FINANCIAL RATIO ANALYSIS ON FIRM VALUE IN THE TOURISM SECTOR DURING THE COVID PANDEMIC 19

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ABSTRACT

This research is aimed at identifying the financial ratio that influences the company value that is incorporated with tourism sectors during the COVID-19 pandemic. An independent variable used in this research was Return on Total Asset (ROA), Current Ratio (CR), Debt to Total Asset (DAR), Total Asset Turnover (TATO), and Price Earning Ratio (PER), with the value of the company (PBV) as a dependent variable. The selected samples were about six companies, and the method of the study used verificative-descriptive. The technique of data analysis used in this research was data panel regression combined with Eviews 9 appricatio. The result indicated that Price Earning Ratio had influenced the value of the company.

Keywords: ROA, CR, DAR, TATO, PER, PBV

I. INTRODUCTION

Currently, the world is being hit by a pandemic called COVID-19. COVID-19 is an event of the spread of Corona virus 2019 throughout the world. The spread of the COVID-19 virus has effect on the world economy, along with the travel, tourism and hospitality industry (Nicola et al., 2020). The unparalleled COVID-19 (Gossling et al., 2020) has had a crippling effect, with many restrictions on businesses, ensuing in a far-reaching have an impact on Hotels, Restaurants, Bars and different hospitality companies. In Indonesia, tourism is one of the sectors that is badly affected by the COVID-19 pandemic. Based on BPS data (2021), there is a significant decrease in the number of tourists, both local and foreign tourists. The total number of foreign tourist visits to Indonesia in 2020 is 4.02 million visits. When compared to 2019, the number of foreign tourists decreased by 75.03 percent. Based on nationality, there are 5 countries that visit Indonesia the most in 2020, namely Timor Leste, Malaysia, Singapore, Australia and China. Most of these countries are neighboring countries, except for China (egsaugm). According to CNN Indonesia, tourism and hospitality sector stocks have been hit hard because of the corona virus pandemic. Compared to stocks in the consumer, banking and construction sectors. For example, shares of PT Pembangunan Jaya Ancol Tbk (PJAA) were observed to fall 2.17 percent to IDR 450 per share at the close of trading on Friday (27/3). Since the beginning of March, the issuer whose majority shares are pocketed by the DKI Provincial Government has plunged 45.45 percent. As is well known, company value is very important for the company, because the main objective of the company itself is to increase company value. An excessive company cost is the wish of each and every investor due to the fact an excessive fee shows the amount of prosperity of the shareholders. This is in accordance with the opinion expressed by Salvatore (2005) which states that the essential goal of corporations that have long gone public is to expand the prosperity of their proprietors or shareholders thru growing company value. According to Fama in Pakpahan (2010: 214), the company value can be seen from its share price. Firm value is described as investors' perceptions of the company's success rate, which is frequently associated with stock costs. Company value can provide prosperity for each shareholder if the share price in a company continues to increase. High share costs will have an effect on excessive organization value, thereby increasing market self belief in the company's present day overall performance and on the company's prospects in the future (Harningsih, Agustin, & Setiawan, 2018). Therefore, to find out how the value of the company in the tourism sector, researchers use financial ratios to measure overall management effectiveness as indicated by the profits earned. The ratios used are the Liquidity Ratio, Leverage Ratio, Activity Ratio, Profitability Ratio and Valuation Ratio. The profitability ratio is measured using ROA. ROA is the ratio used to measure the overall ability of the organization to generate income with the number of property available within the corporation. This ratio shows if the higher this ratio, it can be said that the better the condition of the company, and vice versa. ROA growth shows the prospects of the company in the future to obtain an increase in company profits. Based on the above introduction, the issues examined in this study are formulated as follows:
1. Is there an effect of ROA on PBV?
2. Is there an effect of CR on PBV?
3. Is there an effect of DAR on PBV?
4. Is there an effect of TATO on PBV?
5. Is there any effect of PER on PBV?

Refers to problems above, this study aims as follows:

1. To determine the effect of ROA on PBV.
2. This is to determine the effect of CR on PBV.
3. This is to determine the effect of DAR on PBV.
4. This is to determine the effect of TATO on PBV.
5. This is to determine the effect of PER on PBV.

II. LITERATURE REVIEW

Profitability

Ratio Profitability ratio is the ratio used to measure the company's ability to earn profits. Return on Total Asset is the ratio used to measure the overall effectiveness of the company in generating profits with all assets owned. Where the calculations are formulated as follows (Gitman, 2012).

\[
ROA = \frac{Laba\ Bersih}{Total\ Asset}
\]

Liquidity

Ratio Liquidity ratio is the ratio used to measure the company's capability to meet transient liabilities (debt) with contemporary assets. Current Ratio is used to measure temporary solvency through means of evaluating present day assets with speedy time duration liabilities. Where the calculation is formulated as follows (Gitman, 2012).

\[
Current\ Ratio = \frac{Current\ Asset}{Current\ Liabilities} = \frac{Market\ Price\ per\ Share}{Book\ Value\ per\ Share}
\]

Leverage

Ratio Leverage ratio is the ratio used to measure how much leverage (debt) is borne by the company, in other words it shows the amount of company funding needs that are financed by debt (loan). Debt to total assets, used to measure the proportion of sources of funds obtained by debt. Where the calculations are formulated as follows (Gitman, 2012).

\[
Debt\ to\ Total\ Asset = \frac{Total\ Debt}{Total\ Asset} \times 100\%
\]

Activity

Ratio Activity Ratio, specifically the ratio used to measure the effectiveness of the agency in carrying out its operations. Total Asset Turnover is the ratio used to measure the effectiveness of asset administration in generating sales. The higher the turnover price generated, the extra nice the asset administration is. Where the calculation is formulated as follows (Gitman, 2012).

\[
Total\ Asset\ Turnover = \frac{Sales}{Total\ Asset} \times \text{time}
\]

Valuation Ratios

Valuation Ratios one of which can be measured by the Price / Earnings Ratio is the ratio used for evaluating the holders of the stock value. Where the calculation is formulated as follows (Gitman, 2012).
Company Value

Mardiyanto (2009) explains that "Company value is the present value of a series of cash inflows that the company will generate in the future". Margaretha (2005) also explains that “The value of companies that have gone public is reflected in the market price of the company's shares. Meanwhile, the value of companies that have not gone public is realized when the company is going to be sold (total assets and prospects of the company, business risks, business environment and others) ”. From some of the definitions above, it can be concluded that company value is a condition that has been achieved by a company whose value can be seen or assessed in the form of a company's share price. Price Book Value (PBV) is the result of a comparison between stock prices and book values. Where the calculations are formulated as follows (Gitman, 2012).

\[
P/BV = \frac{Harga\ pasar\ saham\ per\ lembar}{Book\ value\ per\ share\ (jumlah\ ekuitas: \ jumlah\ saham\ beredar)}
\]

The hypothesis formulated is:

\[H_1 = \text{ROA affects Firm Value}\]
\[H_2 = \text{CR affects Firm Value}\]
\[H_3 = \text{DAR affects Firm Value}\]
\[H_4 = \text{TATO affects Firm Value}\]
\[H_5 = \text{PER affects firm value.}\]

III. RESEARCH METHODS

Data evaluation technique evaluation of the records used in this finding about is panel statistics regression the usage of the software program E-views 9. Before panel information regression analysis, the model selection and classical assumption assessments are carried out the use of heteroscedasticity and multicollinearity tests. The statistics evaluation panel is used to reply hypothesis trying out related to the effect of independent variables on the established variable (Wijaya, 2019).

IV. RESULTS AND DISCUSSION

The first step taken by the author is to perform data processing descriptive statistics, to get an initial picture about the data, which obtained the following results:

Table 1. Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>PBV_Y</th>
<th>ROA_X1</th>
<th>CR_X2</th>
<th>DAR_X3</th>
<th>TATO_X4</th>
<th>PER_X5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>578.3053</td>
<td>0.002160</td>
<td>123.1810</td>
<td>0.415933</td>
<td>1.041333</td>
<td>903.4523</td>
</tr>
<tr>
<td>Median</td>
<td>1.275000</td>
<td>0.000145</td>
<td>84.68500</td>
<td>0.436950</td>
<td>0.365000</td>
<td>9.345000</td>
</tr>
<tr>
<td>Maximum</td>
<td>14175.01</td>
<td>0.098700</td>
<td>748.5400</td>
<td>1.321800</td>
<td>8.200000</td>
<td>12531.32</td>
</tr>
<tr>
<td>Minimum</td>
<td>-148.1400</td>
<td>-0.154100</td>
<td>0.370000</td>
<td>0.042900</td>
<td>0.110000</td>
<td>-2988.570</td>
</tr>
<tr>
<td>Std. Dev.</td>
<td>2597.298</td>
<td>0.054178</td>
<td>159.5328</td>
<td>0.289458</td>
<td>1.593404</td>
<td>2883.637</td>
</tr>
<tr>
<td>Skewness</td>
<td>5.026526</td>
<td>-0.802565</td>
<td>2.240414</td>
<td>1.108815</td>
<td>3.246142</td>
<td>2.799661</td>
</tr>
<tr>
<td>Jarque-Bera</td>
<td>834.0959</td>
<td>3.899477</td>
<td>71.39529</td>
<td>9.005930</td>
<td>224.5712</td>
<td>117.4029</td>
</tr>
<tr>
<td>Probability</td>
<td>0.000000</td>
<td>0.142311</td>
<td>0.000000</td>
<td>0.011076</td>
<td>0.000000</td>
<td>0.000000</td>
</tr>
<tr>
<td>Sum</td>
<td>17349.16</td>
<td>0.064800</td>
<td>3695.430</td>
<td>12.47800</td>
<td>31.24000</td>
<td>27103.57</td>
</tr>
<tr>
<td>Sum Sq. Dev.</td>
<td>1.96E+08</td>
<td>0.085121</td>
<td>738070.8</td>
<td>2.429787</td>
<td>73.62915</td>
<td>2.41E+08</td>
</tr>
<tr>
<td>Observations</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

Source: processed data, output eviews 9
Based on the desk above, it can be viewed that the average cost for the variable price book price as measured by the natural logarithm of the calculation of market prices shares per share divided by book value per share amounted to 578.3053. For profitability as measured by way of return on belongings by using dividing net profit by total assets, the result is 0.002160, then for liquidity as measured by the current ratio by means of current assets divided by current liabilities, the result is 123.1810, for leverage as measured by debt to total Asset by means of total debt divided by total assets, the result is 0.415933, for activities measured by total asset turnover by means of sales divided by total assets, the result is 1.041333, and for the assessment ratio measured by price earning ratio by means of market rate per share of frequent stock divided through earnings per share, the result is 903.4523. After going through model testing to determine the best model, followed by a classic assumption test to ensure the data is fit for use, the best model is obtained as follows:

Table 2. Common Effect Model Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Probability</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROA</td>
<td>0.7761</td>
<td>Rejected</td>
</tr>
<tr>
<td>CR</td>
<td>0.9013</td>
<td>Rejected</td>
</tr>
<tr>
<td>DAR</td>
<td>0.0667</td>
<td>Rejected</td>
</tr>
<tr>
<td>TATO</td>
<td>0.7914</td>
<td>Rejected</td>
</tr>
<tr>
<td>PER</td>
<td>0.0249</td>
<td>Accepted</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.204914Firm</td>
<td></td>
</tr>
</tbody>
</table>

Source: output eviews 9

value can be explained by the variables ROA, CR, DAR, TATO and PER of 20.49% while the rest is explained by other variables not included in the variables studied at 79.51%. To answer the hypothesis previously stated, it is known that there is only one variable that affects working capital with a probability criterion smaller than alpha (with a probability of 0.0249 <0.05), namely for the P / E Ratio variable, while for the variables ROA, CR, DAR and TATO because it has a probability above alpha (with a probability of 0.7761> 0.05), (0.9013> 0.05), (0.0667> 0.05), (0.7914> 0.05) then the variable hypothesis is rejected. The results of this study are not in line with those conducted by Masytari (2019) where the results of his research show that the variables ROA, CR, DAR and TATO have an effect on firm value.

V. CONCLUSION

The results of this study indicate that what happens in the tourism sector is a natural thing to happen, where a good company value will be a special attraction for investors. From some of the ratio variables above, it is taken for research that the variables or ratios of ROA, CR, DAR and TATO have no effect on firm value. Only one variable or ratio has an effect on the value of a company, namely PER because when viewed from the data movement it shows that when the PER value increases, the PBV value will increase, but from some of the companies above there is an anomaly which should have the same value but in the opposite direction for some companies. the. Maybe it will be a little note for both investors and companies, that it is possible that the variables or ratios of ROA, CR, DAR and TATO should remain a concern, because they can determine decisions for both companies and investors.

REFERENCES