



Liquidity Position of PT Bina Karya Jaya Abadi Tbk in Three Periods

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Received: 02-05-2023

Reviewed: 10-05-2023

Accepted: 28-05-2023

Abstract

This study aims to determine and analyze the ability of PT Binakarya Jaya Abadi Tbk in fulfilling short-term obligations in three periods, namely the pre-pandemic, pandemic and after pandemic periods. The results showed that the liquidity position of PT Binakarya Jaya Abadi Tbk during the pandemic period, namely 2017, 2018 and 2019 was in a liquid state, as evidenced by the Current ratio above 200%. During the pandemic (2020 and 2021), PT Binakarya jaya Abadi Tbk' s liquidity position was below 200%, namely in 2020 Current Ratio 117.860% and in 2021 Current ratio of 119.739%. Likewise after pandemic ,namely in 2022 the Liquidity of PT Bina karya Jaya Abadi Tbk was still below 200% even though it was better than the pandemic position. Furthermore, when measured by the Quick ratio and Cash ratio, the Liquidity position of PT. Binakarya jaya Abadi Tbk before the pandemic was below 100% and continued to decline during pandemic. Likewise during the post-pandemic period the liquidity position of PT. Binkarya jaya Abadi Tbk is in The Illiquid category. The results of this study also show that PT. Binakarya Jaya Abadi Tbk is also affected by the Corona Virus Disease 2019.

Keywords: Liquidity, Current Ratio, Quick Ratio, Cash Ratio, Pre-Pandemi Covid 19, Pandemic Covid 19, After Pandemic Covid 19

Introduction

The company's ability to meet short-term obligations or obligations that are due soon is a measure of trust for internal and external parties of the company. Liquid companies are companies that are able to pay short-term obligations that are due soon. Companies that cannot

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immediately fulfill their short-term obligations when they are due means that the company is in an Illiquid.(Grill et al., 2022)

Companies that are able to survive in the after pandemic period of Covid 19 do not mean that they are inseparable from financial problems. One way that can be done so that companies can survive in after COVID-19 pandemic conditions to analyze the company's activities. The prediction of the survival of the company's activities is very important for the management and main owners of the company because it is to anticipate financial distress which can lead to bankruptcy.(Li et al., 2023)

PT Binakarya Jaya Abadi Tbk as a company engaged in the property and real estate sector was founded in September 2007 and on June 30, 2015 conducted an IPO by offering shares to the general public of 150,000,000 shares with a nominal value of IDR 100 per share at an offering price IDR 1,000 per share (britama.com, 2023). Thus this company has operated in three timeframes, namely before the pandemic, during the pandemic and until now after pandemic period.

Related to this, the company certainly bears responsibility internally and externally, especially in terms of fulfilling payment obligations that are due soon (Huaicun et al., 2023). Based on the financial statements, it is reflected in fluctuating income and losses in the income statement(Tse et al., 2023). It is interesting to study the liquidity position of PT. Binakarya Jaya badi Tbk in three periods, namely the pre-pandemic period, the pandemic period and after Covid 19 pandemic.

The position of the company will greatly determine the company in the eyes of internal and external parties of the company. Is this company liquid or non-liquid in the future or tends to experience financial difficulties that can lead to bankruptcy.

Literatur Review

The theory underlying this research is financial statement analysis. It is important for every company to carry out financial statement analysis to find out the reflection of its performance. One of the performance measurements is the liquidity ratio. The Liquidity ratio is a ratio used to measure a company's ability to meet all short-term liabilities, including long-term liabilities that mature in that year.(Simpeh & Amoah, 2023)

Current Ratio is the ratio to measure a company's ability to meet short-term financial obligations or those that must be paid off immediately by using all components of Current Assets. This Current Ratio shows the level of safety or margin of safety of short-term creditors (Lau, 2018).

Several factors need to be considered in analyzing the Current Ratio, namely: Distribution or proportion of current assets, trend data from Current Assets and Current Liabilities, Terms given by creditors to the company, Present value of current assets, possible changes in current assets, changes in inventory in relation to volume sales now, the amount of working capital needed in the future, type or type of company (S.Munawir, 2014)

The quick Ratio is the ratio used to measure a company's liquidity by using Cash and Cash Equivalents and Accounts Receivables can be cashed immediately.

Cash Ratio or Immediate Solvency is a ratio that measures actual ability to meet short-term financial obligations on time (S.Munawir, 2014)

Research Method

Variables and Indicators Variable

The variables and indicators of this research variable can be defined as follows:

Liquidity is the ability of PT. Binakarya Jaya Abadi Tbk to meet financial obligations that are due soon. This Liquidity is measured by the Current Ratio (CR), Quick Ratio (QR) and Cash Ratio before the pandemic (2017, 2018, 2019 year), during the pandemic (2020, 2021 years) and after pandemic (2022 year).

The Current ratio is the ratio used to measure PT.Binakarya Jaya Abadi Tbk's ability to meet financial obligations that are due soon during the pre-pandemic, pandemic and after pandemic periods by using all components of Current Assets.

The Quick Ratio is a ratio used to measure PT. Binakarya Jaya Abadi Tbk's ability to meet financial obligations that are due soon during the pre-pandemic, pandemic and after pandemic period by using Current Assets without Inventories.

The Cash Ratio is the ratio used to measure PT.Binakarya Jaya Abadi Tbk's ability to meet financial obligations that are due soon during the pre-pandemic, pandemic and after pandemic periods by using Cash and Equivalents Cash.

Data Collection Technique

Obtaining financial report data for PT.Binakarya Jaya Abadi Tbk for 2017- 2022 accessed from the official website of the Indonesia Stock Exchange (IDX) www.idx.co.id dari situs resmi Bursa Efek Indonesia (BEI) www.idx.co.id.

1. Analysis Tools

The data obtained were analyzed using the following formula : (Kasmir, 2019)

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\%$$

Assessment Criteria : $CR \geq 100\%$ liquid category
 $CR < 100\%$ Illiquid category

$$\text{Quick Ratio} = \frac{\text{Current Assets} - \text{Inventories}}{\text{Current Liabilities}} \times 100\%$$

Assessment Criteria : $CR \geq 100\%$ liquid category
 $CR < 100\%$ Illiquid category

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$$\text{Cash Ratio} = \frac{\text{Cash and Cash Equivalents}}{\text{Liabilities}} \times 100\%$$

Assessment Criteria : CR \geq 100 % liquid category

CR $<$ 100% illiquid category

Result / Finding

Measurement of Current ratio, Quick Ratio and Cash Ratio is carried out based on research data as follows:

Table 1
PT Binakarya Jaya Abadi Tbk
Total Current Assets, Cash and Cash Equivalents, Inventories, Total Current
Liabilities
December 31, 2017- 2022
(IDR)

Data Komponent	2017	2018	2019
Current Assets	1.870.261.218.478	1.860.337.087.272	1.875.243.362.486
Cash and cash equivalents	164.774.748.077	122.507.646.809	114.154.826.976
Inventories	1.595.533.021.993	1.687.018.661.384	1.695.577.647.975
Current Liabilities	472.440.994.184	579.451.267.667	643.322.441.129
Data Komponent	2020	2021	2022
Current Assets	2.838.420.407.560	2.718.817.939.237	2.561.159.734.724
Cash and cash equivalents	90.128.109.909	79.939.277.641	90.903.453.967
Inventories	2.598.429.083.156	2.510.571.107.067	2.348.496.736.557
Current Liabilities	2.408.288.167.435	2.270.628.279.992	2.301.675.244.892

Source : PT BINAKARYA JAYA ABADI Tbk AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION, 2023

Referring to the financial data the following calculations are carried out :

1. Current Ratio (CR), Quick Ratio (QR) and Cash Ratio At Pra Pandemi Covid 19

a. 2017 Year

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\% = \frac{\text{IDR } 1.870.261.218.478}{\text{IDR } 472.440.994.184} \times 100\% = 395,871\%$$

$$\text{Quick Ratio} = \frac{\text{Current Assets} - \text{Inventories}}{\text{Current Liabilities}} \times 100\%$$

$$= \frac{\text{IDR } 1.870.261.218.478 - \text{Rp } 1.595.533.021.993}{\text{IDR } 472.440.994.184} \times 100\% = 58,151\%$$

$$\text{Cash Ratio} = \frac{\text{Cash And Cash Equivalents}}{\text{Current Liabilities}} \times 100\% = \frac{\text{IDR } 164.774.748.077}{\text{IDR } 472.440.994.184} \times 100\% = 34,877\%$$

b. 2018 Year

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\% = \frac{\text{Rp } 1.860.337.087.272}{\text{Rp } 579.451.267.667} \times 100\% = 321,052\%$$

$$\begin{aligned}\text{Quick Ratio} &= \frac{\text{Current Assets} - \text{Inventories}}{\text{Current Liabilities}} \times 100\% \\ &= \frac{\text{IDR } 1.860.337.087.272 - 1.687.018.661.384}{\text{IDR } 579.451.267.667} \times 100\% = 29,911\%\end{aligned}$$

$$\text{Cash Ratio} = \frac{\text{Cash and Cash Equivalents}}{\text{Current Liabilities}} \times 100\% = \frac{\text{IDR } 122.507.646.809}{\text{IDR } 579.451.267.667} \times 100\% = 21,142\%$$

c. 2019 Year

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\% = \frac{\text{IDR } 1.875.243.362.486}{\text{IDR } 643.322.441.129} \times 100\% = 291,494\%$$

$$\begin{aligned}\text{Quick Ratio} &= \frac{\text{Current Assets} - \text{Inventories}}{\text{Current Liabilities}} \times 100\% \\ &= \frac{\text{IDR } 1.875.243.362.486 - \text{Rp } 1.695.577.647.975}{\text{IDR } 643.322.441.129} \times 100\% = 27,928\%\end{aligned}$$

$$\text{Cash Ratio} = \frac{\text{Cash and Cash Equivalents}}{\text{Current Liabilities}} \times 100\% = \frac{\text{IDR } 114.154.826.976}{\text{IDR } 643.322.441.129} \times 100\% = 17,745\%$$

2. Current Ratio (CR), Quick Ratio (QR) and Cash Ratio In Pandemi Covid 19

a. 2020 Year

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Liabilities}} \times 100\% = \frac{\text{Rp } 2.838.420.407.560}{\text{Rp } 2.408.288.167.435} \times 100\% = 117,860\%$$

$$\begin{aligned}\text{Quick Ratio} &= \frac{\text{Current Assets} - \text{Inventories}}{\text{Current Liabilities}} \times 100\% \\ &= \frac{\text{IDR } 2.838.420.407.560 - \text{Rp } 2.598.429.083.156}{\text{IDR } 2.408.288.167.435} \times 100\% = 9,965\%\end{aligned}$$

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$$\text{Cash Ratio} = \frac{\text{Cash and Cash Equivalents}}{\text{Current Liabilities}} \times 100\% = \frac{\text{IDR } 90.128.109.909}{\text{IDR } 2.408.288.167.435} \times 100\% = 3,742\%$$

b. 2021 Year

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\% = \frac{\text{IDR } 2.718.817.939.237}{\text{IDR } 2.270.628.279.992} \times 100\% = 119,739\%$$

$$\begin{aligned} \text{Quick Ratio} &= \frac{\text{Current Assets} - \text{Inventories}}{\text{Liabilities}} \times 100\% \\ &= \frac{\text{IDR } 2.718.817.939.237 - \text{IDR } 2.510.571.107.067}{\text{IDR } 2.270.628.279.992} \times 100\% = 9,171\% \end{aligned}$$

$$\text{Cash Ratio} = \frac{\text{Cash and Cash Equivalents}}{\text{Current Liabilities}} \times 100\% = \frac{\text{IDR } 79.939.277.641}{\text{IDR } 2.270.628.279.992} \times 100\% = 3,521\%$$

3. CR, QR dan Cash Ratio After Pandemi Covid 19 2022 Year

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\% = \frac{\text{IDR } 2.561.159.739.724}{\text{IDR } 2.301.675.244.892} \times 100\% = 111,234\%$$

$$\begin{aligned} \text{Quick Ratio} &= \frac{\text{Current Assets} - \text{Inventories}}{\text{Current Liabilities}} \times 100\% \\ &= \frac{\text{IDR } 2.561.159.739.724 - \text{IDR } 2.348.496.736.557}{\text{IDR } 2.301.675.244.892} \times 100\% = 9,239\% \end{aligned}$$

$$\text{Cash Ratio} = \frac{\text{Cash and Cash Equivalents}}{\text{Current Liabilities}} \times 100\% = \frac{\text{IDR } 90.903.453.967}{\text{IDR } 2.301.675.244.892} \times 100\% = 3,949\%$$

Recapitulation of the calculation results of the Current Ratio, Quick ratio and Cash Ratio during the pre-pandemic, pandemic and after pandemic Covid 19 can be seen at the following table:

Table 2 Recapitulation of Liquidity Analysis Results

Liquidity Ratio	2017 Year	2018 Year	2019 Year	2020 Year	2021 Year	2022 Year
CR (%)	395,871	321,052	291,494	117,860	119,739	111,234
QR(%)	58,615	29,911	27,928	9,965	9,171	9,239
Cash Ratio(%)	34,877	21,142	17,745	3,742	3,521	3,949

Source: Processed Data, 2023

Discussion

Based on table 1 and Table 2 a discussion is made about:

1. The Liquidity Position of PT Binakarya Jaya Abadi Tbk is Measured From Current Ratio During The Pre- Pandemic, Pandemic and After Pandemic COVID 19

The results of the pandemic show during the pre-pandemic period, the company was very capable of paying off all obligations that were due soon. This can be seen from the value The Current ratio above the liquidity assessment criteria so that the company is in a very liquid position, that is very capable of full filing obligations that are soon due with a Current Ratio in 2017 = 395,871%, CR in 2018 = 321,052% and CR in 2019 of 291.494% . This achievement is above the rule of thumb. Furthermore, during the 2020 pandemic the Current ratio was 117,860% and the Current Ratio in 2020 was 119,739%. The Company is still in a liquid position even though it is under the rule of thumb. Meanwhile, during the after pandemic period, namely in 2022, the Current ratio achievement was only 111,234% the lowest which indicated that the company was affected by Covid 19.

2. The Liquidity Position of PT Binakarya Jaya Abadi Tbk is Measured From Quick Ratio During The Pre- Pandemic, Pandemic and After Pandemic Covid 19

The results of the analysis show that during the pre-pandemic period, namely 2017-2019 the Quick Ratio was 58,615 %, in 2018 the Quick Ratio was 29,911 % and in 2019 it was 27,928%. The Acquisition of the Quick Ratio each year tends to decrease and as whole is under the Liquidity criteria so that the company's position is categorized as Illiquid.

Illiquidity's position is because the company has very large Current Real Estate Assets which are not used to fulfill short-term obligation, while its short-term debt is very large. The company must pay all debts.

During the pandemic, namely in 2020 and 2021, the company's Quick Ratio achieved 9,956%, in 2020 and decrease again in 2021, namely the Quick Ratio of 9,171%. This figure is far below pre-pandemic and far below the assessment criteria so that this company is categorized as an illiquid company. This is because company has large current real estate assets which are not taken into account to meet short-term obligations while it having big amount debt.

During the after pandemic period, namely in 2022, the company's Quick Ratio was 9,239%, which shows that the company is in the Illiquid category. The company must have difficulty making payments on its short-term financial obligations. This decrease was due to the fact that this company has very large Current Real Estate Assets which are not used to solve short-term obligations, while it is having big amount debt in short term.

3. The Liquidity Position of PT Binakarya Jaya Abadi Tbk is Measured From Cash Ratio During The Pre- Pandemic, Pandemic and After Pandemic Covid 19

The results of the analysis show that during the pre-pandemic period in 2017 the Cash Ratio was 34.877 %. This Cash Ratio figure fell in 2018 to 21.142% and in 2019 decrease again to 27, 928%. This achievement shows the company's position Illiquid. This Illiquid position was caused by a decrease in Cash and Cash Equivalents followed by an increase in Current Liabilities. This is reasonable because not every time people buy property and real estate

During the Covid 19 pandemic, the company's Cash Ratio dropped drastically to 3.742% in 2020 and in 2021 the Cash Ratio is only 3.521%. This Cash Ratio shows that company in a very difficult position to provide Cash and Cash Equivalents to Finance all Debts that are due soon. Thus the position of the company's is categorized as Illiquid.

After Covid 19 pandemic period, namely in 2022, the company's Cash Ratio was 3.949%, slightly higher than during the pandemic but still in the Illiquid category. It is because 2022 is the first year after pandemic this company has large Current Areal Estate Assets that cannot be sold because almost all sectors are still in the process of improving their economy and finances to purchase and or contract real estate assets.

Conclusion

The results of the analysis show that before the pandemic the company was able to achieve a Current Ratio above the Liquidity Assessment Criteria so that the company was in a liquid position. The company is able to solve short-term obligations. During the Covid 19 pandemic, namely in 2020 and 2021, the company's position was said to be liquid despite a decline. Likewise, after the Covid 19 pandemic, namely in 2022, the company was still said to be liquid even though there was a decline.

During the pre-pandemic, pandemic and after the Covid 19 pandemic, the company's position was said to be Illiquid based on the calculation of the Quick ratio. Like wise, the company's position before the pandemic, pandemic and after the COVID-19 pandemic, the company's categorized as Illiquid based on the calculation of the Cash Ratio

The company's illiquid position is also due to the Corona Virus Disease 2019 (Covid-19) which hit Indonesia in March 2020 which endangered human life so that the Indonesia State took several steps, name: imposing restrictions on community activities (PPKM), work from home causing companies not to can experience activities as they should.

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