ANALYSIS OF COST OF SALES AND SALES ON NET INCOME

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ABSTRACT

This study aims to analyze The cost of sales and sales of net income in retail trading companies listed on the Bursa Efek Indonesia. The population and sample in this study are the financial statements of 12 retail trading companies listed on the Bursa Efek Indonesia for the period 2016-2018. This research technique uses classic assumption test, multiple linear regression analysis, hypothesis test and determination coefficient test. The collection technique uses the documentation and literature review methods. And after the data was collected, the test analysis in this study was carried out with the help of IBM SPSS 26 for Windows. Based on the results of the F test that The cost of sales and sold together has a simultaneous effect on net income in 12 retail trading sub-sector trading companies listed on the Bursa Efek Indonesia.

Keywords: Cost of goods sold; Net profit; Sales

1. Introduction

The existence of competition the world of business in Indonesia, triggered because increasingly many types of businesses that arise and thrive in a rapidly so that the level of competition of business is more stringent and more difficult to avoid. Most companies vying to raise the value of the company to maximize profit because only entities business that have the performance or the performance of the well which will survive. In a competitive business that is increasingly competitive companies are required to increasingly efficient in running their activities especially in the conditions of the economy when these are filled with uncertainty where the crisis economy that hit the world very heavy and damaging every sector of the economy, so the need to optimize the source power are held.

In general, the company is an organization where a place of activities going on and where the gathering of all operations with the activities of the business that are fixed, do it constantly sustained and managed by an organization that is well in order to produce goods or services. Purpose company is to maximize profits by pressing charges expenditure as small as possible that occur in the process of selling. Profit or gain is the difference between the sales are received from customers on the goods or services are produced, and the costs are incurred for use in produce goods or services.

Inside the company, profits are derived from the results of activities of the operational is a matter that is very important for the continuity of life companies, so companies keep advancing and growing the company should be able to maintain the quality of goods merchandise and services. There are two factors determinant of earnings ie earnings and load. If the revenue is more substantial than the load that would be obtained profits. So if revenue every year is getting increased while the load operation down then it automatically will be accompanied by a rise in earnings.

The capital market has become a part of which is important in the activity of financing. It is because the stock market became a liaison between investors, companies and institutions of government through the activities of the stages of trading instruments of financial -term long. The capital market is also a place where two interests meet between parties who have excess funds and rights who need additional funds.

The capital market is very instrumental important in Indonesia in terms of supporting the growth of the economic sector of the real, things it can be seen from the concomitant growth of
capital markets in Indonesia, in case this is the activity that is contained in Bursa Efek Indonesia, would be in line also with the increasing number of entities whose activities listed in Bursa Efek Indonesia. Not only limited to supervise the movement of the number of entities whose activities listed in Bursa Efek Indonesia (BEI), but subsequently have to continue to conduct surveillance against Index Stock Price (IHS) any entity, because the things that be evidence of apparent movement of the price of the stock, while the activity of the development of trade in Bursa Efek Indonesia can be reviewed from Index Stock Price Composite for the whole entity that has been recorded.

Companies are required to always carry out repair and improvement of performance in order to increase the value of companies on the exchange securities. If the company is not able to raise the value of the company in exchange effects, the company that will be in danger of bankruptcy. Most large companies have not necessarily able to meet the demands of the market to have a performance that obtaining increased from year to year. Even if the company has experienced an increase, it is possible that the percentage will not be too significant when compared to other similar companies.

The cost of sales will be the basic reference in determining the selling price, so that the sales volume can then be determined. Riwayadi (2016) states that the cost of production is the cost of which occurred in the function of production. The production function is a function that processes raw materials into finished goods. Generally, the success of a company can be assessed by its success and ability to earn a profit. Because of expected with income that is earned by the company, then the company can evolve and expand its field. In order for things that can be achieved, then the company should be able to maintain the volume of sales, so the profits are earned will remain static.

According to Fahmi (2015) that the income net (net income) is the profit after tax (earnings after tax) is the profit that is obtained after deductible with a tax that is generated from the sales. Of profits are earned by the company will be able to note the performance of the company are concerned.

Sales is a business delivering goods or services are produced by the producer to the consumer with a price that has been agreed with the purpose of directing consumers to purchase goods or services that are offered. According to financial accounting standards (2009) in PSAK no. 23 paragraph two explained that the sale of goods include goods that produced the company to be sold and goods are purchased to be sold back as the goods which purchased the retailer or land or property of other purchased to be sold back in accordance with the price that is agreed upon producers and consumers.

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The phenomenon that occurs in a company is that new, similar companies start to emerge and issue the same product so that it adds new competitors in running a business resulting in stunted profit growth. Of phenomena that then there is a problem that often occurs on the profit that rose decline in profits of companies in each year. To overcome the problems that it must be the solution that is the way to plan the number of requests goods from consumers that do not occur damage to goods that are not sold or were still in inventory.

Below this there is a table that contains about the data sales, the price of goods sales and profit net on companies trading.

**Table 1**

| Description                   | 2016          | 2017          | 2018          |
|-------------------------------|---------------|---------------|---------------|
| Cost of Goods Sold            | 2,136,674,897 | 2,296,384,823 | 2,899,362,249 |
| Sales                         | 2,664,415,987 | 2,821,543,601 | 3,482,521,576 |
| Net profit                    | 5,404,479,533 | 6,552,290,225 | 3,976,450,780 |

Source: Data processed by Researchers, 2021

From the table above can be concluded that the level of sales, the price of goods sales, and profit net experienced an increase, in the year 2016 sales increased by Rp. 2,664,415,987 and The cost of sales increased by Rp. 2,296,384,823. When compared with a year-earlier profit of net experienced a decline which is quite significant in the year 2018 which amounted to Rp. 3,976,450,780. The problems are caused because in doing purchasing goods merchandise companies must take into account the costs of transport are excluded, so that the company can organize the planning of expenditures related to the purchase of goods merchandise and cost of transportation. The cause of the other, namely the lack of promotion in the conduct of sales resulted in sales of the company decreased, so that could hamper the company in generating profits.

By considering the various terms of the description above, then the company should be able to increase the sales and minimize the price of staple companies to increase profits or income that is received by the company every year. Based on the description of the writer in-
interested to do research with the title of the study “Analysis of Price of Goods Sales And Sales Of Income Net (Study Finance At Company Trade Sub- Sector Trade Retail are Listed on Bursa Efek Indonesia).”

According to Swastha (2018: 8) selling or selling is the science and art of personal influence carried out by sellers to invite others to be willing to buy the goods or services they offer. With the sale, it can create a process of exchanging goods and or services between the seller and the buyer. Where the seller will get a reward in the form of money, while the buyer will get the goods. There several indicators of sales quoted Kotler by Swastha (2005: 404) is branded as sales, profit, support the growth of the company. The elements of sales consist of 4, namely: gross sales, sales returns, sales discounts, and net sales. Net sales are generated from gross sales after deducting sales returns and discounts.

From the explanation above, it can be concluded that in determining the company's profit to go up or down, the company must make every effort to increase sales every year. In order for sales to increase and run smoothly, the seller must be able to personally influence someone to buy the products offered, because apart from meeting the needs of the consumer the seller also achieves what he wants, namely getting a profit.

According Yadiati and Wahyudi (2010: 137), which referred to the price of goods the sale is the entire costs that incurred to obtain the goods that are sold or the price of the acquisition of the goods are sold. If the price of the sale is more substantial than the price of goods sales then would be obtained profits, and vice versa, if the price of the sale is lower than the price of goods sales will be obtained damages. To calculate the price of goods sales, namely by way of reducing the price of goods on the goods are available for sale with the inventory final goods trade. The element of The cost of sales is the finished goods inventory or what is known as inventory. elements of supply among others: inventory early, purchasing, inventory end, and inventory available for sale.

Can be concluded that the price of goods sales are very influential to profit, the company issued a charge or the usual referred to the price of goods sales to get the goods merchandise without changing the shape of the goods are to be sold back to consumers by taking into account the cost of the cost of transport of purchase on every activity of transactions in generating profit.

Hery (2017: 123) termed earnings as profit is the increase in equity (assets net) entities that posed by the transaction peripherals (transactions outside the operating principal or the operation of central enterprise) or transactions incidental (transactions that keterjadianinya rare) and of the whole transaction more and events nor other circumstances that affect the

entity, not including those that arise from income or investments by the owners.

Can be inferred from the two factors on which the sales and prices of goods sales greatly affect the profits of each other, and also that the profit can experience the increase or decrease can be seen from the two factors mentioned. If the company is a lot to sell products with the quality that is good and the prices are affordable than the costs were incurred, including costs of transport in the travel purchase goods merchandise then we certainly companies that have a period ahead are bright in running the business are.

To make it easier to understand the framework of thinking, it will be described in the diagram as follows:

![Picture 1]

**Picture 1**

**Thinking Framework**

According to Sugiyono (2017: 63) The hypothesis is a temporary answer to the formulation of research problems, where the formulation of the research problem has been stated in the form of a question sentence. It is said temporarily, because the answers given are only based on relevant theories, not based on empirical facts obtained through data collection.

According to Sugiyono (2017: 69) The associative hypothesis is a temporary answer to the formulation of the associative problem, which is to ask about the relationship between two or more variables, the authors determine the following hypothesis:

\[ H_{a1} = \text{There is influence of cost of sales to net income on companies trading retail are listed on Bursa Efek Indonesia.} \]

\[ H_{a2} = \text{There is influence of sales to net income on companies trading retail are listed on Bursa Efek Indonesia.} \]

\[ H_{a3} = \text{There is influence of cost of sales and sales to net income on companies trading retail are listed on Bursa Efek Indonesia.} \]

**2. Method**

The research method used is using quantitative methods. Quantitative research is
research that consists of data in the form of numbers or qualitative data that is converted into numbers. Quantitative research is research based on the philosophy of positivism, used to examine specific populations or samples, random sampling techniques, data collection using research instruments, quantitative or statistical data analysis with the aim of testing predetermined hypotheses (Sugiyono, 2017). The sampling method in this study was carried out using the Nonprobability Sampling technique with the Saturated Sampling technique. There are several ways of collecting data used in research, namely documentation and literature study. The data analysis technique used is quantitative method which will use analysis through classical assumption test, multiple linear regression analysis, hypothesis test and determination coefficient test.

3. Results and Discussion

Data Normality Test

In this study the authors used statistical analysis One Sample Kolmogorov Smirnov Test to test the results of data normality with the test criteria 0.05 as follows:

- If sig ≥ α means that the sample data taken is normally distributed
- If sig ≤ α means that the sample data taken is not normally distributed

The results of the data normality test can be seen in the following table:

| Source | Data that has been processed using IBM SPSS 26 |
|--------|-------------------------------------------------|
|        |                                                 |

| Table 2 | Data Normality Test |
|---------|---------------------|
|         |                     |
|         |                     |

| Source | Data that has been processed using IBM SPSS 26 |
|--------|-------------------------------------------------|
|        |                                                 |

Multicollinearity Test

Multicollinearity test is conducted to see whether or not a linear relationship or correlation between independent variables is present. In this multicollinearity test, it is hoped that multicollinearity or relationship between independent variables will not occur.

The test results are presented in the following table:

| Source | Data that has been processed using IBM SPSS 26 |
|--------|-------------------------------------------------|
|        |                                                 |

| Table 3 | Multicollinearity Test |
|---------|------------------------|
|         |                        |
|         |                        |

Autocorrelation Test

The autocorrelation test is used to determine whether or not there are deviations from the classic autocorrelation assumption, namely the correlation that occurs between the residuals in one observation and other observations in the regression model.

The test results are presented in the following table:

| Source | Data that has been processed using IBM SPSS 26 |
|--------|-------------------------------------------------|
|        |                                                 |

| Table 4 | Autocorrelation Test |
|---------|----------------------|
|         |                      |
|         |                      |

Based on the table One-Sample Kolmogorov-Smirnov Test above, it can be seen that the value of Asymp. The Sig for the sales variable is 0.131, Asymp. The Sig for The cost of sales variable is 0.200, and Asymp. Sig for variable income net (Y) is 0.200.

So it can be concluded that the variable sales, Cost of Sales and net income are normally distributed because it has a significant level, namely variable X1 0.131> 0.05, variable X2 0.200> 0.05, and for variable Y 0.200 <0.05.
on the results of the autocorrelation test 1.354 <1.553 <1.587, the null hypothesis is rejected, so it can be concluded that no not there autocorrelation is positive or negative in the regression model.

**Multiple Linear Regression Test**

Multiple linear regression test is used to determine the effect of sales and Cost of Sales on net income. Based on the results of research using the IBM SPSS 26 for windows program, the output of multiple linear regression can be obtained which is summarized in the following table:

**Table 5**

| Multiple Linear Regression Test |
|---------------------------------|
| **F** | **0.34** |
| **p** | **0.5\textsuperscript{a}** |

Source : Data that has been processed using IBM SPSS 26

Based on Table 5 above, can be known equation of regression linear multiple is as follows :

\[ Y = 68065181050 + 0.068 X_1 - 0.043 X_2 \]

From the regression equation above, it can be explained that the constant value of 68065181050 states that if the sales value is 0.068 and The cost of sales is -0.043, then the net income will increase by 68065181050. If the sales variable increases by 1, it will add a net profit level of 0.068 assuming the coefficient value. other variable regression constants. If the cost of sales variable increases by 1, it will decrease the level of net income by -0.043 with the assumption that the regression coefficient value of other variables is constant.

**Hypothesis Test**

**Partial Test (t test)**

The partial test (t) is used to find out whether the variable independently as the partial effect is real or the absence of the dependent variable. The size significantly are used is significantly ≤ 0.05, it can be said that there is influence between variables free of the variables bound by partial. However, if the value of t or significantly ≥ 0.05, then it can be said that is not there is influence that significantly each variable is free against the dependent variable.

The t test results can be seen in the table as follows:

**Table 6**

| T test result ( partial ) |
|---------------------------|
| **Model** | **Estimate** | **t** | **S** |
| Sales | 0.66 | 0.03 | 21.1 |
| Cost of Sales | 0.04 | 0.3 | -1.2 |

Source : Data that has been processed using IBM SPSS 26

Based on the t-test table that has been carried out on the variable sales and Cost of Sales with the test criteria for a significant level of \( \alpha = 0.05 \), \( df = n - k - 1 \), then \( df = 36 - 2 - 1 = 33 \), so that the t table is 2.035.

Table 6 shows t arithmetic of variable sales (X2) amounted to 2.608 > t table 2.037, then H \( a \) received and Ho is rejected, it can be interpreted that the sales effect on net income and the significant value of 0.014 > 0.05, shows significant effects. So it can be concluded that sales have a significant effect on net income in retail trade sub-sector companies listed on the Bursa Efek Indonesia for the period 2016-2018.

Variable cost of sales (X1) of -1.021 <2.037 then H o accepted and H a rejected. It can be interpreted that The cost of sales has no effect on net income, and has a significance value of 0.238 > 0.05, which indicates insignificance. So it can be concluded that The cost of sales has no effect on net income in retail trading sub-sector companies listed on the Bursa Efek Indonesia for the period 2016-2018.

**Simultaneous Test (Test F)**

Simultaneous Test (F) is used to determine the independent variable simultaneously or collectively has a significant effect on the dependent variable. Where F count will be compared with F table with a total of 5% or (0.05).

The results of the F test can be seen in the table as follows:

**Table 6**

| T test result ( partial ) |
|---------------------------|
| **Model** | **Estimate** | **t** | **S** |
| Sales | 0.66 | 0.03 | 21.1 |
| Cost of Sales | 0.04 | 0.3 | -1.2 |
Table 7

F Test Results (Simultaneous)

| Model | Sum of Squares | df | Mean Square | F | Exp| 
|-------|----------------|----|-------------|---|----| 
| 1 Regression | 64142400600 | 2 | 407180328.5 | 3.434 | 0.045 | 
| Residual | 4751322010 | 33 | 14509150.0 | 0.000 | 0.000 | 
| Total | 5089374010 | 35 | 0.000 | 0.000 | 0.000 | 

a. Dependent Variable: Net Income
b. Predictors: (Constant), Cost of Sales, Sales

Source: Data that has been processed using IBM SPSS 26

Table 7 shows the significance value of 0.045 and the calculated F value of 3.404 with the df of the numerator 2 and df of the denominator of 33 and it can be seen that the value of F count 3.404> F table 3.285. From these results indicate that the value of F count 3.404 is significant with a significance value of 0.045 <0.05, then H a3 is accepted and H o3 is rejected. Can mean that sales and cost of sales a significant effect on earnings net on the company’s sub-sectors of trade retail were listed in Bursa Efek Indonesia year period 2016-2018.

Test The coefficient of determination (R²)

The coefficient of determination test used to determine how the variables independent may explain the variable dependent it is necessary to test the value of the coefficient of determination (R²).

The results of the coefficient of determination test can be seen in the table as follows:

Table 8

Test The coefficient of determination (R²)

| Model | R | R² | Adjusted R² | Std. Error of Estimate |
|-------|----|----|-------------|------------------------|
| 1     | .414 | .171 | .127 | 1124909080 0.005 |

Predictors: (Constant), Cost of Sales, Sales
Dependent Variable: Net Income

Based on the above table it can be seen that the coefficient of determination (Kd) of 0.414 or 17.1%, corresponding to using the formula Kd = R 2 x 100% = (0.414² x 100%) = 17.1%, then it can be concluded that sales and Cost of Sales have an effect of 17.1% on the net profit of the retail trade sub-sector listed on the Bursa Efek Indonesia for the period 2016-2018, and the remaining 82.9% is influenced by other factors not examined in this study by the author.

This research is a research conducted to determine the effect of sales and Cost of Sales on net income in retail trade sub-sector companies listed on the Bursa Efek Indonesia for the period 2016-2018.

The Effect of Cost of Sales on Net Profit in Retail Trading Sub-Sector Companies Listed on the Bursa Efek Indonesia

Based on t test table that has been done on the variable Cost of Sales with the test criteria with a significance level of α = 0.05, with df = nk-1, then df = 36-2-1 = 33 thus obtained t table 2.035.

In the variable of cost of sales (X1) of -1.021 <2.035, Ho2 is accepted and Ha2 is rejected. It can be interpreted that The cost of sales has no effect on net income, and has a significance value of 0.235> 0.05 indicating no significant effect. So it can be concluded that The cost of sales has no effect on net income in retail trading sub-sector companies listed on the Bursa Efek Indonesia for the period 2016-2018.

The study is in line with research that is carried out by of Djuli Sjafei Purba (2019). This study uses secondary data and the population in this study is all PDAMs in North Sumatra as many as 19 with 34 populations with the results with a coefficient value of -1.475 and a significant value of 0.151 which indicates that The cost of sales variable has no effect on net income.

The cost of sales is one of the elements or elements of the income statement of a trading company. If a company will draw up reports financial especially reports the income it should be done calculating the price of goods sales that occurred in the period of walking. The results of this study indicate that The cost of sales has no effect on net income. It is shown that the companies trade sub-sector trade retail is more focused on the volume of sales compared to the price of goods sales to gain profits. One of the benefits of The cost of sales is as a benchmark for determining the selling price. In case these companies trade sub-sector trade retail only determine the price of the sale of price of goods sales and a focus on increasing the quantity of sales.

The Effect of Sales on Net Profits in Retail Trading Sub-Sector Companies Listed on the Bursa Efek Indonesia

Based on the tables of test t that has been done on the variable sales with criteria penguji with the level of significant α = 0.05, with df = nk-1, then df = 36-2-1 = 33 thus obtained t table 2.035.

Based on the results of the test t are contained in Table 7 shows t arithmetic of variable sales (X2) amounted to 2.608> t table
It can be said that sales and profit have a positive unidirectional relationship.
4. Conclusions and Suggestions

This study was conducted to determine how much influence sales and Cost of Sales on net income in the retail trade sub-sector listed on the Bursa Efek Indonesia for the period 2016-2018 by looking at the company's financial position and income statement statements. Based on the discussion and analysis results of the research, it can be concluded that sales have a significant effect on net income in the retail trade sub-sector listed on the Bursa Efek Indonesia for the period 2016-2018. The cost of sales has no significant effect on net income in the retail trade sub-sector listed on the Bursa Efek Indonesia for the period 2016-2018. Sales and Cost of Sales have a significant effect on net income in the retail trade sub-sector listed on the Bursa Efek Indonesia for the period 2016-2018.

Based on the results of the research, the discussion and conclusions above, the researcher provides suggestions on things that need to be considered by the company, namely improving product quality and making products according to what the community needs and the company must be more enthusiastic in making sales to get maximum turnover and always strive to control costs. issued to finance company operations. The company should be able to reduce production costs which can increase the cost of sales in the company's operational activities which can hinder getting the desired net profit. In addition, companies must pay attention to the volume of sales and Cost of Sales which causes changes in profits each year constantly and carefully, so that management can draw conclusions or actions as needed for future periods. The researcher realizes that in this study there are still many shortcomings, there are suggestions for future research to be able to carry out research in other sectors so that they can compare the results of research with previous ones. In addition, it is also necessary to develop variables to determine other factors that affect net income.

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