

**ANALYSIS OF PROFITABILITY RATIO AS TOOL
FOR ASSESSING THE PERFORMANCE OF THE BALITAR ISLAMIC
UNIVERSITY OF BLITAR PERIOD 2016-2018**

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ABSTRACT

This study aims to determine the financial performance of Balitar Islamic University in the financial statements for 3 periods from 2016-2018. Based on the existing problems, the research used is descriptive method by collecting data, managing data and presenting research data / financial reports so that readers of this report can understand the description of the object of research data conducted at Balitar Islamic University in Blitar. Data analyzed were in the form of financial statements for three periods from 2016-2018 using profitability ratios. The results showed the net profit margin of the Islamic University of Balitar Blitar in 2016 was 0.8%, in 2017 it was 1% and in 2018 it was 1.1%. Judging from this percentage, net income has increased even though only slightly.

Keywords: Financial Report, Company Performance, Ratio of Financial.

INTRODUCTION

Progress in the field of science that is rapidly making a lot of changes that occur in all aspects .. In the increasingly fierce competition like now, human resources are the main capital in a business, then the quality of workers must be developed and improved properly. Therefore, agencies are required to maintain their good name, so knowledge is a very important force in decision making. Quality information includes information that is accurate, relevant and can be accounted for so that business decisions can be made and implemented.

Financial statements prepared by companies can be used as decision makers and financial reports are analyzed using financial ratios that are useful for knowing the achievements that have been obtained in

the past year or in the current year. The financial statements that have been analyzed can be used for decision making at the company. With the existence of technology that is very fast and continues to increase, the need for expertise in the field of financial statement analysis that will help the manager in the company to determine the decisions that exist in the company. Financial statements are related to the financial condition and financial performance of the company. Financial statements must be in accordance with the actual financial position, relevant and can be accounted for accuracy.

Even Companies, Business Entities, Organizations and Government Institutions even place financial reports as reporting data that contains financial information that is very useful for internal and external parties. To realize this we need an intelligent thinking through innovation accounting systems that are based on aspects of accounting, budgeting and examination.

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The purpose of making financial statements is used to determine the financial condition of an agency. And to provide financial information to agency owners, investors and agency creditors. For agency owners, the financial statements are used for consideration and decision making in the company. Is the company able to maintain the company or not. As for people who lend funds (creditors), financial information is used as a final decision in determining whether they will extend credit to agencies or reject it. In analyzing financial statements can be calculated with several financial ratios. This explains the relationship between certain aspects with other aspects, Using tools to analyze the form of reports that are useful for

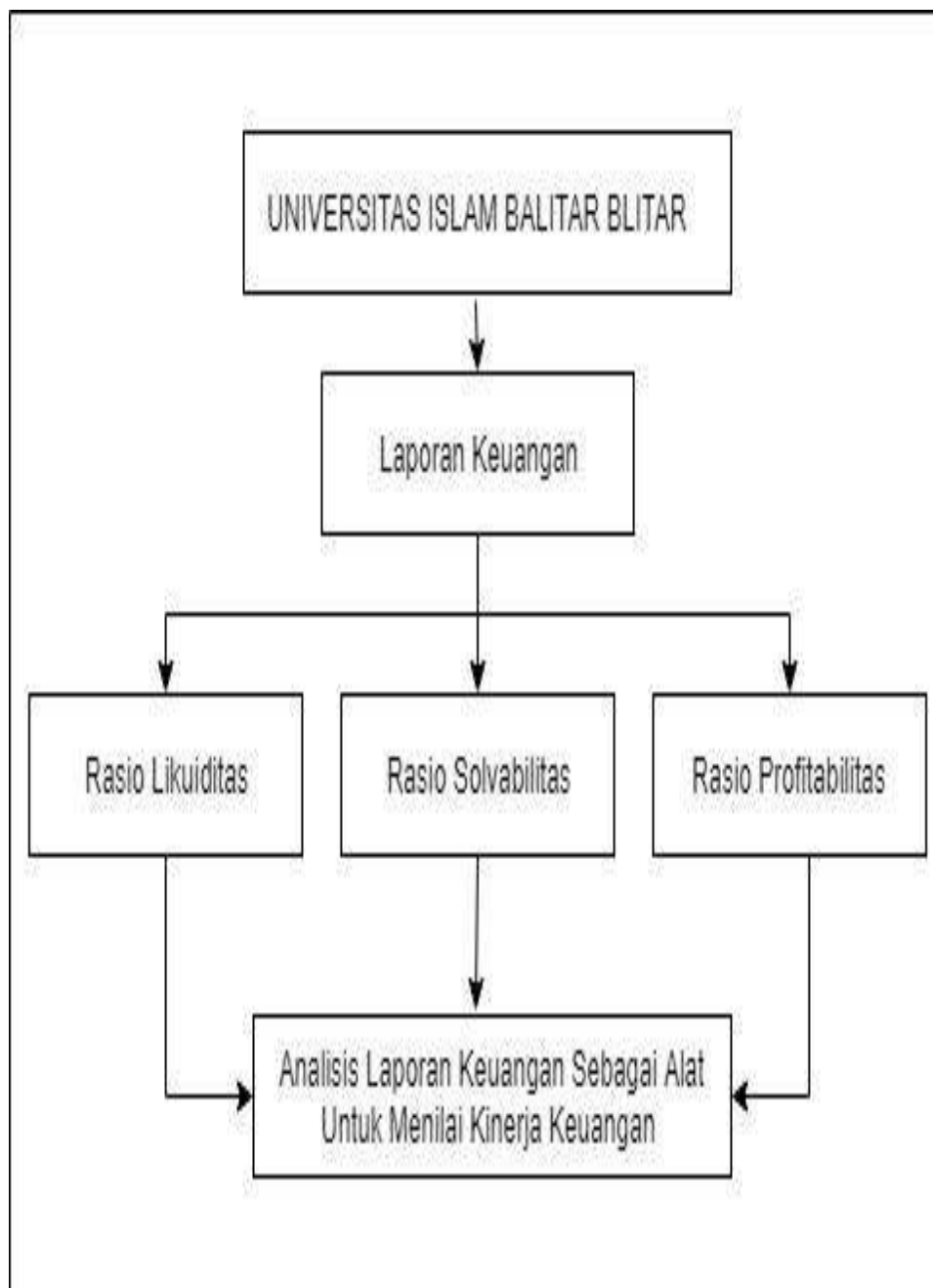
explaining the picture of the company's financial situation that is used as a standard financial statement.

Balitar Islamic University of Blitar is one of the universities in Blitar City and is in a strategic position which is located in the southern part of East Java where the population of higher education centers is still lacking. Balitar Islamic University of Blitar uses only financial staff in carrying out the administration of its financial department and there have never been

internal or external audits that examine its financial statements.

Framework for Thinking

This framework is structured to analyze issues related to the research title. Systematically described as follows



SOURCE: Processed by Researcher

Picture 2.1 Theoretical Framework

RESEARCH METHODOLOGY

This type of research is conducted using quantitative research, namely testing theory conducted by examining the relationship between variables. The approach used by researchers is a descriptive approach that is by collecting, managing and presenting observational data (financial statements) so that the reader can understand the picture of the place under study from the research data conducted. The methods used in data collection are observation, literature study and documentation

RESULTS AND DISCUSSION

Profitability ratio analysis is an analysis of financial statements using ratios to measure earnings with sales at a company. The following are the results of calculations on the profitability analysis of Balitar Islamic University, which are as follows:

The method used in the calculation of profitability ratios is as follows

$$a. \text{ Net Profit Margin} = \frac{\text{Laba Bersih}}{\text{Pendapatan}} \times 100\%$$

$$2016 = \frac{81751341}{9989814000} \times 100\%$$

$$= 0,8183469782$$

$$2017 = \frac{109355475}{10109797000} \times 100\%$$

$$= 1,0816782437$$

$$2018 = \frac{121725700}{10222101000} \times 100\%$$

$$= 1,1908090127$$

Tabel 4.8 Analysis Result Net Profit Margin

Tahun	Net Profit (Rp)	Income(Rp)	(%)
2016	81.751.341	9.989.814.000	0,8
2017	109.355.475	10.109.797.000	1,0
2018	121.725.750	10.222.101.000	1,1

The results of calculations in 2016 are 0.8%, in 2017 1% and in 2018 1.1%. 2016 showed 0.8% which means that every Rp. 1, - sales get a net profit of Rp. 0.8 2017 shows 1% which means that every Rp. 1 - sales get a net profit of Rp. 1. 2018 shows 1.1%, which means that every Rp.1, - sales get a net profit of Rp. 1,1. This shows that during 2016-2018 the company was doing well because the high net profit margin showed that the company was able to generate high profits.

A similar study of net profit margins by Apolonaris Felix Erakipia et al conducted at SMEs Amungme and Kamoro namely "in 2013 at 24%, in 2014 at 17% and in 2015 at 18%". It can be concluded that the results of the calculation of this ratio are effective because there is an increase from year to year.

Research conducted at Balitar Islamic University especially on net profit margins has increased net profit annually. Meanwhile, research conducted by brother Apolonaris Felix explained that the net profit margin experienced fluctuations that caused a decrease or increase every year which indicated that the net profit obtained was unstable.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

a. Balitar Blitar Islamic University's net profit margin in 2016 was 0.8%, in 2017 it was 1% and in 2018 it was 1.1%. Judging from this percentage, net income has increased even though only slightly.

Suggestion

On the Balitar Blitar Islamic University net profit margin has increased but the percentage is still small, therefore the net profit also needs to be increased so that the company's profit is getting bigger and develop

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