LEVEL HEALTH AND BUSINESS DEVELOPMENT IN PAWNSHOP AT JEMBER REGENCY (CASE STUDY OF PAWNSHOP TEGAL BOTO BRANCH OFFICE) Ratih Rachmawati STIE Mandala Jember, ratih@stie-mandala.ac.id.

ABSTRACT

Pawnshop as a credit-issuing financial institution must manage finances as well as possible, so that financial health can be maintened. From the financial the statements analyzed using financial ratios can indicate the position , condition and the work achieved. The benefits other than used for sources of financial statement information can be used as a means of accountability. The financial statement are the end result of the accounting process which providesan overview of the state of financial position or which is often also referred to as the language of business, which is a form of communication between financial data or activities of company with parties concerned with the activity.

The financial statements published by the company are one source of information about the company's financial position, the performance and changes in the company's financial position, which is very usefull supporting decision-making.

The problem is :

(1) How to improve the financial health of pawnshop in Jember Regency

(2) How the development of pawnshop business in Jember Regency.

 The purpose of this study are :

(1) To improve the financial health of pawnshop in Jember Regency

(2) To know the growth of Perum Pegadaian business in Jember Regency.

While its usefullness: The results of this study can be used as a consideration for pawnshop in Jember Regency, in determining the policy to improve its business.

Outcomes from research : Scientific publications that have ISSN and Research report. Contribution to science through the application of financial health and business deveploment in pawnshop sector will provide recommendations that financial management should be done well and financial health must always be maintained. In accordance with the mission, which is channelling credit for the weak economic community, and on the other hand as a unity of economic effort required to be able to maintained and develop its survival.

The research was conducted in 2017 on the pawnshop in Jember Regency, East Java, using secondary data, that is data obtained from the results of the company's publications, namely balance year 2014-2016, and income statement of 2014-2016.

Data Analysis: Financial health levels include: Return on Equity, Return On Investment, Cash Ratio, Current Ratio, Collection Periods, Invoicing Turnover, Total Assets Turn Over, Total Ratio of Own Capital to Total Assets. Analysis of Business Development Pawnshop in Jember Regency, analyzed by: Calculate the amount of Economic Rentability.

Keyword : Pawnshop, ROI, Cash Ratio,Current Ratio

1.   INTRODUCTION

Financial institutions in Indonesia consist of two namely, bank financial institutions and non bank financial institutions. Bank and non bank financial institutions always strive to provide the best servces to the community in the field of credit (Kasmir, 2003:2). One of the financial institutions that provide lending services to the public is a public company pawnshop.

Pawnshop is a state owned enterprise (SOE) owned by the ministry of finance of Indonesia and is one of the unique credit institutons, because it is only engagedin the distribution of credit to the publicon the basis of legal lien with the assurance of moving objects. Pawnshop is one of alternative in fullfilling requirement of credit of society, because able to serve requirement of loan money in a relatively short time, so it is very interested society, this can be known by credit service which have been distributed either for production needs, semi production and consumptive . As a financial institution of credit channeling Perum Pegadaian must manage finances as well as possible. Financial health must be maintained. To know the financial situation can be done by viewing and evaluating the financial statements. From the financial statements can be analyzed by using financial ratios that can indicate the position, condition and the work achieved. Thus, in addition to used for financial statement information can be used as a means of accountability. In order for the information presented to be more useful in making decisions, financial data should be converted into useful information in economic decision making. This is done by way of financial statement analysis. (Luciana Spica Almilia & Emanuel Kristijadi: 2003: 185). The financial statements are the end result of the accounting process that provides an overview of the state of the financial position or which is often also referred to as the language of business, which is a form of communication between financial data or activities of a company with the parties concerned with data or activity tersebut. laporan published by the company is one source of information about the company's financial position, performance and changes in the company's financial position, which is very useful to support decision-making. The owner of the finance is very concerned with the results of financial statements to assess or know the state of the company, because by knowing the results of financial statements a company owner can judge the success or failure of managers in running a company that can usually be measured by the profit earned. If the result is not in accordance with the specified target, then the owner of the company can replace its management. Financial ratio analysis is a way to make comparisons of financial data more meaningful. Users of financial information are free to choose the ratio to be used in accordance with the interests of the company concerned. By using analytical tools will be able to explain or provide images about the good and bad state or financial position of a company (Abdul Hasyim Batubara: 2010). CAR is used to measure the proportion of own capital compared with outside funds in the context of financing the banking business activities and is an indicator of the bank's ability to cover its decline in assets as a result of bank losses caused by risky assets "(*Sunarti, 2008*:131).). The bank's health assessment covers 5 aspects:

1. capital, for capital adequacy ratio

2. Assets, for asset quality ratio
3. Management, to assess the quality of management
4. Earning, for bank profitability ratios
5. Liquidity, for bank liquidity ratios

Ad.1. Capital, for capital adequacy

Assesment of quantitative and qualitative approach of capital factor, among other is done through the assesment of the components:

a. Adequacy of minimum capital adequacy requirement(CARM) against the applicable terms.
b. Composition of capital.
c. Future trends / projections CARM
d. Productive assets are classified as compared to bank capital.
e. The ability of banks to maintain the need for additional capital derived from profits (retained earnings).
f. Bank capital plan to support business growth.
g. Access to capital resources.
h. Financial performance of shareholders to increase bank capital.

Ad. 2. Assets, for asset quality ratio

Assessment of quantitative and qualitative approaches to asset quality factors, among others, is done through an assessment of the components:

a. Productive assets are classified as compared to total earning assets.
b. The principal debtors are beyond the related parties compared to the total credit.
c. The development of non performing assets with non performing assets compared to productive assets.
d. The adequacy of the allowance for earning asset losses (PPAP).
e. Adequacy of productive asset policies and procedures.
f. Internal review system of productive assets.
g. Document productive assets.
h. The performance of handling productive assets is problematic.

Ad. 3. Management, to assess the quality of management

Assessment of management factors among others is done through the assessment of the components:

a. General management.
b. Implementation of risk management system.
c. Bank compliance with prevailing regulations and commitments to Bank Indonesia and / or other parties.

Ad. 4. Earning, for bank profitability ratios

Assessment of quantitative and qualitative approaches to profitability factors, among others, is done through the assessment of the components:

a. Return On Assets (ROA).
b. Return On Equity (ROE).
c. Net Interest Margin (NIM).
d. Operational Cost compared to Operating Income (BOPO).
e. The development of operating profit.
f. The portfolio composition of earning assets and income diversification.
g. Implementation of accounting principles in revenue and expense recognition

h. Prospect of operating profit

Ad. 5. Liquidity, for bank liquidity ratios

Assessment of quantitative and qualitative approaches to liquidity factors, among others, is done through an assessment of the components:

a. Liquid assets less than 1 month compared to liquid liabilities less than 1 month.
b. 1-month maturity mismatch ratio.
c. Loan to Deposit Ratio (LDR).
d. Cash flow projection for next 3 months.
e. Dependence on funds between banks and core depositors.
f. Assets and Liabilities Management (ALMA)
g. The ability of banks to gain access to money markets, capital markets, or other funding sources.
h. Stability of Third Party Funds (DPK).

Formulation of the problem

a. Is Pawnshop Tegal Boto Branch Office , meets health classification based on applicable financial performance criteria.
b. Is the effort Pawnshop Tegal Boto Branch Office, has show progress when viewed from economic rentabilitas

1.2.   Goals and Usage

1.2.1. The purpose of this research are :

a. To evaluate the financial healtj level of Pawnshop Tegalboto branch office in Jember Regency 2014-2016
b. To find out the business development of Pawnshop Tegal Boto branch office in Jember Regency in term of economic rentability.

1.2.2. Usefullness

a. Expected from the results of this study can be consdered for Pawnshop Tegal Boto Branch office in Jembr Regency , in determining the policy in order to achieve business success.
b. The results of this study are expected as a consideration of scientific reading in order to complete the STIE Mandala Jember literature.

1.3.   Outcomes from Research

a.   Scientific publications that have ISSN
b.   Research Report

1.4. His contribution to science

Development of Science through the application of financial health and business development in the pawnshop sector will provid recommendations that financial management should be done well and financial health must always be maintained. Pawnshop as one of the State-Owned Enterprises engaged in credit has two missions, which are distributing credit for the weak economic community, and on the other hand as the economic business entity required to be able to maintain and develop its survival.

1.5.   Scope of problem

Order not to deviate from the obyectives of the study and to avoid the increasingly widespread problem to be discussed, this research is limeted to

a. The data analyzed is data during the period 2014-2016
b. Pawnshop Tegal Boto branch office in Jember Regency
c. Performance analysis for the variables measured are :

- Liquidity ratio with indicator, cash ratio, current ratio
- Activity ratio with indicator total asset turn over (TATO), collection periods(CP), inventory turn over , asset turn over . equitas turn over

d. Profitability ratio with ROE, ROI, RE
- Solvency ratio with indicator ratio of total debt to capital , ratio of total debt with asset, net profit with interest expense

2. LITERATURE REVIEW

2.1. Previous researcher

a. Hermawati (2003*). "Efforts to reduce losses due to exchange rates and their effects in financial statements*" know the difference in financial performance between manufacturing firms viewed from EPS performance gauges, ROA, ROE, Current ratios. That the company can reduce the amount of foreign exchange loss due to foreign exchange transactions, and also increase the cash balance.

b. Alfons Hartono (2012). *"Dupont's analysis to assess the company's financial performance (PT Surya Timur Sakti branch of Jember and PT Roda Sakti Surya Raya Branch Jember)"* discusses financial performance issues comparing performance on objects. Financial performance at PT Surya Timur Sakti Branch Jember and PT Roda Sakti Surya Raya Jember was found to have maximum in use.

c. Angelina Tirza (2012). *"Analysis of Financial Ratio as the basis of performance appraisal on the Artah Niaga / Wuluhan saving and lending cooperative"* discusses financial performance issues comparing performance on objects. Financial Performance in Artah Niaga Wuluhan on savings and Loan cooperatives

2.2. **Theoritical review**

A.   FINANCIAL PERFORMANCE

Financial performance is a descriiption of the achievement of the company's success can be interpreted as a result that has been achieved on various activities that have been done. Can be explained that the financial performance is an analysis conducted to see how far analysis conducted to see how far a company has implemented by using the rules of financial implementation properly and correctly (Fahmi, 2012: 2). Associated with the measurement of financial performance, it is important to understand :

1.   Under standing and purposes of financial statemens
2.   Understanding balanced scorecard and 4 perspective
3.   Concerning bank performance and financial ratios.

According Mulyadi (2007: 2) describes the definition of financial performance is the periodic determination of operational effectiveness of an organization and its employees based on targets, standards, and criteria set previously ". Financial performance according to Rudianto (2013: 189) is the result or achievement that has been achieved by the company's management in carrying out its function of managing the company's assets effectively during a certain period. Measuring financial performance is important for managers and corporate stakeholders to formulate strategies and decisions to be taken. Subsequent financial performance will be a benchmark in a review of the company's strategy.

Purpose of Financial Performance Measurement.
The objectives of financial performance measurement are as follows:
a. Know the level of liquidity, that is the ability of the company to meet financial liability at the time of billing.
b. Knowing the level of solvency is showing the ability of the company to meet its financial obligations, if the company is liquidated both short-term and long-term liabilities.
c. Knowing the level of profitability is to show the company's ability to earn profits during a certain period.
d. Knowing the level of stability, ie the ability of companies to conduct their business with a stable measured by taking into account the ability of the company to pay regular installments to shareholders without experiencing barriers (Munawir, 2011:31)

B. Financial Health

The company's financial health is done to improve its operational activities in order to compete with other companies. Financial health analysis is a critical review process to review data, calculate, measure, interpretions , and provide solutions to the company's finances in a certain period. Financial Health can be assessed with multiple analytical tools. Financial health is the company's achievement in managing its financial resources in its business. In addition, financial health also reflects the success of corporate management in implementing various financial policies that are visible from the company's financial statements.

C. Financial statements

1. Understanding Financial Statements
▪ Understanding financial statements based on several sources are as follows: Financial statements are documents used to report the financial performance of a company or organization for internal needs and external (Wibisono, 2011: 28).
▪ The financial statements are summaries of a recording process, consisting of financial transactions occurring during the relevant fiscal year (Brigham and Houston, 2008: 17).
▪ Financial report is a media that can be used to examine the health condition of the company consisting of balance sheet, profit-loss calculation, retained earnings summary, and statement of financial position (Alexandri, 2008: 30)

2. Financial ratio analysis
▪ **Understanding Financial Ratios**
Financial ratios are used to help management evaluate financial statements. The definition of the ratio according to Jumingan (2011: 118) is "a number that shows the relationship between an element with other elements in the financial statements, expressed in simple mathematical form".

▪ **Types of Financial Ratios**
The types of financial ratios are divided into four types of analysis: leverage ratio, liquidity ratio, activity ratio, and profitability ratio. The debt ratio is calculated based on data on the balance sheet and income statement. Liquidity ratio is calculated based on data on the balance sheet. Activity ratios, profitability ratios are calculated based on data on the balance sheet and

income statement, (Syamsuddin, 2009: 40). An explanation of the ratios is as follows:
1. Debt Ratio /Leverage ratio
   - ✓ Debt ratio /DR
   - ✓ Debt equity ratio/DER
2. Ratio of liquidity (liquidity ratio)
   - ✓ Current ratio (CR)
   - ✓ Quick ratio (QR)
3. Activity ratio
   - ✓ Fixed Assets turnover (FATO)
   - ✓ Total Assers turnover(TATO)
4. Profibability ratio
   - ✓ Return on assets (ROA)
   - ✓ Return on Equity (ROE)
5. Gross profit margin (GPM)
- ✓ Operating profit margin(OPM)
- ✓ Net profit margin(NPM)

D. UNDERSTANDING PAWNSHOP

Definition of Pawn According to the law of civil law article 1150 in Joseph, Wiroso, (2011: 165) is Pawn is a right earned by a person who is indebted for a moving goods, which is handed to him by a debtor or by another in his name, and who gives power to the indebted person to take the repayment of the goods prior to the other indebted persons, with the exception of the cost of auctioning the goods and the costs incurred to rescue them after the goods are pawned, which fees should take precedence. Meanwhile, according to Sudarsono (2012: 171) Public corporation pawnshop is the only business entity in Indonesia that officially has permission to carry out the activities of financial institutions in the form of financing in the form of channeling funds to the public on the basis of legal lien as referred to in the Book of Law Chapter 1150 of the above article. Its main task is to lend to the community on the basis of a legal pledge so that the public is not harmed by the activities of informal financial institutions that tend to exploit the urgent need of funds from the public.

E. Business Development Analysis

Economic profitability

According to Bambang Riyanto (2011: 59) that: "The profitability of a company shows the comparison between profits with assets or capital that generate such profits." According to Munawir (2010: 33) that: "Profitability is the ability of a company to generate profits over a certain period." The profitability of a company is measured by the success of the company and the ability to use its assets productively, thus the profitability of a company can be known by comparing the profit earned in a period with the amount of the company's capital

Profit Margin

Profit margin is a profitability ratios calculated as net income divided by revenue, or net profits divided by sales. Net income or net profit may be determined by subtracting all of a company's expenses, including operating

costs, material costs (including raw materials) and tax costs, from its total revenue. Profit margins are expressed as a percentage and, in effect, measure how much out of every dollar of sales a company actually keeps in earnings. A 20% profit margin, then, means the company has a net income of $0.20 for each dollar of total revenue earned. While there are a few different kinds of profit margins, including "gross profit margin," "operating margin," (or "operating profit margin") "pretax profit margin" and "net margin" (or "net profit margin"). The method of calculating profit margin when the term is used in this way can be represented with the following formula: **Profit Margin = Net Income / Net Sales (revenue)**

Other types of profit margins have different ways of calculating net income so as to break down a company's earnings in different ways and for different purposes. Profit margin is similar but distinct from the term "profit percentage," which divides net profit on sales by the cost of goods sold to help determine the amount of profit a company makes on selling its goods, rather than the amount of profit a company is making relative to its total expenditures.

ASSET TURNOVER RATIO

Asset turnover ratio measures the value of a company's sales or revenues generated relative to the value of its assets. The Asset Turnover ratio can often be used as an indicator of the efficiency with which a company is deploying its assets in generating revenue.

Asset Turnover = Sales / Average Total Assets

Asset turnover ratio is typically calculated over an annual basis using either the fiscal or calendar year. The total assets number used in the denominator can be calculated by taking the average of assets held by a company at the beginning of the year and at the year's end. Generally speaking, the higher the asset turnover ratio, the better the company is performing, since higher ratios imply that the company is generating more revenue per dollar of assets. The asset turnover ratio tends to be higher for companies in certain sectors than in others. Retail and consumer staples, for example, have relatively small asset bases but have high sales volume and, thus, often yield the highest asset turnover ratio.

Net Operating Income

Viewed from the frasenya we can understand the intent of operating income is the income of business operations. Technically the process of getting operating income is as follows

3. Get Gross Profit

Gross profit or gross margin is the value of the Revenues minus the COGS (Cost of Good Sold). In Indonesian language can be understood as income minus cost of goods sold. Mathematically can be written: Gross Profit = Revenues - COGS.

The determination of COGS for trading companies is easier because it is more related to goods sold. The determination of COGS for factories is more complex because it takes into account direct goods, indirect goods, direct labor, indirect labor, factory accumulation and other overhead costs. The determination of COGS in factory activities should use accurate cost accounting.

4. Operating Income

After getting Griss Profit or Gross Margin, then our step is to determine Operating Income. Operating Income can be obtained from Gross Profit minus operating costs such as marketing costs, shipping costs, customer service fees and more. Mathematically can be written

Operating Income = Gross Profit - Operating Costs.

Understanding Operating Income is very important in business planning. Related business plan, CVP analysis (Cost Volume Profit) is very helpful in planning Operating Income. In CVP we will learn contribution margin, breakeven point and so on. CVP analysis should be learned by businessperson to determine when breakeven and when to get profit.

Net operating assets (NOA)

are a business's operating assets minus its operating liabilities. NOA is calculated by reformatting the balance sheet so that operating activities are separated from financing activities. This is done so that the operating performance of the business can be isolated and valued independently of the financing performance. Financing activities do not create value unless the company is in the finance industry, therefore reformatting the balance sheet allows investors to value just the operating activities and hence get a more accurate valuation of the company.

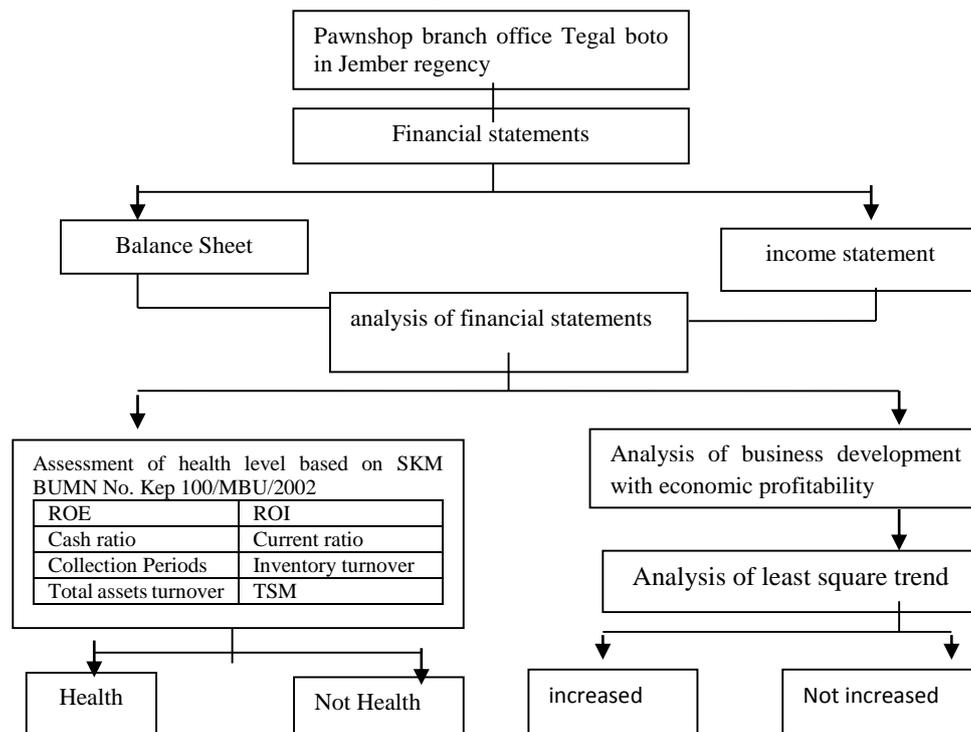**Calculation : NOA = Operating asset- operating liabilities**

The basic equation is :

- Operating asset   = Total assets - cash
- Operating Liabilities = Total Liabilities –short- term note –long –term note

2.3. CONCEPTUAL FRAMEWORK

The framework of thinking is a conceptual model of how theory relates to various factors that have been defined as important issues, Sumarni (2006:27)

5.   RESEARCH METHODS
3.1.   Location and Time of Study
  a. Research Sites: The research was conducted in 2016 on the pawnshop in Jember District, East Java.
  b. Research Schedule: This research starts from April to November 2017, starting from permission to completion of final research report
  c. Type of Research: This study is a case study on Pawnshop Tegal Boto Branch Office in Jember Regency
  d. Data Types: This study uses secondary data, That is data obtained from the results of publications of the company, namely: 1) Balance year 2014-2016; 2) Income Statement of 2014-2016

3.2. Method of collecting data
  a. Literature review
      Literature study is the technique of collecting information by studying literature books related to the problem under study.
  b. Field Studies
      Field study is a direct study of the issues to be discussed in the Company which became the object of research by way of observation and interviews with related parties.

3.3.   Analysis Method
3.3.1.   Evaluation of Financial Health Level
The level of financial health at Pawnshop in Jember Regency, used ratio analysis based on the Decree of the Minister of State Owned Enterprises no. KEP-100 / MBU / 2002 on the health rating of State-Owned Enterprises which includes:

Return on Equity
          The percentage of net profit after tax divided by own capital. This indicator is used to indicate the effectiveness level of the company's management team in generating profit from funds invested by shareholders. The higher the ROE reflects the greater the profit generated from the investment so that the profitability of the company the better. ROE expressed as a percentage (%)

Calculation formula :

$$\textbf{ROE} = \frac{\textbf{EAT}}{\textbf{Owner's equity}} \textbf{ x 100 \%}$$

Definition:
  1. Profit after Tax is Net Income less the profit from the sale of: Fixed Asset, non-earning assets, other assets, direct share of share.
  2. equity capital is all the components of the Equity Capital in the balance sheet of the company at the end of the financial year position minus the component of the Own Capital used to finance the Fixed Assets in Implementation and the current year's profit. In the Capital itself mentioned above includes a liability component that has not been set status. Fixed Assets in the execution is a position at the end of the fixed asset year that is under construction.
  3. Fixed assets in the execution shall be the position at the end of the fixed asset year under development.

Return on Investment

ROI is the ratio of net income to costs. ROI is usually the most important measurement for an advertiser because it is based on a specific advertising goal and shows the real impact of advertising efforts on your business. The method that's right for you to calculate your ROI depends on your campaign goals.

Calculation formula : $\text{ROI} = \dfrac{\text{EBIT+DEPRESIASI}}{\text{CAPITAL EMPLOYED}} \times 100\%$

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EBIT is earnings before interest and tax less profit from proceeds from: fixed asset, non-earning assets, other assets, direct share of share.

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Definition :

a. EBIT is earnings before interest and tax less profit from proceeds from: fixed asset, non-earning assets, other assets, direct share of share.

b. Depreciation or depreciation in accounting is the systematic allocation of the depreciable amount of an asset over its useful life. Depreciation

implementation will affect the financial statements, including a company's taxable income.

c. Capital Employed is the position at the end of the book year Total Assets minus fixed assets in the execution

Cash Ratio

Definition of Cash Ratio and Cash Ratio (Cash Ratio) or Cash Asset Ratio is a ratio used to compare total cash (cash) and cash equivalent of a company with its current liabilities. This Cash Ratio is basically a refinement of the quick ratio used to identify the extent to which funds (cash and cash equivalents) are available to pay off current liabilities or short-term debt. Creditor candidates use this ratio as a measure of corporate liquidity and how easily the company can cover its short-term debt obligations.This Cash Ratio is the most stringent and conservative liquidity ratio on the company's ability to cover its short-term debt or liabilities compared to other liquidity ratios (current ratio and quick ratio). This is because the Cash Ratio only takes into account the most liquid assets or short-term current assets that are the most easy and quick cash and cash equivalents to be used in paying off current liabilities.

Cash Ratio Formulasi:

The Cash Ratio is calculated by distributing the most liquid assets that are cash and cash equivalents with their current liabilities. Here below is the formula Cash Ratio or Cash Ratio:

Cash Ratio = (Cash + Cash Equivalents) / Current Debt

Note:

a. Cash is all means of payment that can be used immediately such as coins, banknotes and current or current account balance at the bank.

b. Cash Equivalents are highly liquid, short-term investments and can be used as cash (cash) within a certain amount of time without any significant risk of change in value.

c. Current liabilities are the company's debt to be paid in cash within a year or in the operating cycle of the company.

Current Ratio

Understanding Current Ratio

Current ratio is a very useful ratio to measure the company's ability to pay its short-term obligations, which can be known to what extent the actual amount of the company's assets can guarantee its current debt. The higher the ratio means the company's debt will be guaranteed to the creditor. This ratio is used to measure the company's ability to pay short-term liabilities by using current assets owned.

Formula Current Ratio.

This Current Ratio compares current assets with current liabilities. Current Ratio provides information about the ability of current assets to cover current liabilities. Current assets include cash, accounts receivable, securities, inventories, and other assets. While current liabilities include trade payables, notes payable, bank loans, salary payable, and other payables that must be paid immediately (Sutrisno, 2001:247). And the following formula of current ratio is: **Current Ratio** $= \dfrac{Current\ assets}{current\ debt}$

The greater the ratio of current assets to current liabilities, the higher the company's ability to cover its short-term liabilities. If a current ratio of 1: 1 or 100% means that current assets can cover all current liabilities. So, it is said to be healthy if the ratio is above 1 or above 100%. This means that current assets should be far above the amount of current debt (Harahap, 2002: 301)

Collection periods

A collection period is the average number of days required to collect receivables from customers. A shorter collection period is considered optimal, since the creditor entity has its funds at risk for a shorter period of time, and also needs less working capital to run the business. However, some entities deliberately allow a longer collection period in order to expand their sales to customers having lower credit quality. The collection period calculation does not include the collection period for non-trade receivables, such as advances to employees, since doing so would skew the result of the calculation.

Formula Collection periods

In order to understand the concept of the average collection period formula, one must first look at the accounts receivables turnover formula of

Receivables Turnover = $\dfrac{\textit{Sales Revenue}}{\textit{average accout receivable}}$

The average collection period formula can be rewritten as the numerator, 365 days, times the inverse of the denominator. This would result in the formula

Average Collectiomn Period = 365 x $\dfrac{\textit{average account receivables}}{\textit{sales revenue}}$

The 2nd portion of this formula is essentially the % of sales that is awaiting payment. The % of sales awaiting payment is then used as the % of time awaiting payment throughout the period. From here, the % of time awaiting payment is converted into actual days by multiplying by 365.

It is important to consider that a company that has seasonal sales will affect the outcome when using this formula.

Perputaran Persediaan

Inventory turnover ratio is used to measure the activity or liquidity of a firm's inventory. The point is to measure the efficiency level of a company in managing and selling inventory owned by the company.

The effectiveness of inventory management is demonstrated by the high turnover of inventories within a year. While the control over the less effective provision is shown by low inventory turnover in one year.

The formula used is: Inventory turn-over $= \dfrac{\text{cost of goods sold}}{\text{average inventory}}$ x 1 time

This ratio is used to determine how the level of effectiveness of the company in managing its inventory. The higher the tingka turnover the more effective the management of the supply.

Perputaran Total Aset / *Total Asset Turn Over*

Total Asset Turn Over Ratio (Total Asset Turn Over Ratio). Similar to fixed asset turnover, this ratio calculates the effectiveness of total fixed asset use. Total asset turnover shows efficiency where the company uses all its assets to generate sales. A high level of ratios indicates that the company has good

management, and so low ratio shows that the company has low managerial level as well, and the company should form a management to evaluate its strategy, marketing, and investment or capital expenditure.

The formula used is:

$$\text{Total Asset Turn-over} = \frac{Sales}{capital\ assets} \text{ x 1 time}$$

This ratio is used to measure the effectiveness of asset utilization in obtaining sales. So the higher the rate of rotation the more effective the company in utilizing

Rasio Total Equity capital terhadap Total Asset

This ratio shows the importance of the source of loan capital and the level of security owned by creditors. The higher this ratio means the smaller the amount of loan capital used to finance the company's assets.

The calculation formula is: total equity to total assets $= \frac{total\ equity}{total\ asset} \, x \, 100\%$

Business Development Analysis

Development of Perum Pegadaian Tegal Boto Branch Office in Jember Regency, analyzed in the following way: Calculating the amount of Economic Rentability (RE) for the period under study, by the formula (Bambang Riyanto, 2001)

1. Economic profitability = Profit Margin X Operating Assets Turn Over
2. Profit margin $= \frac{Net\ Operating\ Income}{Net\ sales} \text{ x } 100\%$
3. Operating Asset Turn Over $= \frac{Net\ sales}{net\ operating\ assets}$

Where :

- Economic profitability: the ratio of operating income to own capital and loan capital used to generate such profits and expressed in percentages."
- Profit margin : profit margin is the difference between net sales with operating espenses (cost of goods sold + administration fee + cost of sales + general cost), the difference is expressed in percentage of net sales.
- Operating assets turnover : Turnover of operating assets is the velocity of operating assets in a certain period. Turnover assets can be determined by dividing net sales by operating assets.
- Net operating income : is Net operating profit after depreciation but before interest expense and taxes. Usually used to know the cost of production. The report used is Income / Profit Report
- Net sales : is total revenue, less the cost of *sales* returns, allowances, and discounts. This is the primary *sales* figure reviewed by analysts when they examine the income statement of a business.
- Net Operating Income is Net operating profit after depreciation but before interest expense and taxes. Usually used to know the cost of production.

The report used is Income / Profit Report : Net Operating Asset is the result of the calculation of Current Assets - Current Liabilities = Current Net Assets + Non-current Assets -Current Liabilities.

The report used for calculation is the Balance Sheet Report Usually used to calculate the acquisition of the assets that are operated.

RESEARCH RESULT

A. Return On Equity

The percentage of net profit after tax divided by own capital. This indicator is used to indicate the effectiveness level of the company's managementteam in generating profit from funds invested by shareholders. The higher the ROE reflects the greater the profit generated from the investment so that the profitability of the company the better. ROE expressed as a percentage (%)

Calculation formula : $ROE = \dfrac{EAT}{Owner's\ equity} \times 100\ \%$

Table 10 :
Result of Calculation of ROE of Pawnshop of Tegal Boto Branch Office in Jember Regency Period year 2014 -2016

Year	Return on Equiy (%)	Score Value	Score maksimal Kep-Men	Category
1	4	5	6	7
2014	289	11,53	16	SS
2015	12	0,10	2	KS
2016	75	2,99	5,5	CS
Jumlah	376	14,62	12	S
Rata-rata	188	7,31	6	CS

Source: primary data processed 2017

Table 10 overall ROE shows very healthy condition and average ROE value 188% with score value 7,31 Pawnshop Tegal Boto branch office is enough healthy, If seen in 2015 each value of ROE equal to 12% with score value 0,10 still in Less than health category

B. Return on Investment

ROI is the ratio of net income to costs. ROI is usually the most important measurement for an advertiser because it is based on a specific advertising goal and shows the real impact of advertising efforts on your business. The method that's right for you to calculate your ROI depends on your campaign goals **Calculation formula :** $ROI = \dfrac{EBIT+DEPRESIASI}{CAPITAL\ EMPLOYED} \times 100\%$

Table 11
Result of Calculation of ROI of Pawnshop of Tegal Boto Branch Office in Jember Regency Period year 2014 -2016

Year	Return on investment (%)	Score Value	Score maksimal Kep-Men	Category
1	4	5	6	7
2014	41	4,46	4,00	CS
2015	43	4,67	4,00	CS
2016	54	5,87	5,00	CS
Jumlah	138	15,00	13,50	SS
Rata-rata	46	5,00	5,00	CS

Source: primary data processed 2017

It can be seen from table 11 that the Pawnshop of Tegal Boto branches as a whole from 2014-2016 is very well seen on average 138% ROI with score of 15 equal to maximum score of Kep-Men. This shows that the level of health of pawnshop Tegal Boto branch office in Jember regency is enough healthy

C. Cash Ratio

Definition of Cash Ratio and Cash Ratio (Cash Ratio) or Cash Asset Ratio is a ratio used to compare total cash (cash) and cash equivalent of a company

with its current liabilities. This Cash Ratio is basically a refinement of the quick ratio used to identify the extent to which funds (cash and cash equivalents) are available to pay off current liabilities or short-term debt. Creditor candidates use this ratio as a measure of corporate liquidity and how easily the company can cover its short-term debt obligations.This Cash Ratio is the most stringent and conservative liquidity ratio on the company's ability to cover its short-term debt or liabilities compared to other liquidity ratios (current ratio and quick ratio). This is because the Cash Ratio only takes into account the most liquid assets or short-term current assets that are the most easy and quick cash and cash equivalents to be used in paying off current liabilities.

Cash Ratio Formulasi:

The Cash Ratio is calculated by distributing the most liquid assets that are cash and cash equivalents with their current liabilities. Here below is the formula Cash Ratio or Cash Ratio: Cash Ratio = (Cash + Cash Equivalents) / Current Debt

Table 12

Result of Calculation of Cash Ratio of Pawnshop of Tegal Boto Branch Office in Jember Regency Period year 2014 -2016

Year	Cash Ratio (%)	Score Value	Score maksimal Kep-Men	Category
1	4	5	6	7
2014	259	7,41	1	KS
2015	66	1,89	0	KS
2016	199	5,70	1	KS
Jumlah	524	15,00	3	S
Rata-rata	175	5,00	1	KS

Source: primary data processed 2017

It can be seen from Table 12 that the Pawnshop of Tegal Boto branches as a whole from 2014-2016 averaged a 175% cash ratio value with a score of 5 in healthy condition, but in 2015 it showed a less healthy level of health because of the cash ratio of 66% score value 1,89 when viewed from the size of Kep-Men that cash ratio 66% with score score zero (0)

D.   Current Ratio

Understanding Current Ratio

Current ratio is a very useful ratio to measure the company's ability to pay its short-term obligations, which can be known to what extent the actual amount of the company's assets can guarantee its current debt. The higher the ratio means the company's debt will be guaranteed to the creditor. This ratio is used to measure the company's ability to pay short-term liabilities by using current assets owned.

Formula Current Ratio.

This Current Ratio compares current assets with current liabilities. Current Ratio provides information about the ability of current assets to cover current liabilities. Current assets include cash, accounts receivable, securities, inventories, and other assets. While current liabilities include trade payables, notes payable, bank loans, salary payable, and other payables that must be paid immediately (Sutrisno, 2001: 247). And the following formula of current ratio is: **Current Ratio** = $\frac{Current\ assets}{current\ debt}$

The greater the ratio of current assets to current liabilities, the higher the company's ability to cover its short-term liabilities. If a current ratio of 1: 1 or 100% means that current assets can cover all current liabilities. So, it is Said to be healthy if the ratio is above 1 or above 100%. This means that current assets should be far above the amount of current debt (Harahap, 2002: 301)

Table 13

Result of Calculation of Current Ratio of Pawnshop of Tegal Boto Branch Office in Jember Regency Period year 2014 -2016

Years	CurrentRatio (%)	Score Value	Score maksimal Kep-Men	Category
1	4	5	6	7
2014	145,38	5,55	5,00	SS
2015	75,53	2,89	3,00	S
2016	171,75	6,56	5,00	SS
Jumlah	392,65	15,00	5,00	SS
Rata-rata	130,88	5,00	5,00	SS

Source: primary data processed 2017

It can be seen from Table 13 that the Pawnshop of Tegal Boto branches as a whole from 2014-2016 averaged a 130,88% current ratio value with a score of 5 in very health condition, but in 2015 it showed a healthy level of health because of the cash ratio of 75,53% by score value 2,89 when viewed from the size of Kep-Men that cash ratio 75,53% with score value 3

E.   Collection periods

A collection period is the average number of days required to collect receivables from customers. A shorter collection period is considered optimal, since the creditor entity has its funds at risk for a shorter period of time, and also needs less working capital to run the business. However, some entities deliberately allow a longer collection period in order to expand their sales to customers having lower credit quality. The collection period calculation does not include the collection period for non-trade receivables, such as advances to employees, since doing so would skew the result of the calculation.

Formula Collection periods

In order to understand the concept of the average collection period formula, one must first look at the accounts receivables turnover formula of

Receivables Turnover $= \dfrac{Sales\ Revenue}{average\ account\ receivable}$

The average collection period formula can be rewritten as the numerator, 365 days, times the inverse of the denominator. This would result in the formula

Average Collectiomn Period $= 365 \times \dfrac{average\ account\ receivables}{sales\ revenue}$

The 2nd portion of this formula is essentially the % of sales that is awaiting payment. The % of sales awaiting payment is then used as the % of time a waiting payment. The % of sales awaiting payment is then used as the % of time awaiting payment throughout the period. From here, the % of time awaiting payment is converted into actual days by multiplying by 365.

It is important to consider that a company that has seasonal sales will affect the outcome when using this formula. For example, a company that sales mostly at the beginning of the period may show none or very little payments awaiting receipt. Also, a company who sales mostly towards the end of the

period may show a very high amount of receivables. Alterations of the formula may be required to adjust for each company.

Table 14

Result of Calculation of Collection periods of Pawnshop of Tegal Boto Branch Office in Jember Regency Period year 2014 -2016

Year	Collection Periods Days	ScoreValue	Score maksimal Kep-Men	Category
1	4	5	6	7
2014	52	4,76	1,20	KS
2015	51	4,66	1,20	KS
2016	61	5,58	1,20	KS
Jumlah	164	15,00	2,40	CS
Rata-rata	55	5,00	1,20	KS

Source: primary data processed 2017

It can be seen from Table 14 that the Pawnshop of Tegal Boto branches as a whole from 2014-2016 averaged a 55 days collection periods value with a score of 5 in less health condition and exceeds the maximum score score from Kep-Men for Collection periods of 55with a maximum score of 1,20

F.   INVENTORY TURNOVER

Inventory turnover ratio is used to measure the activity or liquidity of a firm's inventory. The point is to measure the efficiency level of a company in managing and selling inventory owned by the company.

The effectiveness of inventory management is demonstrated by the high turnover of inventories within a year. While the control over the less effective provision is shown by low inventory turnover in one year. The formula used is: **Inventory turn-over $= \dfrac{\text{cost of goods sold}}{\text{average inventory}}$ x 1 time**

This ratio is used to determine how the level of effectiveness of the company in managing its inventory. The higher the tingka turnover the more effective the management of the supply.

Table 15

Result of Calculation of Inventory turnover of Pawnshop of Tegal Boto Branch Office in Jember Regency Period year 2014 -2016

Year	inventory turnover kali	Score Value	Score maksimal Kep-Men	Category
1	3	4	5	6
2014	37	4,24	1,20	CS
2015	42	4,81	1,20	CS
2016	52	5,95	1,20	CS
Jumlah	131	15,00	3,00	S
Rata-rata	44	5,00	1,20	CS

Source: primary data processed 2017

It can be seen from Table 15 that the Pawnshop of Tegal Boto branches as a whole from 2014-2016 averaged a 44 inventory turnover value with a score of 5 in enough health condition and exceeds the maximum score from Kep-Men for inventory turnover of 44 with a maximum score of 1,20

G.   Total Asset Turn Over

Total Asset Turn Over (TATO) is a ratio that is categorized into activity ratio.The activity ratio, also known as the efficiency ratio, is the ratio that used to measure the company's efficiency in using its assets (Harjitoand Martono, 2014: 53). This ratio shows the total asset turnover measured from the volumesales to the extent to which the ability of all assets to generate sales(Harahap, 2004: 309).The higher the turnover of assets generated by the

company, then the more effective the level of asset usage will be in generating the totalnet sales. If the resulting ratio is low, it is an indication thatthe company does not use its assets effectively in generating salesclean.

This ratio can be formulated as follows: **Total Assets Turnover** $= \frac{sales}{total\ assets}$ **x100%**

Table 16

Result of Calculation of total asset turnover of Pawnshop of Tegal Boto Branch Office in Jember Regency Period year 2014 -2016

Year	Total Assets turnover	Score Value	Score maksimal Kep-Men	Category
1	3	4	5	6
2014	0,8	1,4	3,0	CS
2015	0,4	0,7	3,0	CS
2016	0,6	1,0	3,0	CS
Jumlah	1,9	3,0	3,0	CS
Rata-rata	0,6	1,0	3,0	CS

Source: primary data processed 2017

It can be seen from Table 15 that the Pawnshop of Tegal Boto branches as a whole from 2014-2016 averaged 0,6 total assset turnover with a score of 1 in enough health condition and exceeds the maximum score from Kep-Men for total assets turnover 0,6 with a maximum score of 3

H.   Ratio Total equity capital terhadap Total Asset.

This ratio shows the importance of the source of loan capital and the level of security owned by creditors. The higher this ratio means the smaller the amount of loan capital used to finance the company's assets. The calculation formula is: total equity to total assets $= \frac{total\ equity}{total\ asset}\ x\ 100\%$

Table 16

Result of Calculation of TMS to TA of Pawnshop of Tegal Boto Branch Office in Jember Regency Period year 2014 -2016

Year	TSM to TA	Score Value	Score maksimal Kep-Men	Category
1	3	4	5	6
2014	127,00	1,14	6,50	SS
2015	-584,00	-5,23	0,00	KS
2016	792,00	7,09	6,50	SS
Jumlah	335,00	3,00	6,50	SS
Rata-rata	111,67	1,00	6,50	SS

Source: primary data processed 2017

It can be seen from Table 16 that the Pawnshop of Tegal Boto branch office as a whole from 2014-2016 averaged 111,67 % TMS toTA with a score of 1 in very health condition and exceeds the maximum score from Kep-Men for TSM to TA 111,67 with a maximum score of 6,50, but in the year 2015 in unhealthy conditions due to the value of TMS to TA - 584 with a score of -5.23 brought a score of the standard value of Kep-Men is 0

Conclusions and Suggetion

Conclusions:

Based on the analysis of research results and discussion on the level of health and business development seen ratios are: ROE, ROI, Cash ratio, Current Ratio, Collection Periods, Inventory turnover, total assets turnover, total capital own to total assets

a. The results of this study indicate that cash ratio, collection is less healthy for Pawmshop Tegal Boto branch office in Jember regency as a whole from 2014-2016 and not feasible for business development

b. The results of this study indicate that ROE, ROI, Current Ratio, Inventory Turnover, total asset turnover, total capital ratio of total to total assets is quite healthy for Pawnshop Tegal Boto branch office in Jember regency as a whole from 2014-2016

c. The result of the research shows that business development for Tegal Boto branch office in Jember Regency as a whole is very good or feasible to be developed

Suggestion

Based on the results of the above analysis and conclusions obtained from this study, the suggestions that can be submitted by researchers as follows:

1. Better Perum Pegadaian Tegal Boto Branch Office in Jember District pay attention to the financial performance seriously and earnestly, especially in Cash Ratio and Collection Periods which become an important element and influence to the management of company profitability problem.

2. For further research, is expected to add other independent variables because there are many independent variables that have an influence on profitability. In addition, further research is also expected to increase the duration and number of research sample

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