia Stock Exchange (IDX)

Contributions Research: Some of the benefits to the parties:

1. For researchers, added literature management accounting insight and understanding of the factors that need to know to achieve a satisfactory profit company.
2. For science, researchers hope the results of this study can be useful to know more about factors

that affect the profitability of the company and may be a reference as well as a comparison for future research.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

A. Literature Review

1. Grand Theory

a. Theory Agency (Agency Theory)

Agency theory describes the relationship between the shareholders (shareholders) as a principal and as agent management. Management is a party contracted by the shareholders of weeks to work in the interests of shareholders. Because they are selected, then the management must be accountable for all his work to the shareholders. Jensen and Meckling (1976) argue management is an agent of the shareholders as owners of the company. The shareholders expect the agent to act on their interests so that they delegate authority to the agent. To be able to function well, management should be given incentives and adequate supervision.

B. Signaling Theory

Cue or signal is an action taken by the management company that provides instructions on how investors view the company's prospects through the management of a positive financial performance (Brigham and Houston, 2003).

2. Profitability

Profitability is the ability of the company makes a profit in relation to sales, total assets and own capital. According to Brigham and Houston (2009: 107) profitability is the end result of a number of policies and decisions dilakukan by companies. Kieso (2011) profitability ratio is a ratio that illustrates the company's ability to earn a profit through all the existing capabilities and resources such as sales activities, cash, capital, number of employees, number of branches and so on. Here are the types of profitability ratios:

a) Gross Profit Margin

Hansen and Mowen (2012) argues Gross profit margin is a ratio that measures the efficiency of controlling cost or cost of production, indicates the company's ability to produce efficiently. Gross profit margin is the percentage of gross profit compared to sales. The larger the gross profit margin, the better the state of the company's operations, as it indicates that the cost of sales is relatively lower compared with sales, and vice versa, the lower gross profit margin is getting unfavorable operating companies

b) Net Profit Margin

This ratio is used to measure the ability of the company concerned in generating net income (net profit) of principal operating activities for the company concerned. The higher net profit margin the better operation of an enterprise. Mathematically Net Profit Margin can be calculated using the formula:

c) Return on Assets

According to Lawrence J. Gitman (2009: 68) Understanding Return On Asset (ROA) is a measure of the overall effectiveness of management in generating profits with available assets. Ratios Return on Assets (ROA) is an indicator of the success of the company for the management of wealth (assets) owned by the company, so that by increasing the ratio of Return on Assets (ROA) reflect the company's performance in managing assets held, so that it can generate profits or earnings.

d) Return on Equity (ROE)

Hansen and Mowen (2012) describes Return on equity is the ratio between the net profit after tax and total equity. Return on equity is a measure of earnings (income) available to owners of the company (both common shareholders and preferred shareholders) on the capital that they invested in the company

e) Earning Per Share (EPS)

Hansen and Mowen (2012) Earning per share is the ratio that indicates how much the ability to generate earnings per share. Earnings per share is the ratio that describes the amount of rupiah gained for each share of common stock. Therefore, in general corporate management, common shareholders and prospective shareholders are keen to earnings per share.

3. Sales Growth Ratio

Hansen and Mowen (2012) argues sales growth (sales growth) is an increase in sales from year to year or from time to time. Companies that have high sales growth rates will require more investment in the various elements of assets, either fixed assets or asset lancer, by knowing how big the sales growth, the company can predict how much profit you will get. According to SofyanSyafrie, explain the meaning sales growth illustrates the presentation outposts company growth from year to year

4. Inventory Turnover Ratio

Waren et al, (2008). Inventory turnover (Inventory Turnover) is "a tool to measure the relationship between the volume of merchandise sold by the amount of inventory on hand during the period" Inventory turnover is a ratio used to measure how many times the funds invested in stock is rotating in a period or a ratio that indicates how many times the amount of supplies to be replaced within one year.

5. Growth Opportunity

Waren et al, (2008) describes Growth opportunity represents a growth opportunity in the future. Companies are likely to attain high growth will inevitably seek to continue to improve its ability to make a profit. Influence on profitability growth opportunity as described by Setiawan (2009: 165) states that companies that have a high growth opportunity have investment value in the form fixed assets lead to increased sales triggers also increase profitability

B. Framework

This study sought to test the effect of sales growth ratio, growth opportunity and inventory turnover ratio to profitability. To further clarify the concept, can be seen in the following framework:

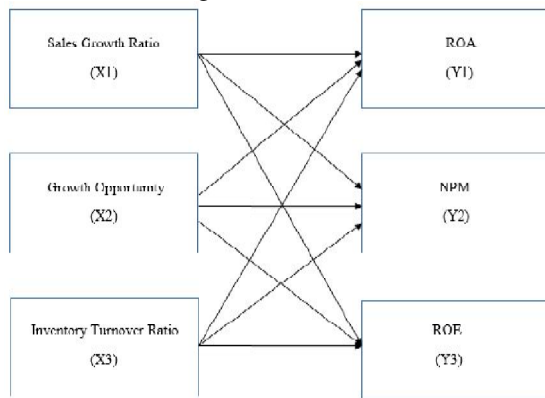


Figure 2.1

C. Hypothesis

Based on the discussion on the theoretical basis and previous research, it can be seen that the magnitude of each financial ratios affect the size of the company's profitability. To clarify the discussion that has been done, it can put forward a hypothesis as follows:

1. Effect of sales growth to profitability ratio.

According LaurenskySuriadi (2013) describe the sales growth ratio a company's sales growth from year to year. When sales increase, the sales growth ratio will increase. This affects the operational performance of the company, where the higher the sales growth ratio, increasing the level of profit the company. Upon consideration of the hypothesis can be formulated as follows:

- H1 = Sales growth rate affect the profitability ROA.
- H2 = Sales growth rate affect the profitability NPM.
- H3 = Sales growth rate affect the profitability ROE.

2. Growth opportunity represents a growth opportunity in the future. According to Setiawan (2009) states that companies that have a high growth opportunity have investment value in large numbers, especially in the economic life of fixed assets of more than one year. The impact of the substantial investment that the companies that have high growth opportunity that will have high profitability.

Upon consideration of the hypothesis can be formulated as follows:

- H4 = growth opportunities affect the profitability ROA.
- H5 = growth opportunities affect the profitability NPM.
- H6 = growth opportunities affect the profitability ROE.

3. Inventory turnover ratio is expressed as sales divided by inventories (Brigham and Houston, 2010: 136).

Inventory turnover ratio shows how efficiently the company manages its inventory, ie by showing how many times perputran inventory in one year. This ratio depends on the type of industry where the company is located. The higher the inventory turnover higher the return on assets dn return on equity of the company, can be formulated hypotheses:

- H7 = inventory turnover ratio affect the profitability ROA.
- H8 = inventory turnover ratio effect on profitability. NPM
- H9 = inventory turnover ratio effect on profitability ROE.

III. RESEARCH METHOD

A. Instrument development

1. Dependent Variable (Y)

a. Profitability measured using return on assets (ROA), net profit margin (NPM), return on equity (ROE), which is denoted by Y. In this study, ROA, NPM, and ROE is calculated using the formula:

Net Income

$$\text{Return on Asset} = \frac{\text{Net Income}}{\text{Tot Assets}}$$

J. Gitman (2009: 68) Return On Assets (ROA) measures the ability of management to generate revenue from asset management companies. Besides this ratio is used to measure the soundness of a company to generate earnings of all assets owned by the company.

b. Net Profit Margin Ratio is used to measure the ability of the company concerned in generating net income (net profit) of principal operating activities for the company concerned. The higher net profit margin the better operation of an enterprise.

$$\text{Net Profit Margin} = \frac{\text{Income after taxes}}{\text{Net sales}}$$

c. Return on equity is the ratio between the net profit after tax and total equity. Return on equity is a measure of earnings (income) available to owners of the company (both common shareholders and

preferred shareholders) on the capital that they invested in the company

$$\text{Return on Equity} = \frac{\text{Net Income}}{\text{Net equity}}$$

2. Independent Variable (Variable X)

Independent variables were used to measure the impact of these variables on the profitability of the company.

a. Inventory Turnover Ratio

The formula used to measure the period of inventory:

$$\text{Average Inventory} = \frac{\text{Beginning Inventory} + \text{Ending inventory}}{2}$$

$$\text{Turnover Inventory} = \frac{\text{Cost of good Sold}}{\text{Average Inventory}}$$

b. Sales Growth, has a very important role in the management of working capital.

By knowing how big the sales growth, the company can predict how much profit is obtained. To measure sales growth:

c. Growth Opportunity

Growth opportunity shows the company's growth opportunities in the future. Companies are likely to attain high growth will inevitably seek to continue to improve its ability to make a profit. To calculate the Growth Opportunity:

$$\text{Sales growth} = \frac{\text{Sales this years} - \text{sales last years}}{\text{sales last years}}$$

To test the hypothesis in this study used the analysis stage:

1. Calculate the ratio (sales growth), (inventory turnover), (growth opportunity), and profitability ratios (ROA, NPM and ROE) of the sampled manufacturing enterprises.

2. To test the descriptive statistics to describe or give a picture of the object under study through a data sample or population as is, without analyzing and making conclusions generally accepted from these data.

3. Perform classic assumption test, multiple linear regression analysis, and the coefficient of determination (R²).

4. To test the hypothesis that test F-test and test T-test which must meet the criteria.

a. Descriptive statistics

b. Classic assumption test

1. Test Multicollinearity
2. Test Autocorrelation
3. Test heterokedastisitas
4. Normality Test

c. Multiple Linear Regression Analysis

Test reresi linear with two or more independent variables used to predict a dependent Y varabel based on two or more independent variables (X1, X2, X3) in a linear equation (Trihendradi: 2013). Regression analysis was used to examine the influence of fundamental factors, namely the inventory turnover (inventory turnover), sales growth (sales growth), growth opportunities (growth opportunity) to the company's profitability by using multiple regression with a significance level of 5 percent.

The regression equation in this study are:

$$Y1 = a + b1x1 + b2X2 + b3X3 + e$$

$$Y2 = a + b1x1 + b2X2 + b3X3 + e$$

$$Y3 = a + b1x1 + b2X2 + b3X3 + e$$

Information :

Y1: ROA, Y2: NPM, Y3: ROE, a: constants
X1: inventory turnover, X2: sales growth, X3: growth opportunity

b1,2,3: regression coefficient of each variable, e: Error

d. Test R² (coefficient of determination)

e. Test Statistic t

1. The hypothesis is determined by a formula zero statistically tested in:

a. If Ho: $\beta_1 > 0$, means there is significant influence between the variables independent and dependent variable partially.

b. If Ho: $\beta_1 = 0$, meaning no significant effect between the independent variable on the dependent variable partially.

2. Calculating the value of sig t by the formula:
Description: Bi: regression coefficients, Se (β_i): standard error of the estimate β_i
Degree of confidence (level significant / $\alpha = 5\%$)

1. If the value of sig t is greater than the level of α yang used, then the hypothesis is rejected by the data

2. If the value of sig t from recent smaller α yang level is used, then the hypothesis is supported by data.

IV. RESULTS AND DISCUSSION

- a. Multiple Linear Regression Analysis ROA
Table 4.1 Test Results Multiple Linear Regression Analysis

Model	Coefficients ^a					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.110	.017		6.301	.000
	SGR	.054	.048	.140	1.127	.264
	INVT	-.003	.003	-.108	-.851	.397
	GWOP	.083	.072	.155	1.152	.253

Dependent Variable: ROA

ROA regression equation is:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 \dots Y = 0,11 + 0,054 X_1 - 0,003 X_2 + 0,083 X_3$$

$$ROA = 0,11 + 0,054 \text{ Sales Growth Ratio} - 0,003 \text{ Inventory Turnover Ratio} + 0,083 \text{ Growth opportunity}$$

From the regression equation can be seen:

1. The constant of 0.11; pales Sales Growth Ratio (X1), Inventory Turnover Ratio (X2), and Growth Opportunity (X3) is 0, then the ROA (Y) value is 0.11.
2. The regression coefficient variable Sales Growth Ratio (X1) of 0,054; meaning that if another independent variable value is fixed and Sales Growth Ratio (X1) rose 1%, the ROA (Y) will increase by 0.11. The coefficient is positive, it means there is a positive relationship between Sales Growth Ratio by ROA, the higher the SalesGrowth Ratio then increasing ROA.
3. The regression coefficient Inventory Turnover Ratio (X2) is -0.003; meaning that if another independent variable value is fixed and Inventory Turnover Ratio (X2) rose 1%, the ROA (Y) will be decreased by 0.11. The coefficient is negative means going negative relationship between the Inventory Turnover Ratio with the ROA, the higher the Inventory Turnover Ratio then declining value of ROA.
4. Growth Opportunity regression coefficient (X3) at 0.083; meaning that if another independent variable value is fixed and Growth Opportunity (X3) rose 1%, the ROA (Y) will increase by 0.11. The coefficient is positive, it means there is a positive relationship between Growth Opportunity with the ROA, the higher the Growth Opportunity then increasing ROA.

b. Multiple Linear Regression Analysis NPM
Table 4.10 Test Results Multiple Linear Regression Analysis NPM

Model	Coefficients ^a					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.110	.017		6.301	.000
	SGR	.054	.048	.140	1.127	.264
	INVT	-.003	.003	-.108	-.851	.397
	GWOP	.083	.072	.155	1.152	.253

The results of multiple linear regression can be seen in Table 4:10 NPM obtained regression equation is:

$$Y = a + b_1x_1 + b_2X_2 + b_3X_3$$

$$Y = 0.096 + 0.019 + 0.105 X_3 X_2 X_1 - 0,004$$

Or

$$NPM = 0.096 + 0.019 \text{ Sales Growth Ratio} - 0,004 \text{ 0,105 Inventory Turnover Ratio} + \text{Gr opport}$$

From the regression equation can be seen:

1. Constant amounted to 0.096; pales Sales Growth Ratio (X1), Inventory Turnover Ratio (X2), and Growth Opportunity (X3) is 0, then the NPM (Y) value was 0.096. The regression coefficient variable Sales Growth Ratio (X1) of 0,054;
2. meaning that if another independent variable value is fixed and Sales Growth Ratio (X1) rose 1%, the NPM (Y) will increase by 0.096. The coefficient is positive, it means there is a positive relationship between
3. Sales Growth Ratio by NPM, the higher the Sales Growth Ratio increased NPM. The regression coefficient Inventory Turnover Ratio (X2) is -0.004; meaning that if another independent variable value is fixed and Inventory Turnover Ratio (X2) rose 1%, the NPM (Y) will be decreased by 0.096. The coefficient is negative means going negative relationship between the Inventory Turnover Ratio with NPM, the higher the Inventory Turnover Ratio then decreases the value of NPM.
4. Growth Opportunity regression coefficient (X3) amounted to 0,105; meaning that if another independent variable value is fixed and Growth Opportunity (X3) rose 1%, the NPM (Y) will increase by 0.096. The coefficient is positive, it means there is a positive relationship between Growth Opportunity with NPM, the higher the Growth Opportunity increasing the NPM.

The results of multiple linear regression can be seen in

Table 4:11 obtained ROE

Model	Coefficients ^a					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.110	.017		6.301	.000
	SGR	.054	.048	.140	1.127	.264
	INVT	-.003	.003	-.108	-.851	.397
	GWOP	.083	.072	.155	1.152	.253

Dependent Variable: ROE

Regression equation is:

$$Y = a + b_1x_1 + b_2X_2 + b_3X_3$$

$$Y = 0.112 + 0.156 + 0.009 X_1 + 0.093 X_2 X_3$$

Or

ROE = Sales Growth Ratio 0.112 + 0.156 + 0.009 + 0.093 Inventory Turnover Ratio Growth opportunity
From the regression equation can be seen:

1. Constant 0.112; pales Sales Growth Ratio (X1), Inventory Turnover Ratio (X2), and Growth Opportunity (X3) is 0, then the ROE (Y) value was 0.112.

2. The regression coefficient variable Sales Growth Ratio (X1) of 0,156; meaning that if another independent variable value is fixed and Sales Growth Ratio (X1) rose 1%, the ROE (Y) will increase by 0.112. The coefficient is positive, it means there is a positive relationship between Sales Growth Ratio ROE, the higher the Sales Growth Ratio increased ROE.

3. The regression coefficient Inventory Turnover Ratio (X2) 0.009; meaning that if another independent variable value is fixed and Inventory Turnover Ratio (X2) rose 1%, the ROA (Y) will increase by 0.112. The coefficient is positive, it means there is a positive relationship between the Inventory Turnover Ratio with the ROE, the higher the Inventory Turnover Ratio then increasing the value of ROE.

4. Growth Opportunity regression coefficient (X3) at 0.093; meaning that if another independent variable value is fixed and Growth Opportunity (X3) rose 1%, the ROE (Y) will increase by 0.112. The coefficient is positive, it means there is a positive relationship between Growth Opportunity with the ROE, the higher the Growth Opportunity then increasing ROE.

1. THE COEFFICIENT OF DETERMINATION (R2)

Analysis of determination in multiple linear regression is used to determine the percentage contribution of the influence of the independent variable (X) simultaneously to the dependent variable (Y). This coefficient indicates the percentage of variation of the independent variables used in the model is able to explain the variation of the dependent variable.

R2 is equal to 0, then there is no iota of percentage contribution influence of independent variables on the dependent variable, or a variation of the independent variables used in the model does not explain the slightest variations in the dependent variable. Instead R2 with one, then the percentage contribution of influence given by the independent variable on the dependent variable was perfect, or variations of the independent variables used in the model explains 100% variation of the dependent variable.

a. Coefficient of determination (R2) Regression Model ROA

Table 4.12
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.230 ^a	.053	.013	.07739878	.666

a. Predictors: (Constant), GWOP, SGR, INVT
b. Dependent Variable: ROA

Based on figures obtained table 4:12 R2 (R Square) of 0,053 or 4.4%. This shows that the percentage contribution of the influence of the independent variable (Sales Growth Ratio, Inventory Turnover Ratio, Growth Opportunity) to the dependent variable (ROA) of 5.3% and the remaining 94.7% is a variable that is not research that affects the level of profitability in companies listed on the Stock Exchange.

b. Coefficient of determination (R2) Regression Model NPM

Table 4.13Results Coefficient of Determination Regression Model NPM

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.295 ^a	.087	.049	.05772827	.555

a. Predictors: (Constant), GWOP, SGR, INVT
b. Dependent Variable: NPM

Based on figures obtained table 4:13 R2 (R Square) of 0.087 or 8.7%. This shows that the percentage contribution of the influence of the independent variable (Sales Growth Ratio, Inventory Turnover Ratio, Growth Opportunity) to the dependent variable (NPM) by 8.7% and the balance of 91.3% is a variable that is not research that affects the level of profitability in companies listed on the Stock Exchange.

c. Coefficient of determination (R2) Regression Model ROE

Table 4:14Results Coefficient of Determination Regression Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.418 ^a	.175	.140	.12010768	.797

a. Predictors: (Constant), GWOP, SGR, INVT
b. Dependent Variable: ROE

Based on figures obtained 4.13 table R2 (R Square) of 0.175, or 17.5%. This shows that the percentage contribution of the influence of the independent variable (Sales Growth Ratio, Inventory Turnover Ratio, Growth Opportunity) to the dependent variable (ROE) of 17.5% and the balance of 82.5% is a variable that is not research that affects the level of profitability in companies listed on the Stock Exchange.

A. Hypothesis Testing
 a. T test (t-test)

T tests were used to determine the effect of each independent variable on the dependent variable (Ghozali, 2012: 98). Testing hypotheses for each variable among others: SGR, INVT, and GWOP individual company to profitability (ROA, NPM and ROE). This testing is done by comparing the significance value t indicated by Sig of t in the table with a significance level was taken, in this case 0.05. If the value of t Sig <0.05 then the independent variables affect the dependent variable.

a. The t-test Regression Model ROA

Table 4:15 Table Regression Model T test ROA

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	.110	.017		6.301	.000
1 SGR	.054	.048	.140	1.127	.264
INVT	-.003	.003	-.108	-.851	.397
GWOP	.083	.072	.155	1.152	.253

a. Dependent Variable:ROA

Tabel4.15 Tabel Uji t Model Regresi ROA

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	.096	.013		7.364	.000
1 SGR	.019	.036	.063	.519	.605
INVT	-.004	.002	-.252	-2.034	.046
GWOP	.105	.053	.260	1.961	.054

a. Dependent Variable:NPM

t Model Regresi NPM Tabel 4.16

a. The t-test Regression Model NPM table 4:16 Table Regression Model T test NPM t statistic based on test results in Table 4:15, 4:16, 4:17, it can be inferred about the partial hypothesis testing that have been made earlier as follows:

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	.112	.027		4.132	.000
1 SGR	.156	.075	.241	2.082	.041
INVT	.009	.005	.221	1.875	.065
GWOP	.093	.111	.106	.841	.403

a. Dependent Variable:ROE

Hypothesis 1: Sales Growth Ratio (SGR) has no effect on ROA
 The first hypothesis proposed in this study is the Sales Growth Ratio (SGR) to ROA. Based on the results of hypothesis testing in Table 4:15 shows that the variable Sales Growth Ratio (SGR) has a significance level of 0.264. This means that H1 is rejected because the level of significance

Hypothesis 2: Inventory Turnover Ratio (INVT) has no effect on ROA

The second hypothesis proposed in this study is the Inventory Turnover Ratio (INVT) to ROA. Based on the results of hypothesis testing 2 at 4:15 table shows that the variable Inventory Turnover Ratio (INVT) has a significance level of 0.397. This means that H2 is rejected because the variable level of significance owned Inventory Turnover Ratio (INVT) greater than 0.05. It can be concluded that the Inventory Turnover Ratio (INVT) has no effect on ROA.

Hypothesis 3: Growth Opportunity (GWOP) has no effect on ROA

The third hypothesis proposed in this study is a Growth Opportunity (GWOP) to ROA. Based on the results of hypothesis testing 3 in Table 4:15 shows that the variable Growth Opportunity (GWOP) has a significance level of 0,253. This means that the H3 is rejected because the variable level of significance owned Inventory Turnover Ratio (INVT) greater than 0.05. It can be concluded that the Inventory Turnover Ratio (INVT) has no effect on ROA.

Hypothesis 4: Sales Growth Ratio (SGR) has no effect on NPM

The fourth hypothesis proposed in this study is the Sales Growth Ratio (SGR) to NPM. Based on the results of hypothesis testing in Table 4.16 shows that the variable Sales Growth Ratio (SGR) has a significance level of 0.605. This means H4 is rejected because the variable level of significance owned Sales Growth Ratio (SGR) is greater than 0.05. It can be concluded that the Sales Growth Ratio (SGR) has no effect on NPM.

Hypothesis 5: Inventory Turnover Ratio (INVT) affects NPM

The fifth hypothesis proposed in this study is the Inventory Turnover Ratio (INVT) to NPM. Based on the results of hypothesis testing in Table 4:16 shows that the variable Inventory Turnover Ratio (INVT) has a significance level of 0.046. This means H5 accepted because the variable level of significance owned Inventory Turnover Ratio (INVT) is smaller than 0.05. It can be concluded that the Inventory Turnover Ratio (INVT) effect on NPM.

Hypothesis 6: Growth Opportunity (GWOP) does not affect the NPM

The sixth hypothesis proposed in this study is a Growth Opportunity (GWOP) to NPM. Based on the results of hypothesis testing in Table 4:16 shows that the variable Growth Opportunity (GWOP) has a significance level of 0.054. This means H6 rejected because of the level of significance owned variables Growth Opportunity (GWOP) greater than 0.05. It can be concluded that the Growth Opportunity (GWOP) does not affect the NPM.

Hypothesis 7: Sales Growth Ratio (SGR) effect on ROE

Seventh hypothesis proposed in this study is the Sales Growth Ratio (SGR) on ROE. Based on the results of hypothesis testing in Table 4:17 shows that the variable Sales Growth Ratio (SGR) has a significance level of 0.041. This means H7 acceptable for the level of significance owned variable Sales Growth Ratio (SGR) is smaller than 0.05. It can be concluded that the Sales Growth Ratio (SGR) effect on ROE.

Hypothesis 8: Inventory Turnover Ratio (INVT) has no effect on ROE

Eighth hypothesis proposed in this study is the Inventory Turnover Ratio (INVT) on ROE. Based on the results of hypothesis testing in Table 4:17 shows that the variable Inventory Turnover Ratio (INVT) has a significance level of 0.065. This means H8 rejected because the variable level of significance owned Inventory Turnover Ratio (INVT) greater than 0.05. It can be concluded that the Inventory Turnover Ratio (INVT) has no effect on ROE.

Hypothesis 9: Growth Opportunity (GWOP) has no effect on ROE

Ninth hypothesis proposed in this study is a Growth Opportunity (GWOP) on ROE. Based on the results of hypothesis testing in Table 4:17 shows that the variable Growth Opportunity (GWOP) has a significance level of 0.403. This means H9 rejected because of the level of significance owned variables Growth Opportunity (GWOP) greater than 0.05. It can be concluded that the Growth Opportunity (GWOP) has no effect on ROE.

CONCLUSIONS AND RECOMMENDATIONS

A. CONCLUSION

This study was conducted to demonstrate empirically the effect of Sales Growth Ratio, Inventory Turnover Ratio, Growth Opportunity on profitability (ROA, NPM and ROE) in companies listed on the Indonesian Stock Exchange for the period 2010 to 2013. Here is the conclusion from the study:

1. Partially Sales Growth Ratio (SGR) does not influence significantly to ROA and NPM, while the profitability ROE significant effect.
2. Partially Inventory Turnover Ratio (INVT) does not affect the ROA and ROE, while the profitability of air NPM significant influence.
3. Partially Growth Opportunity (GWOP) no significant effect on ROA, NPM and ROE.

B. RECOMMENDATION

The advice given to subsequent similar studies in order to get better results, namely:

1. Expected to add variables that can affect the level of profitability, for example by adding a variable sales and investment.
2. Add the study period, in order to obtain more

reliable results that can be used for long-term analysis.

3. Future studies could use another object, not limited only to companies listed on the Stock Exchange, but all kinds of other companies listed on the Stock Exchange.

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