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ORIGINAL ARTICLE

Analysis of Cash and Inventory Turnover in Improving Profitability

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ABSTRACT
Research conducted by the author aims to analyze cash flows and inventory turnover to increase profitability as measured by Return On Assets (ROA) at PT. Perkebunan Nusantara III (Persero) Medan. The approach used in this research is a descriptive approach. Data collection techniques in this study using documentation study. The data analysis technique used in this research is descriptive analysis technique. Where in this study to analyze cash turnover and inventory turnover in increasing Return On Assets (ROA). The results showed that cash turnover and inventory turnover were not optimal in increasing profitability. The cash turnover has decreased while the profitability has increased. The decrease in cash turnover was due to the relatively small amount of cash owned by the company and an increase in the amount of unproductive funds that were embedded in the company's cash. The decrease in inventory turnover was caused by piling up inventory and decreasing sales volume. Profitability as measured by the company's Return on Assets (ROA) has decreased due to the decline in the company's ability to generate net income from 2013 to 2015 followed by an increase in company assets. The decrease in cash turnover was due to the relatively small amount of cash owned by the company and an increase in the amount of unproductive funds that were embedded in the company's cash.

Keywords: Cash Turnover, Inventory Turnover, ROA

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INTRODUCTION

Increasingly tighter business competition makes companies more creative and innovative and able to make adjustments to changes that will occur in the future, such as changes in the national economy, consumer conditions, the ability to increase profitability. In the business world, the goal in the company is to obtain maximum profit (profitability) from each of its operations (production). Profitability is the company's ability to earn a profit in relation to sales, total assets and own capital (Sartono, 2010). Profit is the basis for a performance measure for management's ability to operate company assets. The success indicator of a company can be seen from the company's ability to generate profits or profits.

The profitability of the company can be increased through the efficient use of company resources (Rambe et al., 2015). The efficiency level of the use of company resources can be evaluated through cash turnover and inventory turnover. These resources are evaluated to measure the suitability of their utilization, so that the company can take the right policies related to reducing operating costs, increasing inventory sales, increasing cash proceeds from credit sales owned by the company are suitable in optimizing profit (Rambe, et al., 2017).

Cash is needed by the company both to finance day-to-day operations of the company and to make new investments in fixed assets. A high cash turnover rate shows the speed of cash flow back from cash that has been invested in assets. Thus, cash will be able to be used again to finance operational activities so that it does not interfere with the company's financial condition.

According to Harjito & Martono, (2013), cash is one of the assets that has the character of the smoothest (most liquid) and the easiest to change hands in a transaction. Such transactions are for example for the payment of salaries or wages of workers, buying fixed assets, paying debts, paying dividends, and other transactions required by the company. Cash turnover is an important factor in the company, where cash is the most liquid company asset, where if the cash of a small company is not good for the company, where cash is used by the company to make expenses that are immediately carried out, while if the company's cash is too large it is also not good for the company,

According to Riyanto, (2013), cash turnover is the ratio between sales and the average amount of cash. The higher the cash turnover, the better because it shows the more efficient use of cash. Excessive cash turnover with working capital that is too small will result in not being able to meet the needs of the company. Thus it should be, the lower cash turnover results in a lot of unproductive cash money which will reduce the company's profitability.

The cash turnover rate is a measure of the efficiency of the use of cash by the company, because the cash turnover rate illustrates the rapid cash flow returns to cash that has been invested in working capital. In measuring the rate of cash turnover, the source of cash inflows that have been embedded in working capital comes from the company's operational activities (Alpi & Ammy, 2018).

Inventory turnover is quite important because inventory is a current asset account that is quite large in value. Shortage or excess supply is an unfavorable symptom. Good inventory management in the company can turn the stored inventory into profit through sales. The higher the inventory turnover, the higher the costs that can be reduced so that the greater the company's profit.

According to Ross, et al., (2009), inventories are assets available for sale in normal business activities, in the production process or on the way or in the form of materials or supplies to be used in the production process or in the provision of services. According to Kasmir, (2015), inventory turnover is the ratio used to measure the number of times funds invested in inventory (this inventory rotates in one period) ".

Profitability ratios are used to describe the ability of a company to maintain its financial stability to always be in a stable and profitable condition (Jufrizen & Asfa, 2015). Because if this condition decreases, this tends to put the company in the threshold of a condition that must be watched out for the feasibility and safety of investing. "Profitability analysis describes the company's fundamental performance in terms of the level of effectiveness of the company's operations in obtaining profits (Harmono, 2015).

In this case the authors use the ratio of profitability which is measured by using the ratio of Return on Assets (ROA). Where ROA is a profitability ratio to measure the level of the company's ability to obtain benefits from the management of all assets owned. According to Fahmi, (2017) that "Return On Asset (ROA) is a ratio that sees the extent to which the investment that has been invested is able to provide profit as expected". Return On Asset (ROA) is used to measure the efficiency of the use of working capital, production efficiency and efficiency of the sales department. The smaller (lower) this ratio, the less good the company is in measuring the effectiveness of the company's overall operations.

Companies need to pay attention to cash and inventory in the assets they have, because with the increase in cash and inventories owned by the company, it means that large funds are embedded in cash and unmanaged inventories that cannot increase the company's sales, so that the company's capital is still embedded in cash and inventory. A company is said to be in a normal state if the company can operate stably for a long period of time.

Based on data, it is known that for 2014 and 2015 cash turnover has increased but has not been able to increase ROA, where ROA in companies has decreased, as well as in 2017 for cash turnover has decreased, while ROA in companies has increased. Increased cash turnover shows that the amount of company cash funds managed to increase company sales aims to increase company profits, but this is not in line with company profitability, where company profitability as measured by using ROA has decreased. This contradicts theory(Sudana, 2015) which states that the higher the cash turnover, the better, because this means the higher the cash efficiency and the greater the profitability.

Meanwhile, the inventory turnover in 2014 and 2015 experienced an increase which was not followed by ROA, where the ROA in the company had decreased, as well as for 2017 the inventory turnover had decreased, while the ROA in the company had increased. This contradicts theory (Raharjaputra, 2009) states that the higher the inventory turnover rate, the greater the company will get a profit or profit, and vice versa, if the inventory turnover rate is low, the smaller the company will get a profit or profit.

ROA is the most important profitability ratio for companies that is used to measure the effectiveness of natural companies to generate profits by utilizing their assets. ROA is the ratio between profit after tax to total assets. The greater the ROA, the better the company's performance, because the rate of return is greater.

The impact of the decrease in cash turnover and inventory turnover will result in the company's operational performance being hampered, because of the large amount of funds invested, while the decreased net profit will also have a negative impact on the company

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because the company is considered to be poor in performance, unable to maintain stability. financials from the company.

Every company is always in touch with cash and inventory because production activities always require company funds to buy goods that are ready to be used all the time. Cash is a part of liquid assets that is liquid and can be used immediately to meet company liabilities. Cash is also cash that can be used to finance company operations. If the cash turnover is higher, the company will be more liquid.

The inventory turnover period needs to be considered to find out how long it takes the company to spend inventory in its production process. This is because the longer the inventory turnover period, the more costs the company must incur to keep the warehouse inventory good. Therefore, it is necessary to have a high inventory turnover rate to reduce costs arising from excess inventory.

In terms of costs, if the inventory turnover is getting longer, the inventory will accumulate, so that the costs incurred for maintenance are higher, this will further reduce profits. Because profit is the result of income minus costs. So that the greater the costs borne by the company, the smaller the profit it will get. According to(Riyanto, 2013)the higher the cash turnover, the better, because this means the higher the efficiency of the use of cash and the greater the profits earned. Thus, cash will be reused to finance operational activities so that it does not interfere with the company's financial condition. According to(Raharjaputra, 2009)states that inventory turnover in the company shows the company's performance in its operational activities. The higher the inventory turnover rate, the more likely the company will make a profit. Vice versa, if the inventory turnover rate is low, the less likely the company will make a profit.

In the financial statements of PT. Perkebunan Nusantara III (Persero) Medan to calculate cash turnover is done by comparing net sales to cash and cash equivalents, while inventory turnover is done by comparing net sales of the company to company inventories which is done by calculating the ratio.

METHOD

This research is descriptive research. Descriptive research is carried out with the data collection stage, by describing the data, and analyzing the data with facts received from the research, and connecting with the phenomena that occur (Juliandi, et al., 2015). Descriptive research in this study was conducted to describe a picture of cash turnover and inventory turnover in measuring profitability at PT. Perkebunan Nusantara III (Persero) Medan. The type of data used in this research is quantitative data, namely data in the form of numbers. This study uses secondary data sources, namely data obtained through the company's financial statements in the form of balance reports and income statements.

Data collection techniques used in this study are documentation techniques, namely data from financial statements in the form of balance reports and income statements at PT. Perkebunan Nusantara III (Persero) Medan. The data collected is in the form of financial statements of PT. Perkebunan Nusantara III (Persero) Medan for the last five years, namely 2013-2017. This research uses quantitative descriptive analysis techniques, namely the data obtained in the field is processed in such a way as to provide systematic, factual and accurate data regarding the problems being studied. Descriptive analysis techniques are used to analyze the company's financial statement data, namely the balance sheet and income statement.

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RESULTS AND DISUSCUSSION

Financial Report of PT. Perkebunan Nusantara III (Persero) Medan

Based on the financial statements of PT. Perkebunan Nusantara III (Persero) Medan, consists of income statements, changes in equity, balance sheets, cash flow reports and notes on company financial statements. With the existence of financial reports, companies can measure the success of the company.

Financial statement analysis is a process carried out to distinguish financial statements into their elements, and also examines each of these elements and the relationship of each element with the aim of obtaining a good and precise understanding or the financial report itself (Hani, 2015).

The data obtained is data on the financial condition of PT. Perkebunan Nusantara III (Persero) Medan from 2013 to 2017. The data obtained are financial statements in the form of statements of financial position and profit / loss statements. The data used to analyze this research are as follows:

Table 1. Financial Statements of PT. Perkebunan Nusantara III (Persero) Medan

Tahun	Toatal Aset	Total Hutang	Ekuitas	Pendapatan	Laba Bersih
2013	11.036.470.895.352	6.187.277.307.525	4.849.193.587.827	5.708.476.623.601	396.777.055.383
2014	24.892.186.462.265	6.359.462.620.086	18.532.723.842.179	6.232.179.227.727	446.994.367.342
2015	44.744.557.309.434	7.907.765.136.030	36.836.792.173.404	5.363.366.034.203	596.372.459.810
2016	45.974.830.227.723	8.140.460.149.392	37.834.370.078.331	5.847.818.785.012	911.999.643.578
2017	49.700.439.661.061	11.230.196.506.592	38.622.870.344.841	6.002.370.863.637	1.229.464.174.674

Source: Financial Report of PT. Perkebunan Nusantara III (Persero) Medan

Based on the financial statements of PT. Perkebunan Nusantara III (Persero) Medan for the total number of company assets has increased for each year. The increase in total assets indicates that the better the company's ability to manage its resources or assets will determine the company's ability to generate profits. Companies that can use their assets with*efficient*and effectively will be able to use its assets continuously and repeatedly in an effort to generate maximum profit for the company. This explains the close relationship between the company's ability to manage its assets and the company's ability to generate profits (profitability).

The company's debt has also increased, but the company's debt does not exceed the company's equity. The increase that occurred for the company's debt shows that the condition is not good for the company, this shows that most of the company's operational activities are financed by corporate debt. Meanwhile, the company's revenue and profits have increased from year to year, this shows that the company is able to maintain the company's financial stability and is able to overcome the large costs of debt incurred by the company.

Cash Turnover Calculation for PT. Perkebunan Nusantara III (Persero) Medan

Cash is the smoothest (most liquid) asset on the balance sheet, in the sense that it changes hands or changes hands most frequently in a transaction. Almost every transaction with outside parties always affects cash. These transactions, for example, pay workers salaries or wages, buy fixed assets, pay debts, pay dividends and other transactions required by the company. Cash balances, large and small, cannot be used as a measure that cash management in the company is efficient. To find out how efficient cash management is, it can be seen from the level of cash turnover in the company. The cash turnover rate can be seen in the table below:

Table 2. Cash Turnover Data
PT. Perkebunan Nusantara III (Persero) Medan

Year	Sales	Average Cash	Cash Turnover
2013	5,708,476,623,601	1,613,874,787,850	3, 54 Times
2014	6,232,179,227,727	1,313,223,489,986	4, 75 Times
2015	5,363,366,034,203	999,695,194,702	5, 37 times
2016	5,847,818,785,012	736,422,949,252	7, 94 times
2017	6,022,370,863,637	791,981,417,575	7, 57 times

Source: processed financial reports

Based on the results of the above calculations for 2013 to 2016, cash turnover has increased, only in 2017 cash turnover has decreased. For 2013 cash turnover was 3.54 times, from 2014 to 2016 cash turnover had increased by 4.75 times, 5.37 times, and 7.94 times, while in 2017 cash turnover decreased to 7.57.

The decline in cash turnover shows that the increase in the amount of unproductive funds that are embedded in the company's cash, this has an impact on the company's sales that are less than optimal, where the higher the cash turnover rate, the more efficient it will be in using the company's cash because every time cash is rotating it will be more efficient. generate a stream of income for the company, on the contrary the lower the cash turnover, it shows the more company funds that are embedded in the company's cash and with the increase in cash turnover that occurred in 2013 to 2016 occurred due to increased company sales followed by an increase in company cash that occurred in one period. Factors that affect the decline in cash turnover are because the company's revenue has increased and the company's cash has also increased.

Calculation of inventory turnover of PT. Perkebunan Nusantara III (Persero) Medan

Inventory is a very important company asset, because it has a direct effect on the company's ability to earn revenue. Therefore, inventory must be managed properly and recorded properly, so that the company can sell its products and get maximum revenue.

Every company that carries out production activities will need inventory. With the availability of supplies, it is expected that industrial companies can carry out the production process according to consumer needs or demands. In addition, with sufficient inventory available in the warehouse, it is also hoped that it can expedite production activities and services to consumers and companies and can avoid inventory shortages.

Inventory basically aims to maintain the continuity of the existence of a company by looking for profits or profits that company. The trick is to provide services that satisfy customers by providing the requested items. Inventory levels can be seen in the table below:

Table 3. Inventory Turnover Data
PT. Perkebunan Nusantara III (Persero) Medan

Year	Sales	Average Inventory	Inventory Turnover
2013	5,708,476,623,601	227,366,892,031	25.11 times
2014	6,232,179,227,727	239,398,286,908	26.03 times
2015	5,363,366,034,203	203,597,289,513	26.34 times
2016	5,847,818,785,012	190,113,554,867	30.76 Times
2017	6,022,370,863,637	222,764,555,564	26.94 times

Source: Processed Financial Statements

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Based on the results of the above calculations, it can be seen that the inventory turnover for 2013 to 2016 has increased, only in 2017 the inventory turnover has decreased. The decline in inventory indicates that the increase in the amount of unproductive funds embedded in the company's inventory that cannot be sold optimally has an impact on the company's sales which have decreased.

For 2013 the inventory turnover was 25.11 times, and for 2014 to 2016 the inventory turnover had increased to 26.03 times, 26.34 times and 30.76 times, the increase in inventory turnover occurred due to the company's sales increasing, which will also have an impact on the decline in company inventories. Whereas for 2017 the inventory turnover decreased significantly to 26.94 times, the decreased inventory turnover occurred due to the lack of maximum company sales which resulted in an increase in the company's inventory.

Factors that affect inventory turnover have decreased due to increased company inventories, where this inventory has increased due to the length of time the production process is carried out by the company and also due to the inadequate sales of products (palm and rubber) produced by the company PT. Perkebunan Nusantara III (Persero) Medan.

Calculation of Return On Asset (ROA) PT. Perkebunan Nusantara III (Persero) Medan

ROA is a ratio that shows the results of the number of assets used by the company. ROA is a measure of management effectiveness in managing its investment. The rate of return on assets (ROA) can be seen in the table below:

Table 4. Return On Asset (ROA)
PT. Perkebunan Nusantara III (Persero) Medan

Year	Net profit	Total Asset	ROA (%)
2013	396,777,055,383	11,036,470,895,352	3.59%
2014	446,994,367,342	24,892,186,462,265	1.79%
2015	596,372,459,810	44,744,575,309,434	1.33%
2016	911,999,643,578	45,974,830,227,723	1.98%
2017	1,229,464,174,674	49,700,439,661,061	2.47%

Source: Processed Financial Statements

Based on the table above, it can be seen that the ROA for 2013 to 2015 decreased by 3.59%, 1.79% and 1.33%. The decrease in ROA was due to ineffective asset management, this can be seen from the high number of company assets but low profits. The resulting net income is not proportional to the increase in the number of company assets. The increase in net income is not in accordance with the increase in assets also caused by increased operating costs, so that the value of ROA tends to decrease.

Meanwhile, for 2016 to 2017 the company's ROA increased by 1.98% to 2.47%. The increase in ROA indicates that the condition of the company is in good condition to increase the return on higher invested assets. This situation shows that the company is efficient in utilizing its assets in the company's operational activities. According to Kasmir, "the higher the ROA, the better the condition of a company in utilizing its activities in the company's operational activities to generate profits.

Factors that affect the decline in ROA occur due to decreased profits or company profits, where the decline in profits occurs due to the large operating costs of the company and the lack of maximum sales of the company's production, so that the company is considered unable to streamline the operational costs incurred by the company PT. Perkbunan Nusantara III (Persero) Medan.

Cash Turnover and Inventory Turnover to Increase Profitability at PT. Perkebunan Nusantara III (Persero) Medan

Cash turnover and inventory turnover are used to measure how often the company's productive funds that are embedded in cash and inventory can rotate in order to increase company sales which will have an impact on increasing company profits, this can be explained in the table below:

Table 5. Cash Turnover Data, Inventory Turnover and ROA
PT. Perkebunan Nusantara III (Persero) Medan

Tahun	Penjualan	Rata-Rata Kas	Perputaran Kas	Rata-Rata Persediaan	Perputaran Persediaan	Laba Bersih	Total Aktiva	ROA Persentase
2013	5.708.476.623.601	1.613.874.787.850	3,54 Kali	227.366.892.031	25,11 Kali	396.777.055.383	11.036.470.895.352	3,59 %
2014	6.232.179.227.727	1.313.223.489.986	4,75 Kali	239.398.286.908	26,03 Kali	446.994.367.342	24.892.186.462.265	1,79 %
2015	5.363.366.034.203	999.695.194.702	5,37 Kali	203.597.289.513	26,34 Kali	596.372.459.810	44.744.575.309.434	1,33 %
2016	5.847.818.785.012	736.422.949.252	7,94 Kali	190.113.554.867	30,76 kali	911.999.643.578	45.974.830.227.723	1,98 %
2017	6.022.370.863.637	791.981.417.575	7,57 Kali	222.764.555.564	26,94 Kali	1.229.464.174.674	49.700.439.661.061	2,47 %

Source: Processed Financial Statements

Based on the data above, it is known that cash turnover in 2013, 2014 and 2015 has increased, while profitability as measured by ROA has decreased, cash turnover has increased due to increased cash management owned by the company, this is good for the company because of the large amount of cash funds. managed companies to be able to increase company sales which aims to increase company profits, but this is not in line with company profitability, where company profitability as measured by using ROA has decreased.

For 2017, cash turnover has decreased, while profitability as measured by ROA has increased. This shows that a decreased cash turnover is not followed by a decrease in profitability as measured by ROA, and vice versa, if cash turnover increases, it is not followed by an increase in profitability. This can happen because sales have decreased, while on the cash side, the balance has decreased sharply so that cash turnover has increased. Although cash turnover has increased due to decreased sales, profitability has also decreased.

This contradicts theory Sudana, (2015) which states that the higher the cash turnover, the better, because this means the higher the efficiency of using cash and the greater the profitability that will be obtained.

ROA is the most important profitability ratio for a company that is used to measure the effectiveness of the company in generating profits or profits by utilizing its assets. ROA is the ratio between net income after tax to total assets. The greater the ROA, the better the company's performance, because the returns are greater.

As for the inventory turnover in 2013, 2014 and 2016 experienced an increase which was not followed by a decrease in profitability as measured by ROA. Inventory turnover that has increased occurs due to increased management of the company's inventory, this is good for the company because the company's large inventory funds are managed to increase company sales, which aims to increase company profits, where the company's profitability as measured by ROA has decreased.

For 2017, inventory turnover has decreased which is not followed by an increase in profitability as measured by ROA. The phenomenon that happened above is not in accordance with the theory Raharjaputra, (2009) states that "the higher the inventory turnover rate, the greater the company will get a profit or profit, and vice versa if the inventory turnover rate is low, the smaller the company will get profit or profit.

Thus the faster and higher the level of inventory turnover will reduce the risk of loss caused by falling prices or due to changes in consumer tastes and maintenance of the inventory and if the ratio obtained is high, this shows the company is working efficiently, the better liquid inventory is. Likewise, if the inventory turnover is low, it means that the inventory works unproductively and lots of inventory items are piling up. This will result in investment in a low rate of return.

DISCUSSION

For cash turnover at PT. Perkebunan Nusantara III (Persero) Medan from 2013 to 2015 has not been able to increase the company's profitability, where the amount of company funds contained in the company's cash is still small which cannot be used as an addition to the company's business activities.

This research is not in line with the theory (Wild, Subramanyam, & Haley, 2005) states that the higher the cash turnover rate means the faster the return of cash in to the company so that company profits can increase. Thus, the company's cash will be reused to finance operational activities so that it does not interfere with the company's financial condition.

And also theory (Sudana, 2015) states that "the higher the cash turnover, the better, because this means the higher the efficiency of the use of cash and the greater the profitability that will be obtained.

As for the inventory turnover in 2013, 2014 and 2016 experienced an increase which was not followed by a decrease in profitability as measured by ROA. Inventory turnover that has increased occurs due to increased management of the company's inventory, this is good for the company because the company's large inventory funds are managed to increase company sales, which aims to increase company profits, where the company's profitability as measured by ROA has decreased.

According to (Raharjaputra, 2009)states that the higher the turnover rate, the greater the company will get a profit or profit, and vice versa if the inventory turnover rate is low, the less likely the company will earn a profit or profit.

The cause of the decrease in cash turnover is due to the increase in the amount of unproductive funds that are embedded in the company's cash, this has an impact on the company's sales that are less than optimal, where the higher the cash turnover rate, the more efficient it will be in using the company's cash because every time cash is rotating it will be more efficient. generate a stream of income for the company, on the other hand, the lower the cash turnover, it shows the more company funds that are embedded in the company's cash. A relatively small amount of cash will result in a high rate of cash turnover and the benefits obtained will be greater because of the efficient use of cash. Cash turnover is closely related to company profitability as measured by ROA because cash is a liquid asset and most company revenues are in the form of cash. Cash is used to fund the company's operations and if it is used effectively and efficiently, there will be no accumulation of cash balances and the company will get high income from the company's activities.

Cash that is always rotating will affect the flow of funds in the company. Companies with cash that always have an increasing circulation, means that the amount of cash invested is getting smaller so that the flow of funds back into the company will be smoother. The smooth flow of funds can increase the volume of subsequent sales so that it will be able to increase the company's profitability as measured by ROA. According to (Sudana, 2015) which states that "the higher the cash turnover, the better, because this means the higher the efficiency of using cash and the greater the profitability that will be obtained".

With an optimal cash turnover, a company that has an optimal cash turnover will produce an optimal rate of return so that not only the company gets a profit, but the shareholders will also benefit from it.

The cause of the decrease in inventory turnover was caused by accumulating inventory and decreasing sales volume. The accumulation of inventory shows that management is inefficient and ineffective in managing inventory, this will result in investment in a low rate of return. The faster and higher the turnover rate will reduce the risk of losses caused by prices or due to changes in consumer tastes and maintenance of the inventory and if the ratio obtained is high, this shows the company is working efficiently, the better liquid inventory is. To increase inventory turnover,

According to (Horngren, Datar, & Foster, 2006) states that, "The sooner the inventory is converted into merchandise which will be sold by the company, the higher the level of profitability generated by the company". This is because the longer the inventory turnover period, the more costs the company must incur to keep inventory in the warehouse good. Meanwhile, according to (Raharjaputra, 2009), the higher the inventory turnover rate, the more likely the company will make a profit. Vice versa, if the inventory turnover rate is low, the less likely the company will make a profit.

So for that the company must pay attention to the assets owned by the company, namely by managing the existing inventory in accordance with consumer demand so that the company's assets can be used to generate large profits.

Implications

This research has implications for companies as companies should supervision of company resources contained in working capital optimally so that get high profitability. This research has implications for companies as companies should supervision of company resources contained in cash and inventory optimally so that get high profitability. This research can have implications for academics for development science, the development of insight and mindset of researchers, especially those related to cash turnover, and inventory turnover to increase profitability.

CONCLUSION

From the results of field research and data analysis based on cash turnover and inventory turnover in increasing profitability as measured by Return on Assets (ROA) conducted with research from 2013 to 2017. So it can be concluded that cash turnover from PT. Perkebunan Nusantara III (Persero) Medan tends to increase from 2013 to 2016 by 3.54 times, 4.75 times, 5.37 times and 7.94 times. For 2017, cash turnover decreased by 7.57 times, followed by ROA which increased by 2.47. Inventory turnover from PT. Perkebunan Nusantara III (Persero) Medan tends to increase from 2013 to 2016 by 25.11 times, 26.03 times, 26.34 times and 30.76 times. There was a decrease in inventory turnover in 2017 of 26.94 times, followed by an increase in ROA of 2.47. The decrease in cash turnover and inventory turnover does not make the company's profitability as measured by ROA decrease, ROA still shows an increase, this means that with the assets owned by the company, the company is able to make good use of its assets, so that it can generate profits or profits for the company. As for the suggestions that can be given to PT. Perkebunan Nusantara III (Persero) Medan are as follows: 1) The company is expected to pay attention to the level of sales, because the higher the level of sales obtained, the company's profits will increase and the company is also expected to be able to maintain a high amount of cash. And also companies need to pay attention to the use of company operating costs, and companies need to make cost efficiency so that company profits increase. 2) For the next researcher who will conduct research on the same topic, it is expected to add variables in the research, by measuring the turnover of accounts receivable, so that the results research shows better results. And you should use it in the observation period in future studies to use a longer period so that it can provide a greater possibility of obtaining the actual conditions. 2) For the next researcher who will conduct research on the same topic, it is expected to add to the variable in the study, by measuring the turnover of accounts receivable, so that the research results show better results. And you should use it in the observation period in future studies to use a longer period so that it can provide a greater possibility of obtaining the actual conditions. 2) For the next researcher who will conduct research on the same topic, it is expected to add to the variable in the study, by measuring the turnover of accounts receivable, so that the research results show better results. And you should use it in the observation period in future studies to use a longer period so that it can provide a greater possibility of obtaining the actual conditions.

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