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The Effect of Revenue and Operating Costs on Net Income at PT. Fast Food Indonesia Tbk 2017-2021

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Abstract: The success of the company can be shown by looking at the growth of net income and revenue as well as how the company in managing operations and finally can get a clear picture of the level of success of the company. This study aims to draw conclusions whether there is evidence that Total Revenue and Operating Costs affect Net Income. In this study the method used is quantitative, the results of this research are processed using SPSS 25. The results of this study indicate that Total Revenue and Operating Expenses have a positive and significant effect on Net Income.

Keywords: Net Income, Total Revenue, Operating Expenses

INTRODUCTION

Obtaining profit as much as possible is the main goal of a company being established. According to Theodurus M.Tuanakotta in the book "Accounting Theory" (2018; 152) Income is generally defined as the result of a company. A company must always be in a profitable state, because without profit it will be difficult for the company to attract outside capital. The company management will try to increase profits because it is well aware of how important profit is for the company's future (Vera Handayani, 2018). In this case the company is also required to be able to achieve as much profit as possible in order to be able to continue the company's operations and compete with other companies. To survive in competitive competition, companies must be able to carry out operational activities efficiently due to unstable economic conditions, so it is hoped that each company can optimize the resources they have. In addition, when the company fails to achieve a profit, it will affect other objectives of the company, namely the survival of the company and social responsibility. Every entity management is required to be able to carry out a strategy that can prevent unwanted things from happening, both internally and externally to the company, so that the entity can achieve its goal of making the maximum profit.

The company's success can be shown by looking at the growth of net profit and revenue and how the company manages operations and ultimately can get a clear picture of the company's success rate. According to Maulana (2018) revenue also affects the company's profit and loss presented in the income statement, so revenue is the lifeblood of a company.

Similarly, PT Fast Food Indonesia Tbk, as a food and beverage company, during the ongoing Covid-19 pandemic must increase revenue in each period so that the company can achieve the desired net profit and can increase its company value.

In a period of 5 years, namely the 2017-2021 period, the company experienced a very large loss, namely in 2020-2021. This was caused by the economic crisis due to the impact of Covid-19 which resulted in a decrease in people's purchasing power. The decline in company sales resulted in a decrease in revenue received while the operating costs used were still high. Operating costs are costs used to obtain the main income. Operating costs are costs that show the extent of business management efficiency. According to Mia Laswi Wardiyah (2017: 13) Stating operational costs are costs that show the extent of business management efficiency. Selling costs and administrative costs are related to the operations carried out.

In 2018 PT Fast Food Indonesia Tbk experienced an increase in net profit of Rp 212,011,156 in contrast to 2017 in the same period which only reached a net profit of Rp 166,998,578, the increase was due to the realization of sales still in line with the target set so that there was an increase in revenue from the previous year which was only Rp 5,357,074,511 in 2018 to Rp 6,060,892,249 which resulted in a significant increase in net profit. However, from 2017-2018 the company experienced an increase in operating costs from Rp 4,656,403,286 in 2018 to Rp 5,788,778,179.

In 2019 there was also another increase in net profit from the previous year which reached Rp 241,547,936, this is because management continues to innovate and develop the business. Starting from redesigning outlets to become more modern to new menus to attract customers. This method resulted in an increase in total revenue from 2018-2019.

Different from the previous year, in 2020-2021 the company experienced a very large loss, namely IDR (377,184,702) in 2020 and IDR (295,737,750) in 2021. The company can experience these losses due to a significant decline in sales due to the impact of the Large-Scale Social Restrictions (PSBB) policy throughout 2020. 233 stores in the Mall where all sales were down, the operational disruptions resulted in a drop in the company's revenue. To reduce operating expenses, the company reduced marketing activities and other financial support.

Based on the results of the company's financial statements above, it can be concluded that total revenue and operating costs greatly affect the net profit of a company.

Several previous studies related to total revenue and operating costs on net income show mixed results. With this research conducted by previous researchers including Gusganda Surya Manda (2018), Neila Harianti (2021), Randa Saputra, Leiny Suzan (2021), Diandra Pinka Sabila (2022) and Pipit Mutiara Vol 7 No.1 (2022) suggest that there is a significant relationship between revenue and operating costs on net profit. This means that the higher the revenue, the higher the net profit generated. However, the results of previous studies suggest that operating costs have a significant negative effect on net profit. This means that when operating costs increase, the resulting net profit decreases. The purpose of this study was to determine whether there is an effect of total revenue and operating costs on net profit at PT Fast Food Indonesia Tbk in 2017-2021.

RESEARCH METHOD

The method used in this research is a quantitative approach. The data collection method used uses literature studies either from books or from the results of research journals, articles and other written media related to research topics, documentation is carried out by collecting the necessary documentary data such as the company's annual financial statements.

The object of the author's research is PT Fast Food Indonesia Tbk in 2017-2021. The research variable consists of the dependent variable is net profit, the independent variable is total revenue and operating expenses. Hypothesis testing used in this study using descriptive

statistical testing, normality test, hypothesis test (t test), and determination coefficient test with the help of SPSS V25 software.

RESULTS AND DISCUSSION

Hypothesis Test

Table 1. T test

ANOVA						
Model		Coefficients		t	Sig.	
		B	Std. Error			
1	(Constant)	-1087965083.525	249085788.850	-4,368	0.049	
	X1_income	0.594	0.066	9,035	0.012	
	X2_operating_costs	-0.410	0.078	-5,276	0.034	

Based on the table above, we can see the results as follows:

1) Change in income to net profit

There is a t count value of $9.035 > t$ table 4.303, meaning that there is a change between X1 and Y, a significant value of 0.012 with a significance level of 0.050, then $0.012 < 0.050$ is obtained. This means that partially Total Revenue has a positive impact on Earnings.

2) Effect of Operating Costs on Net Income

The t-test value is $5.276 > t$ table 4.303, meaning that there is a change between X2 and Y, a significant value of 0.034 with a significance level of 0.050, then $0.034 < 0.050$ is obtained. This means that partially the Operating Costs have a significant impact on Net Income.

Table 2. F test ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	352910393149866300,000	2	176455196574933152,000	47,352	0.021b
	Residual	7452969677582108,000	2	3726484838791054,000		
	Total	360363362827448380,000	4			

a. t: Y_Profit_Be nice

Based on the table above, there is a result of $47.352 > 19.000$, which means that there is a significant value of 0.021 with a significance level of 0.05, which means $0.021 < 0.050$. This means that the basic variables, namely Total Revenue and Operating Expenses, are equally applicable to Net Income.

Multiple Linear Regression Test

Table 3. Multiple Linear Regression Test Coefficients^a

Model		Coefficients		Q	Sig.
		B	Std. Error		
1	(Constant)	-1087965083.525	249085788,850	-4,368	0.049
	X1_income	0.594	0.066	9,035	0.012
	X2_operating_costs	-0.410	0.078	-5,276	0.034

The reigreition equation of the levied double line can be explained as follows:

$$\text{Net Profit} = -1087965083.525 + 0.594 X_1 - 0.410 X_2$$

- 1) The constant value of -1087965083.525 means that if all the independent variables in this study, namely Total Revenue (X1), Operating Expenses (X2) are constant, then the value of Net Profit is equal to -1087965083.525.
- 2) The coefficient of reigreition of the variabeil Total Revenue (X1) is equal to 0.594, so that every 1 increase in Total Revenue will cause an increase in Profit Beirsih of 0.594 with the assumption that the other variabeil is considered constant.
- 3) The coefficient of reintegration of the variable Operating Costs (X2) is -0.410, which means that for every 1 increase in Operating Costs, the net profit (Y) is -0.410 with the assumption that other variables are considered constant.

Test Coefficient of Determiration (R2)

**Table 4. Determiration (R2)
Model Summary^b**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.990a	0.979	0.959	61044941,140

a. Predictors: (Constant), X2_Operating_Costs, X1_Total_Income

b. b. Dependent Variable: Y_Net_Profit

Based on the three tables above, it can be seen that the R Square value of 0.692 or 69.2% indicates that Total Revenue affects Net Income by 69.2%. It can also be seen that Operating Costs affect Net Income by 13.5%. Then, if tested together between Total Revenue and Operating Costs on Net Profit, there is an R Square value of 0.979 or 97.9%. This value indicates that Total Revenue and Operating Expenses have an effect of 97.9% on Net Income while the remaining 2.1% is influenced by other variables not examined in this study. Based on the test results above, it can be concluded that there is a relationship between the variables because the r (regression) value is between -1 and +1.

CONCLUSION

Based on the results of research and discussion, in this study researchers can answer the research problems previously described. From the results of the tests that have been carried out, conclusions can be drawn from the effect of total revenue and operating costs on net profit at PT Fast Food Indonesia Tbk in 2017-2021 as follows:

- a) The T test results show the tcount of 9.035 > ttable 4.303, meaning that Total Revenue has a positive effect on Net Income. The value of Total Revenue has a significant value of 0.012 < 0.050 so it can be concluded that H0 is accepted because Total Revenue has a positive and significant effect on Net Income at PT Fast Food Indonesia Tbk in 2017-2021. Based on the results of the Coefficient of Determiration (R2) test that has been carried out, there is an R Square value of Total Revenue on Net Income of 0.692 or 69.2%. This means that Total Revenue affects Net Income by 69.2%.
- b) The T test results show tcount 5.276 > ttable 4.303, meaning that Operating Costs affect Net Income, and have a significant value of 0.034 < 0.050. So it can be concluded that H0 is accepted because Operating Costs have a positive and significant effect on Net Income at PT Fast Food Indonesia Tbk in 2017-2021. The results of the Coefficient of Determiration (R2) test that have been carried out have an R Square value of Operating Costs on Net Income of 0.135 or 13.5%. This means that Operating Costs affect Net Income by 13.5%. Then, if tested simultaneously between Total Revenue and Operating

Costs on Net Profit, there is an R Square value of 0.979 or 97.9%. This value indicates that Total Revenue and Operating Expenses affect 97.9% of Net Income while the remaining 2.1% is influenced by other variables not examined in this study.

- c) The results of the F test show $f_{count} > f_{table}$ 19,000, meaning that there is an influence and there is a significant value of Total Revenue and Operating Costs of 0.021 at a significant level of 0.050. So that the value of $0.021 < 0.050$ means that H_0 is accepted because simultaneously Total Revenue and Operating Costs affect Net Income at PT. Fast Food Indonesia Tbk in 2017-2021.

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