Vol. 8 No. 1, Tahun 2022, 153–164

JIAFE (Jurnal Ilmiah Akuntansi Fakultas Ekonomi)
https://journal.unpak.ac.id/index.php/jiafe/index
E-ISSN: 2502-4159; P-ISSN: 2502-3020

THE EFFECT OF SALES GROWTH, CASH CONVERSION CYCLE, AND CAPITAL EXPENDITURE ON CASH HOLDING

Irma Puspita Dewi[1], Effriyanti[2]
[1,2]Universitas Pamulang, Banten, Indonesia
Corresponding email: [1]irmajore92@gmail.com

Article History:

Submitted:
January 22, 2022
Revised:
April 30, 2022
Accepted:
June 30, 2022

JEL Classification:
M41

Keywords:

audit committee; earnings management; financial distress; institutional ownership

Kata kunci:

financial distress; kepemilikan institusional; komite audit; manajemen laba

How to cite:

Dewi, I. P., & Effriyanti. (2022). The Effect of Sales Growth, Cash Conversion Cycle, and Capital Expenditure on Cash Holding. *JIAFE (Jurnal Ilmiah Akuntansi Fakultas Ekonomi)*. 153–164. https://doi.org/10.34204/jiafe.v8i1.5047

ABSTRACT

This study analyzes the effect of sales growth, cash conversion cycle, and capital expenditure on cash holding. The population in this study were 78 property and real estate sector companies listed on the Indonesia Stock Exchange from 2016–2020. The sample selection technique used was purposive sampling and obtained 28 companies for 5 years and the total data obtained were 140 research data. The data analysis method used in this research is panel data regression analysis. The results showed that sales growth, cash conversion cycle, and capital expenditures simultaneously affected cash holdings. While partially sales growth has an effect on cash holding, cash conversion cycle and capital expenditure have no effect on cash holding. Thus, to maintain the availability of cash in the company it is necessary to maintain sales growth.

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh pertumbuhan penjualan, siklus konversi kas, dan belanja modal terhadap cash holding. Populasi dalam penelitian ini adalah 78 perusahaan sektor properti dan real estate yang terdaftar di Bursa Efek Indonesia pada tahun 2016–2020. Teknik pemilihan sampel yang digunakan adalah purposive sampling dan diperoleh 28 perusahaan selama 5 tahun dan total data yang diperoleh sebanyak 140 data penelitian. Metode analisis data yang digunakan dalam penelitian ini adalah analisis regresi data panel. Hasil penelitian menunjukkan bahwa secara simultan pertumbuhan penjualan, siklus konversi kas dan pengeluaran modal berpengaruh terhadap kepemilikan kas. Sedangkan secara parsial sales growth berpengaruh terhadap cash holding, cash conversion cycle dan capital expenditure tidak berpengaruh terhadap tidak berpengaruh terhadap cash holding. Dengan demikian, untuk menjaga ketersediaan kas dalam perusahaan perlu dengan menjaga pertumbuhan penjualan.

INTRODUCTION

Cash is a financial asset used for the company's operational activities. The existence of cash in a company is very important because without cash, the company's activities cannot run. It will be good for the company if it has sufficient cash availability, on the contrary if the cash availability within the company is not sufficient then the company will find it difficult to operate (Najema & Rusdayanti, 2019). The balance

of the amount of cash in the company can maintain the stability of the company so that the company can continue to run.

Cash owned or available in the company is referred to as Cash Holding. Cash Holding is seen as cash or cash equivalents that can be easily converted into cash. Some of the benefits that the company will get when it has Cash Holding. First, Cash Holding can be a company's reserve fund to avoid bankruptcy and reduce the possibility of financial distress. Second, as an internal source of funds, it allows Cash Holding to carry out investment policies more optimally and does not require external funding sources (Yanti et al, 2019).

In practice there are still some companies that are not optimal in determining the level of Cash Holding that is in accordance with the company's needs, as a result, the company experiences a cash shortfall. PT. Modernland Realty Tbk (MDLN) which occurred in 2020. Rating agency Moody's Investor Service cut the rating or rating of property issuer PT. Modernland Realty Tbk from previously caa1 to Ca with future prospects remaining negative. Moody's Vice President and Senior Credit Officer, Jacinta Po said, "This downgrade indicates the possible risk of default for Moderland in the near future due to a decrease in the company's cash flow and disruption of liquidity due to the Covid-19 pandemic which has disrupted the company's property sales. The company's Cash and Cash Equivalents decreased to Rp. 180 billion as of March 31, 2020 from the position at the end of December 2019 of Rp. 554 billion. MDLN also announced the postponement of payment of the 2015 Modernland Realty Shelf-Registered Bonds I Phase I 2015 series B with a principal value of Rp. 150 billion which was supposed to mature on July 7, 2020. Not only MDLN, a property and hospitality issuer, PT Kota Satu Properti Tbk (SATU) has also just completed the trial for the postponement of the Temporary Debt Payment obligation (PKPUS) on July 3, 2020. Based on the explanation of the sources above, it can be concluded that Cash Holding could experience a decline and cause a cash shortfall so that the company has difficulty meeting the company's operational needs. The company must be able to estimate the right level of cash holding so that the company's operational fund needs can be met without disturbing the company's liquidity.

If the company keeps too little Cash Holding, the company will find it difficult to meet its short-term needs. This causes the company's image to be seen as bad and illiquid, which ultimately raises doubts from other parties to the company because of the bad image created by the company. On the other hand, saving too much Cash Holding will also cause losses for the company because the company loses the opportunity to earn profits because the cash is only stored. So that the company cannot achieve the optimal level of profitability, namely the profits that should be obtained by the company by utilizing too much cash stored to carry out business activities (Abbas et al., 2020). Determining the level of Cash Holding requires Sales Growth as one of the considerations to determine the amount of Cash Holding in the company. This is because Sales Growth can be used as a prediction of future company growth. Sales Growth describes the company's sales from year to year which will make it easier for the company to calculate its operational needs. Companies that experience an increase in sales will need a lot of cash for operational costs. When Sales Growth is high, the company will have an increase in income so that the company will have more cash than income (Suherman, 2017).

The cash conversion cycle within the company is very important because by knowing the cash conversion cycle the company can assess and determine how effective and efficient a company is in operating (Wiradharma et al., 2017). The cash conversion cycle is considered as the length of time it takes a company to get cash from operating results. The shorter the time required, the better for the company. The more time it takes to manage the Cash Conversion Cycle, the more the company spends cash on operating costs. Meanwhile, the faster the company manages the Cash Conversion Cycle, the faster the company will get cash in so that it can add to the company's cash holding (Liadi & Suryanawa, 2018).

Capital Expenditure is an expenditure made by a company to obtain and increase the useful life of an asset that is expected to generate profits in the future (Dewi, 2018). The relationship between Capital Expenditure and Cash Holding is that in making Capital Expenditure decisions, the company is influenced by the funds available in the company to make these capital expenditures. Capital Expenditure will affect the size of the Cash Holding in the company. The greater the Capital Expenditure, the effect of increasing Cash Holding. Conversely, the smaller the Capital Expenditure will have the effect of decreasing Cash Holding (Maarif et al., 2019).

LITERATURE REVIEW

Theoretical basis

Trade-offheory is a policy made by companies in choosing risk with results that occur when the company keeps cash that is too small or too large. This theory says that keeping cash too small will increase the likelihood that the company will experience financial difficulties. On the other hand, if the company saves too much cash, the company will lose the opportunity to make investments that generate income (Hasana, 2019). Pecking Order Theory shows that corporate financing has a tendency to prioritize internal funding sources first than external funding sources (Suherman, 2017). According to the pecking order theory, it is said that there is no optimal level of Cash Holding for the company but cash has a role as a buffer between retained earnings and investment needs. When the company's profit is greater than its investment needs, the company will have more cash that will be available to the company (Liadi & Suryanawa, 2018).

Cash Holding

Cash Holding is seen as cash and cash equivalents available within the company that can be easily converted into cash. There are three motives for companies to have Cash Holding, namely transaction motives, precautionary motives and speculation motives (Liadi & Suryanawa, 2018). First, the transaction motive, namely Cash Holding, can be used by the company to pay for various company transactions, such as paying labor wages, paying dividends to shareholders, and purchasing inventory. The second is the precautionary motive, the availability of Cash Holding in the company is just in case the company can pay expenses when facing an unpredictable situation or for unexpected expenses. If the company can predict correctly and accurately all cash disbursements and income, the company's Cash Holding will be lower and if the company is easier to use external funding sources, the company's Cash Holding will also be low. And the third is the speculative motive, that is, one of the goals of the company having Cash Holding is to gain profits from owning or investing Cash Holding in the form of highly liquid investments.

Sales Growth

Sales that experience changes, either increase or decrease from the previous year are called Sales Growth. Sales Growth itself can be seen in the company's income statement (Prasetya & Putri, 2020). Sales Growth shows the success of the company's investment from sales in the past period. Therefore Sales Growth can be used as a prediction of the company's growth in the future (Prasetya & Putri (2020). Knowing how much Sales Growth is, the company will be able to predict how much profit the company will get. Companies that have high Sales Growth will have cash holding in large amounts, this is due to the increased profit from the sale (Suherman, 2017).

Cash Conversion Cycle

The time in days required by the company to get cash from the company's operating results is called the Cash Conversion Cycle. Cash conversion cycle comes from collection of receivables plus sales of inventory

minus how long it takes to pay the debt that the company still has (Dewi, 2018). Companies with long Cash Conversion Cycles will usually store large amounts of cash, this large cash will be used as a precaution and to avoid financial distress caused by the length of the Cash Conversion Cycle in the company. The shorter the Cash Conversion Cycle, the faster the company will collect money so that the company does not need cash too much because the company can quickly get cash from selling its products (Hasana, 2019).

Capital Expenditure

Any expenditure that provides long-term benefits for more than one period is called Capital Expenditure. An expenditure is classified as a Capital Expenditure if this expenditure provides benefits for more than one accounting period, the amount is relatively large and the expenditure is not routine. Capital Expenditure is very important for the growth and development of a company, for the company is likely to always allocate Capital Expenditure costs in its budget. The company will make cash reserves to meet the needs used to obtain fixed assets if the company wants to acquire fixed assets or make large investments (Hasana, 2019).

RESEARCH METHODS

This study uses quantitative research methods with a descriptive approach. The source of data in this study is secondary data. Secondary data is data obtained from documents and records that are already available. The author conducted research on property and real estate sector companies listed on the Indonesia Stock Exchange (IDX). The data used by the researcher is the financial statements of companies in the Property and Real estate sector for the 2016-2020 period which were downloaded through the official website of the Indonesia Stock Exchange, namely www.idx.co.id. Research time is the time needed by researchers to complete research. The population that will be observed in this study are all property and real estate sector companies listed on the Indonesia Stock Exchange with a total population of 78 companies. Sampling will be used using the purposive sampling technique, namely the technique of determining the sample if all members in a group that meet the criteria are used as samples. Based on the sample selection process, it was found that there were only 28 property and real estate sector companies that met the research criteria. The year of observation carried out by the researcher was for 5 years, starting from 2016 to 2020. The observation data generated for this study were 140 samples. The data analysis method use panel data regression analysis.

RESULTS AND DISCUSSION

Model Test Analysis

Chow test

This test can be seen on the Probability (Prob.) Cross-section F and Cross-section Chi Square. The Chow test uses test criteria if the Prob value. Cross-section F and Cross-section Chi Square>0,05 then the common effect model is selected but if the prob value. Cross-section F and cross-section Chi Square <0,05, then the fixed effect model was selected.

Table 1. Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	11,654	(27,109)	0,000
Cross-section Chi-square	190,064	27	0,000

Based on the results of the Chow test in table 1, it shows that the Probability (Prob.) of Cross-section F and Cross-section Chi Squares is 0,000 < the value of (0,050), which means that the Fixed effect model is more feasible to use than the Common. effect models.

Hausman test

This test can be seen in the value of the probability (Prob.) of random cross-section. The Hausman test uses the criteria that if (Prob. Cross-section random> 0,050) then the random effect model is selected but if (Prob. Cross-section random <0,050) then the fixed effect model is the most appropriate to use.

Table 2. Hausman Test Results

Test Summary	**Chi-Sq. Statistic**	**Chi-Sq. d.f.**	**Prob.**
Cross-section random	2,552	3	0,466

Based on table 2 above, the random cross-section value has a prob. 0,466 where the value is > 0,050, which means that the random effect model is more feasible to use than the fixed effect model.

Lagrange Multiplier Test

This test can be seen in the probability value of the cross-section–breusch pagan.

Table 3: Lagrange Multiplier Results

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	121,344	2,167	123,511
	(0,000)	(0,141)	(0,000)

Based on the results of the lagrange multiplier (LM) test, it can be seen from the cross-section-breusch pagan value, which is 0,000 or smaller than alpha 5% (0,000 < 0,050), it can be concluded that the random effect model is more feasible to use than the common effect.

Data Quality Test

After testing the selection of the panel data regression model that has been carried out previously through the Chow test, Hausman test, and the Lagrange multiplier test, it can be concluded that the selection of the panel data regression model method used in this study is the random effect model.

Normality test

The normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution. Using eviews, it will be easier to use the Jarque-falla test to detect whether the residuals have a normal distribution. In Decision-making in the Jarque-Bera test, if the significance value or probability value is > 0,050 or 5% then the data is normally distributed and if the significance value or value is probability < 0,050 or 5% then the data is not normally distributed.

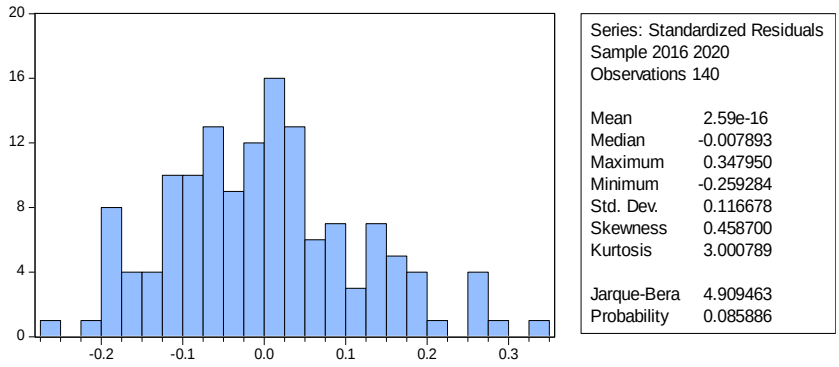

Figure 1. Normality Test Results

Based on the test results in Figure 4.2 above, it is explained that the histogram-normality graph with a jarque-fall probability value is 0,086 or 8,5%, which means that the results are above the 5% significance level so that the residuals have normal data.

Multicollinearity Test

Decision making is done by looking at the correlation value of each independent variable where if the independent variable is < 0,850 then there is no multicollinearity problem and vice versa, if the correlation value of the independent variable is > 0,850 then there is a multicollinearity problem.

Table 4. Multicoreality Test Results

	Sales Growth	Cash Conversion Cycle	Capital Expenditure
SALES_GROWTH	1,000	-0,300	-0,024
CASH_CONVERSION_CYCLE	-0,300	1,000	0,001
CAPITAL_EXPENDITURE	-0,024	0,001	1,000

Based on table 4, it shows that the correlation values of X_1 (Sales Growth), X_2 (Cash Conversion Cycle), and X_3 (Capital Expenditure) are normal, where the correlation value is < 0,850, so it can be concluded that the regression analysis in this study stated that there was no multicollinearity problem.

Heteroscedasticity Test

Detecting heteroscedasticity is done by using the glejser test with decision making, if the probability value of chi squares> significance level then there is no heteroscedasticity, and vice versa, if the chi squares probability < significance level then there is heteroscedasticity.

Table 5. Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0,097	0,011	8,528	0,000
SALES_GROWTH	-0,005	0,016	-0,291	0,772
CASH_CONVERSION_CYCLE	-0,000	0,000	-1,271	0,206
CAPITAL_EXPENDITURE	-0,079	0,092	-0,864	0,389

Based on table 5, it shows the results of all probability values consisting of Sales Growth (X_1) variable of 0.7715, Cash Conversion Cycle (X_2) probability value of 0,206, Capital Expenditure variable probability value (X_3) of 0,389, it can be concluded that based on the data these variables are all profitability values in the independent variables or independent variables more than the significant level, namely 0,050,

which means that there is no heteroscedasticity because the significant value generated by each independent variable is > 0.05.

Autocorrelation Test

Decision making to see whether or not there is an autocorrelation problem is seen from the Durbin Watson (DW) value where it is stated that there is autocorrelation if the Durbin Watson (DW) value is below -2 or above 2. And vice versa if the Durbin Watson (DW) value is between -2 and + 2 or -2 < DW < 2 then there is no autocorrelation.

Table 6. Autocorrelation Test Results

R-squared	0,119	Mean dependent var	0,067
Adjusted R-squared	0,100	S,D, dependent var	0,065
S.E. of regression	0,061	Sum squared resid	0,510
F-statistic	6,139	**Durbin-Watson stat**	**1,099**
Prob(F-statistic)	0,001		

Based on table 6 above, it shows that the Durbin Watson (DW) value is 1,099 which means the DW value is between -2 and + 2 or -2 < DW < +2, namely (-2 < 1,104 < +2), it can be concluded that in this research This is declared free from autocorrelation problems because the Durbin Watson (DW) count lies between -2 to +2.

Hypothesis test

Based on the results of panel data regression analysis, it can be arranged equations regression as follows:

$$\mathbf{Y= \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon}$$

$$Y = 0{,}266920 + 0{,}067514X_1 - 0{,}000001\ X_2 - 0{,}112295X_3 + \varepsilon$$

Description :

Y = Cash Holding
α = Constant Value
β_x = Regression Coefficient (Beta) Variable X
X_1 = Sales Growth
X_2 = Cash Conversion Cycle
X_3 = Capital Expenditure
ε = Standard error or confounding variable

Simultaneous Test (F Test)

Simultaneous test (F test) is carried out by looking at the probability of the F-statistic with a significant level of 0.05.

Table 7. Simultaneous Test Results (F Test)

R-squared	0,119274	Mean dependent var	0,067384
Adjusted R-squared	0,099846	S.D. dependent var	0,064545
S.E. of regression	0,061238	Sum squared resid	0,510005
F-statistic	6,139329	Durbin-Watson stat	1,099223
Prob(F-statistic)	0,000603		

Source: Output Eviews version 9 (2022)

Based on table 6 above, the regression results from the random effects model obtained the F-statistical probability value of 0,000603 which means the significance value is smaller than 0,05 (0,000603 < 0,05). So it can be concluded that the independent variables are Sales Growth, Cash Conversion Cycle and Capital Expenditure simultaneously have an effect on Cash Holding.

Partial Test (t Test)

The decision making of this test is done by comparing the value of t-count with t-table. If the significance value of t < 0,05 or t count > t table, the independent variable has a significant effect on the dependent variable. On the other hand, if the significance value of t > 0,05 or t count < t table, the independent variable has no significant effect on the dependent variable.

Table 8. Partial Test Results (t Test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0,266920	0,020933	12,75103	0,0000
SALES_GROWTH	0,067514	0,018847	3,582228	0,0005
CASH_CONVERSION_CYCLE	-0,000001	0,000003	-0,412182	0,6809
CAPITAL_EXPENDITURE	-0,112295	0,109760	-1,023092	0,3081

Source: Output Eviews version 9 (2022)

Coefficient of Determination Test (R^2)

This study uses panel data regression analysis, so the value of Adjusted R Square is used.

Table 9. Coefficient of Determination Test Results (R^2)

R-squared	0,119274	Mean dependent var	0,067384
Adjusted R-squared	0,099846	S.D. dependent var	0,064545
S.E. of regression	0,061238	Sum squared resid	0,510005
F-statistic	6,139329	Durbin-Watson stat	1,099223
Prob(F-statistic)	0,000603		

Source: Output Eviews version 9 (2022)

Based on table 9 above, it can be seen that the Adjusted R-Square value is 0,099846 which means that it is 9,9% potential influence of the independent variable, namely Sales Growth, cash confersion cycle and Capital Expenditure on the dependent variable, namely, Cash Holding. While the remaining 90,1% is influenced by other variables that are not used in this study.

Research Discussion

Effect of Sales Growth, Cash Conversion Cycle and Capital Expenditure on Cash Holding

The first hypothesis in this study is the effect of Sales Growth, Cash Conversion Cycle and Capital Expenditure simultaneously on Cash Holding. Simultaneous test results show that the independent

variables, namely Sales Growth (X_1), Cash Conversion Cycle (X_2) and Capital Expenditure (X_3) together have an influence on the dependent variable, namely Cash Holding (Y) in property and real estate sector companies that listed on the Indonesia Stock Exchange 2016-2020. After calculating the panel data regression analysis using Eviews version 9, the Fcount value is greater than Ftable (6,139329 > 2,67) and a significant value of 0,000603 is smaller than 0,05 (0,000603 < 0,05).

This shows that the movement and changes in the level of Sales Growth, Cash Conversion Cycle and Capital Expenditure can be used as a reference or consideration in determining the optimal level of Cash Holding for the company. An optimal level of Cash Holding is necessary for the company to meet operational activities and company needs so that the company can run smoothly and developing.

Effect of Sales Growth on Cash Holding

The results of the partial test (t test) show that sales growth (X_1) has a Tcount of 3,582 with a Ttable value of 1,978 which means that Tcount is greater than Ttable (3,582>1,977). The significant value obtained is 0.0005 which is smaller than 0,050 (0,0005 < 0,050). So it can be concluded that the sales growth variable has an influence on the cash holding of property and real estate sector companies. The results of this study are in line with research conducted (Yongki., Panjaitan, R., & Leon, F. H., 2021 and Suherman, 2017) which states that Sales Growth has an influence on Cash Holding. However, it is different and contrary to research (Astuti, N., Ristiyana, R., & Nuraini, L. , 2020 and Panalar, P.S. & Ekadjaja A., 2020) which states that Sales Growth has no effect on Cash Holding. Sales Growth has an influence on cash holding, the decrease and increase in the company's Sales Growth will affect the level of Cash Holding that will be owned by the company. Companies that have high sales growth will have large amounts of cash holding, this is because when sales growth is high, the company will have an increase in income so the company will have more cash from the income. In property and real estate sector companies, the company calculates Cash Holding by looking at sales in the previous year, the higher the sales, the greater the cash that will be owned by the company. This is because by looking at high sales in the previous year the company can assess the profits to be obtained, therefore the company will increase the amount of cash owned by the company.

Effect of Cash Conversion Cycle on Cash Holding

The results of the partial test (t test) show that the cash conversion cycle (X2) has a Tcount of -0,412 with a Ttable value of 1,977 which means that Tcount is smaller than Ttable (-0,412 < 1,978). The significant value obtained is 0,6809, which means it is greater than 0.05 (0,6809 < 0,05). So it can be concluded that the cash conversion cycle has no effect on the cash holding of property and real estate sector companies. Whether or not the length of the Cash Conversion Cycle level owned by the company has no effect on the size or size of the Cash Holding company in the property and real estate sector. A company with a long cash conversion cycle will have a large amount of cash, on the other hand, if the company's cash conversion cycle is short, the company's cash will be small. awareness of the importance of cash holding allows the company not to take into account the cash conversion cycle as a decision in cash holding, the company can still have cash reserves from outside the cash conversion cycle even though the company is experiencing a short or long cash conversion cycle because the company needs funds to finance all of the company's operational activities. So that the high or low level of cash holding does not depend on the length of the cash conversion cycle process. The results of this study are in line with research conducted (Abbas dkk., 2020; Liadi & Suryanawa, 2018; Wiradharma dkk., 2017 and Suherman, 2017) which states that the cash conversion cycle has no effect on Cash Holding.

Effect of Capital Expenditure on Cash Holding

The results of the partial test (t test) show that capital expenditure (X_3) has a Tcount of -1,023092 with a Ttable value of 1,97756 which means that Tcount is smaller than Ttable (-1,023092 < 1,97756). The significant value obtained is 0,3081 which means it is greater than 0,05 (0,3081 < 0,05). So it can be concluded that capital expenditure has no effect on cash holding. The results of this study are in line with research conducted (Najema & Rusdayanti A., 2019) which states that Capital Expenditure has no effect on Cash Holding. However, this is not in line with the results of research conducted (Yanti et al., 2019) which showed that Capital Expenditure had an influence on Cash Holding. The level of Cash Holding of property and real estate sector companies is not influenced by the high or low level of Capital Expenditure, the effect of Capital Expenditure on Cash Holding is not affected by the different levels of capital expenditure owned by the sample companies. A high Capital Expenditure means that the company makes capital expenditures, which means that the cash in the company is used mostly for capital expenditures, so the higher the level of Capital Expenditure does not affect the company's activities in holding Cash Holding. This means that the activity of replacing or buying fixed assets does not have a big influence on the level of cash owned by the company. Capital expenditure has no effect on cash holding. This shows that when capital expenditure is high, the cash held is small. This is basically inconsistent with the trade-off theory and transaction capital theory, which are basically capital structures related to debt, not cash holding. Cash holding is cash held for company operations, not for investment.

CONCLUSION

This study identifies the relationship between sales growth, cash conversion cycle and capital expenditure on the cash holding of property and real estate sector companies listed on the Indonesia Stock Exchange in 2016-2020 by using panel data regression analysis techniques. The results of the study show that partially only sales growth affects cash holding. This shows that cash conversion and capital expenditure do not affect the cash holding policy. Thus, the company can maintain the level of cash holding by maintaining sales growth. The value of the coefficient of determination shows a very low value. This shows that the variables studied do not sufficiently affect cash holding. Cash holding is related to the company's operating expenses so that the decision on the level of cash hodling is adjusted to the needs of each company and is not related to cash conversion and capital expenditure.

REFERENCE

Abbas, D. S., Eksandy, A., & Mulyadi (2020). Pengaruh *Growth Opportunity, Net Working Capital, Cash Conversion Cycle, Investment Opportuniy Set* dan *Leverage* terhadap *Cash Holding*. Jurnal Ekonomi Manajemen dan Akuntansi. Universitas Muhammadiyah Tangerang (Vol. 16, No. 1).

Andika, M. S. (2019). Analisis Pengaruh *Cash Conversion Cycle, Leverage, Net Working Capital* dan *Growth Opportunity* Terhadap *Cash Holding*. *JOM Fekon.* Fakultas Ekonomi.Iniversitas Riau, Pekanbaru. (Vol 4 No. 1).

Astuti, N., Ristiyana, R., & Nuraini, L. (2020). Faktor-Faktor yang mempengaruhi *Cash Holding*. Jurnal Ekonomi Bisnis. Universitas Islam Syekh-Yusuf .(Volume 26, Nomor 1).

Dewi, A. A. (2018). Effect of Cash Conversion Cycle, Capital Expenditure and Cash Flow on Cash Holding Policy. Scientific Article of the Perbanas College of Economics.

Eksandy, A. (2018). Accounting and Management Research Methods. Tangerang.

Ghozali, I. (2018). Multivariate Analysis And Econometrics: Theory, Concepts And Applications With Eviews 10, Second Edition.

Gunawan, R. (2016). Effect of Growth Opportunity, Net Working Capital and Cash Flow on Cash Holding (Empirical Study on Manufacturing Companies Listed on the Indonesia Stock Exchange 2011-2014). Article Faculty of Economics, State University of Padang.

Hasana, E. R. (2019). Analysis of the influence of Cash Conversion Cycle, Net Working Capital, Growth Opportunity and Capital Expenditure on Cash Holding. Scientific articles. Perbanas College of Economics.

Liadi, C. C and Suryanawa, I. K. (2018). Effect of Firm Size, Net Working Capital, Cash Flow, and Cash Conversion Cycle on Cash Holding. E-Jurnal of Accounting, Udayana University, Bali (Volume 24.2.August (2018).

Maarif, S., Anwar, C. & Darmansyah. (2019). Pengaruh Interest Income Growth, Net Working Capital dan Capital Expenditure terhadap Cash Holding dengan Aktivitas Dewan Komisaris sebagai Variabel Moerasi. Jurnal Madani. (vol 2 No 1, Maret 2019 (163-173).

Muharromah, N. A., Ahmar, N. & Anwar, C. (2019). Institutional Ownership Memoderasi *Growth Opportunity*, *Cash Conversion Cycle, Net Working Capital* dan *Dividen Payout* Terhadap *Cash Holding*. Jurnal-Jurnal Inovasi Manajemen Ekonomi dan Akuntansi (Vol. 1 No. 2).

Najema & Rusdayanti A. (2019). Analysis of the Effect of Current Assets, Capital Expenditure, Cash Conversion Cycle, Cash Flow, Laverage, Market to Book Value, and Net Working Capital on Cash Holdings in the Consumer Goods Industry Sector on the IDX. Journal of Management and Entrepreneurship, Faculty of Economics and Business, Lambung Makuat University, Banjar Masin (Vol 3 No 1 March 2019).

Panalar, P. S. & Ekadjaja A. (2020). *Pengaruh Sales Growth, Board Size, Divident Payment, dan Cash Form Operaion terhadap Cash Holding*.Jurnal Multiparadigma Akuntansi. Fakultas Ekonomi Universitas Taruma Negara .Vol. 2 Edisi April 2020.

Prasetya, E. R & Putri, W.C (2020). Financial Distress As The Impact of Operating Capacity, Sale Growth and Liquidity Ratio in the consumption Goods Industry Sector in 2018. Faculty of Economics, Pamulang University, South Tangerang. Proceedings of Senantiaas 2020. (Vol. 1 No. 1 December 2020).

Sakti, I. (2018). Panel Data Regression Analysis Using Eviews. Eviews Module, 9, 1-25.

Sugiyono (2017). Educational Research Methods Quantitative, Qualitative, and R&D Approaches. Bandung Alphabet.

Suherman (2017). Factors Affecting Company Cash Holdings on the Indonesia Stock Exchange. Journal of Management Faculty of Economics, State University of Jakarta (Volume XXI No. 3 October 2017).

Wiradharma, I. G., Pusparini, H. & Karim, N.K. (2017). A*nalysis Of Growth Opportunity, Net Working Capital, Leverage, And Cash Conversion Cycle Influence On Cash Holdings Of Companies From Food And Drink Sub Sector In* Indonesia Stock Exchange. *Jurnal Akuntansi* Aksioma (Vol. 24. 16 No. 1, Juni 2017).

Yanti, Susanto, L., Wirianata, H., Viriany (2019). Corporate Governance, Capital Expenditure and Cash Holding. Journal of Economics, Faculty of Economics, Tarumanagara University, Jakarta (Volume XXIV No 1 March 2019).

Yongki., Panjaitan, R., & Leon, F. H. (2021). Dampak Manajemen Modal Kerja Terhadap *CashHolding* pada Industri *Consumer* (2021). JurnalKeuangan dan Bisnis. Fakultas Ekonomi dan Bisnis Universitas Trisakti.