

LIQUIDITY ANALYTICS FOR MICRO, SMALL, AND MEDIUM ENTERPRISESDicky Perwira Ompusunggu¹, Sri Wiyanti², Dahlia³, Nadia Anggreani⁴, Luthfia Ananda⁵

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Submitted : 20 Mei 2024	Accepted : 22 Mei 2024	Published : 29 Mei 2024

Abstract

Businesses, including UMKM, are heavily dependent on liquidity. The aim of this study is to see how liquidity affects the viability and growth of small and medium-sized enterprises. (UMKM). Liquidity is measured using a smooth and fast ratio, which shows UMKM's ability to meet its short-term obligations. Data collected from interviews and surveys with UMKM owners in various industries. The results of the analysis show that liquidity greatly affects the viability of micro, small, and medium-sized enterprises. (UMKM). UMKMs with high levels of liquidity are more able to meet short-term obligations, take advantage of investment opportunities, and adapt better to economic shocks. However, small and medium-sized enterprises (SMEs) with low liquidity tend to face financial problems and risk bankruptcy. The study provides practical advice for UMKM in managing liquidity, such as effective cash saving, business debt management, and stock optimization. In addition, the study highlights the importance of increasing UMKM's liquidity by accessing external funding sources such as bank loans or investments.

Keywords: liquidity, small and medium-sized enterprises (UMKM)

INTRODUCTION

Micro, small and medium enterprises (MSMEs) play an important role in local economies, including Palangkaraya City in Central Kalimantan. Palangkaraya serves as the economic and governmental center of the province and hosts many types of small and medium enterprises (MSMEs). These contribute significantly to local economic growth. Palangkaraya's small and medium-sized businesses (MSMEs) cover a wide range of industries, from handicrafts, culinary, to services and trade. Through unique local products, they not only create jobs for local people, but also help drive innovation and maintain the sustainability of local culture.

Through various programs and policies, the Palangkaraya local government has demonstrated a strong commitment to supporting the growth of MSMEs. The aim of this support is to improve the competitiveness of MSMEs so that they can survive and thrive amidst increasingly fierce competition in local and national markets. These programs include the provision of training, capital assistance, and market access facilitation.

Despite their great potential, MSMEs in Palangkaraya face a number of problems. Some of the key issues include limited capital, unequal access to technology, and difficulties in marketing products more widely. Consequently, in order to create a more efficient development strategy, it is imperative to conduct a thorough analysis of the state of MSMEs in Palangkaraya, including the potential and challenges they face.

It is hoped that by understanding the conditions and needs of Palangkaraya's MSMEs, the government, and the community can work together to create a conducive business environment. This will strengthen the local economy and make Palangkaraya one of the most competitive economic growth centers in Indonesia.

THEORETICAL FOUNDATION

Theoretical Basis for Liquidity Analysis of Micro, Small and Medium Enterprises:

Definition of Liquidity: The ability of a company to convert its assets into cash in a relatively short period of time without reducing their value is known as liquidity. Liquidity is essential in Islamic banking to ensure that banks can meet their financial obligations. The level of fund utilization, assets, credit, capital, and income are some of the factors that affect the liquidity of micro, small and medium enterprises.

Liquidity Measurement: Liquidity ratios such as current ratio, liquid ratio, and liquidity ratio show the amount of funds that can be used to fulfill short-term and medium-term obligations.

Liquidity Risk Management: Liquidity risk management refers to the management of risks associated with the use of funds, assets, credit, capital, and income. Strategies such as asset diversification, credit management, and capital management can be used to manage this liquidity risk.

Effect of Liquidity on Business Performance: Liquidity has a significant influence on the performance of micro, small and medium enterprises. Good business performance can be influenced by a good level of liquidity, which enables firms to meet financial obligations and capitalize on business opportunities.

The Effect of Liquidity on Financial System Stability: Liquidity affects the stability of the financial system; a good level of liquidity allows firms to meet their financial obligations and take advantage of business opportunities.

RESEARCH METHOD

This analysis uses data on the initial capital, income, and costs of each business. The data was obtained through interviews with traders and field observations. Liquidity analysis using predetermined formulas.

DATA ANALYSIS AND DISCUSSION

- Starting Capital, Revenue, and Profit

Snacks	Starting capital	Revenue/Da y's	Revenue/ Month	Revenue/Yea r	Profit/Day	Profit/Mont h	Profit/Year
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Siomai	Rp.2.940.000	Rp. 375.000	Rp. 11.250.000	Rp. 135.000.000	Rp. 300.000	Rp. 9.000.000	Rp. 108.000.000
Grilled Tofu	Rp. 3.000.000	Rp. 350.000	Rp. 10.000.000	Rp.120.000.000	Rp. 100.000	Rp. 4.000.000	Rp. 45.000.000
Birthday cake	Rp. 150.000.000	Rp 800.000 – Rp 1.500.000	Rp 30.000.000	Rp 360.000.000	Rp 700.000	Rp 1.560.000	Rp 46.800.000
Geprek chicken	Rp. 15.000.000	Rp. 1.300.000	Rp. 36.000.000	Rp. 432.000.000	Rp. 700.000	Rp. 21.000.000	Rp. 252.000.000

1. Liquidity Analysis

Based on the initial capital, revenue, and cost data from the table above, the following analysis for each business:

Siomai

Assumptions:

Current Ratio

Current assets = cash + inventory + accounts payable

Cash = 50% of daily revenue × 30 days (assuming cash on hand is equivalent to 1 month's revenue)=50%×Rp375,000×30 days=Rp.5,625,000

Inventory=30% of daily raw material costs ×30 days (assuming raw material inventory is equivalent to 1 month of use) =30%×Rp.2,690,000=Rp.807,000

In 30 days, accounts receivable is 20% of daily revenue, which is multiplied by 20% x 375,000 x 30 days = 2,250,000. Total current assets = Cash + Inventory + Accounts receivable = 5,625,000 + 807,000 + 2,250,000 = 8,682,000. Current ratio = Total current assets / Current liabilities = 8,682,000/1,500,000=5.912. Quick ratio = Total current assets - Inventories / Current liabilities = 8,682,000/1,500,000

Quick ratio=(Current assets-Availability)/Current debt=0.56 Current ratio=6,350,000 +6,350,000/11,250,000=1.12

- Grilled Tofu

Assumptions:

Cash = annual profit of Rp 7,000,000

Accounts receivable = monthly income of Rp 10,000,000

Accounts payable = Rp 2,000,000.

With this assumption, we can calculate the current ratio as follows:

Current assets

= cash + accounts receivable

= Rp 7,000,000 + Rp 10,000,000 = Rp 17,000,000

Current ratio = current assets / current liabilities = Rp 17,000,000 / Rp 2,000,000

= 8.5 times

In general, a current ratio above 1 is considered good; the greater the current ratio, the more liquid the company is.

- Birthday cake

Assumptions:

Cash = Annual Profit of Rp 46,800,000

Accounts Receivable = Revenue every month of Rp 30,000,000

Accounts Payable = Rp 23,500,000.

With this assumption, we can calculate the current ratio as follows:

Current Assets = Cash + Accounts Payable = 46,800,000 + 30,000,000 =
76,800,000 Current Liabilities = Accounts Payable = 23,500,000

Current Ratio = Current Assets / Current Liabilities = 76,800,000 / 30,000,000

= 2.56 Times

Current Ratio 2.56 Times Generally, a Current Ratio Above 1 is Considered Good; Greater the Current Ratio, More the Liquidity of the Company.

- Geprek Chicken

According to Assumptions

Cash = Annual Profit = IDR 252,000,000

Accounts Receivable = Monthly Revenue = Rp 36,000,000

Accounts Receivable = Rp 6,000,000.

Thus, the Current Ratio can be calculated as follows:

Current Assets

= Cash + Accounts Receivable

= Rp 252,000,000 + Rp 36,000,000

= Rp 288,000,000.

Current Liabilities = Accounts Payable = IDR 6,000,000

Current Ratio

= Current Assets / Current Liabilities

= Rp 288,000,000 / Rp 6,000,000

= 48 times

The Current Ratio indicates that the Ayam Geprek business can pay off its current liabilities with its current assets. In general, a current ratio above 1 is considered good; the greater the current ratio, the more liquid the company is.

Conclusions and suggestions

This study found that *Micro, small and medium enterprises (MSMEs)* in Palangka Raya city, particularly the siomai, grilled tofu, birthday cake, and ayam geprek businesses, are working efficiently in 2024. This is because they can pay off their current liabilities with their current assets. In general, a current ratio above 1 is considered good; the greater the current ratio, the

more liquidity the company has. so it can be said that the results of the ratio analysis of the businesses show positive results.

The researcher would like to thank everyone who has helped and assisted them in completing this journal. First, I would like to thank the lecturers of the Financial Management course who have provided invaluable criticism, suggestions, and guidance during the process of writing this journal.

I have gained a better understanding of this topic thanks to your guidance. Secondly, the researcher is grateful to the co-researchers who have provided moral and practical assistance during the research. Each of you has benefited greatly from talking and exchanging ideas with others, which has helped the researcher better understand this issue. The researcher hopes that the results and analysis of this journal can add to our insights.

It is important to provide regular guidance to small and medium enterprises from relevant parties such as the Trade Office, Tourism Office and other local government agencies to increase the income of each trader while increasing the regional income of Palangka Raya city.

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