# ACHIVEMENT ANALYSIS BEFORE AND DURING CORONA VIRUS PANDEMIC OF PROPERTY AND REAL ESTATE COMPANIES

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***ABSTRACT***

*The Corona Virus Pandemic pandemic has a systemic effect on all sectors, especially in the business sector. This effect has resulted in the collapse of business pillars in several sectors, but has also resulted in extraordinary growth in several other sectors. This pandemic has disrupted the global economy and has had an effect on property and real estate companies. The effect of this pandemic is very significant, and property and real estate around the world are forced to face major challenges in maintaining their financial Achivement. Every corporate certainly has a goal to generate max profit. If the corporate can achieve this goal, then the corporate will be considered to have good corporate Achivement and quality. To assess the quality of the corporate can be seen from its financial achivement. This experiment was conducted with the aim of testing and analyzing differences in the financial Achivement of property and real estate companies before and during the Corona Virus Pandemic pandemic. The time of this experiment was from 2018-2019 before Corona Virus Pandemic and 2020-2021 during Corona Virus Pandemic. The sample selection for this experiment used purposive sampling and the experiment design used was descriptive experiment. The samples used in this experiment were 120 samples from 10 companies. The data was processed with Paired Sample t-Test using Microsoft Excel and SPSS 26, the data was taken from the annual financial reports of property and real estate companies. The proxies used are liquidity with Cash Ratio, profitability with Return on Assets and solvency with Debt to Assets Ratio. This experiment shows that there are differences in the Achivement of Cash Ratio and Return on Assets in the period before and during Corona Virus Pandemic. The Debt to Assets Ratio shows that there is no difference in the corporate's financial Achivement in the period before and during Corona Virus Pandemic. The implication of this study is to provide implications that the property and real estate must improve its corporate Achivement with the resources it has effectively and minimize all risks during the Corona Virus Pandemic pandemic, so that the corporate's profitability improves and recovers quickly from the effect of the Corona Virus Pandemic.*

*Keywords: Corona Virus Pandemic, Financial Achivement, Cash Ratio, Return on Assets, Debt to Assets Ratio*

## 1. INTRODUCTION

The existence of Corona Virus Pandemic has made significant changes throughout the world. This virus first emerged from the city of Wuhan in December 2019. Until March 11, 2020, the World Health Organization (WHO) declared Corona Virus Pandemic a pandemic. The effect of Corona Virus Pandemic has caused all countries in the world to experience changes in corporate financial conditions. Not only that, Corona Virus Pandemic has caused many countries to have a detrimental effect on health, education, and human life.

The entry of Corona Virus Pandemic in Indonesia on March 2, 2020, where President Jokowi announced that there were residents affected by Corona Virus Pandemic. This makes society receive a significant effect from Corona Virus Pandemic. The rapid spread of Corona Virus Pandemic prompted the government to issue a decision in April 2020 for the public to implement Large-Scale Social Restrictions (PSBB) up to the new normal policy. The existence of this

policy limits community activities, especially business activities within the corporate. Companies from various industrial sectors are experiencing changes in the economy so that economic growth is decreasing. Various industrial sectors are faced with falling productivity and slowing corporate operational activities which have an effect on decreasing corporate Achivement. The property and real estate corporate sector is a corporate that is also feeling the effect of Corona Virus Pandemic. This is supported by a publication made by Badan Pusat Statistik (BPS) which states an effect of up to 59.15% by real estate companies. With decreasing sales and demand from consumers and limited activities, financial Achivement has decreased. Financial Achivement is defined as all activities within a corporate using its operations which can be seen from the corporate's financial reports Nabawiyah (2022). Financial reports contain corporate data information that shows the financial condition of a corporate. Financial reports can help potential investors, creditors, the government, and the corporate itself in making decisions. It is necessary to use financial ratios to determine the corporate's financial condition from various financial aspects. Financial ratios reflect the corporate's financial position and objectives Roosdiana (2021).

In this experiment, to analyze the corporate's financial Achivement using the liquidity ratio using the Cash Ratio pengukuran, profitability using Return on Assets, and solvency using the Debt to Assets Ratio. Liquidity is seen from the corporate's ability to pay its debts Cholil (2021). Companies need to manage the fulfillment of their current debt because this affects the corporate's finances. Therefore, the presence of Corona Virus Pandemic has changed the condition of the corporate's financial Achivement. Debt that can increase and cash that experiences a decrease in income during the pandemic has a significant effect on the corporate. The ROA pengukuran is very important to analyze because it is related to corporate profits. The Corona Virus Pandemic pandemic has had the biggest effect on corporate profits because of the decline in sales and consumer demand which causes corporate profits to decline which can result in losses. The business continuity of a corporate is influenced by the profits earned by the corporate Ali (2021). The DAR analysis in this experiment uses total debt divided by total assets. The existence of Corona Virus Pandemic has had a big effect on corporate assets and total debt owned. This influence has an effect on the corporate's financial reports.

**Related Work**
*Agency Theory.* Agency theory is defined as a contract that connects the agent and the principal Jensen (1976). This theory explains agents as corporate management and principals as owners of funds who have ties Hastuti (2023). Agents and principals have different main goals so problems can occur. This theory is used to resolve the conflict. *Signalling Theory.* Signalling Theory relates to information agents that use signals to perceive clues in certain conditions on an entity Spence (2073). This theory uses signs or signals that are used to receive the signal, whether the information received is a positive or negative signal. marked as a positive signal because the corporate can manage finances well. A negative signal is characterized by a decrease in the corporate's financial Achivement compared over several periods. This information can be seen by analyzing CR, ROA, and DAR. *Financial Achivement.* Devi et al. (2020) defines a corporate's financial Achivement as a manifestation of the corporate's achievements in all aspects related to finance which can be seen from the corporate's income and operating costs, debt, assets, and investment returns obtained in a certain period. Financial Achivement describes the corporate's financial condition in achieving financial goals in a certain period. *Liquidity ratio.* Liquidity is a

ratio to measure a corporate's financial Achivement in paying its short-term debt. This ratio helps interested parties to evaluate how the corporate's financial condition is to be able to pay short-term obligations. The liquidity ratio is proxied by return on assets by calculating all total cash plus cash equivalents divided by the total short-term liabilities owned by the corporate. *Profitability ratio*. Profitability ratios are ratios used to see a corporate's ability to earn profits Spence (2021). By using this ratio, you can assess the corporate's efficiency in managing existing assets, managing operational costs, and can provide benefits for the corporate's shareholders. This ratio is proxied by return on assets by dividing all total cash plus cash equivalents by the total short-term liabilities owned by the corporate. *Solvency ratio*. This ratio is used to measure how the corporate can pay its financial obligations using the assets it owns Fidayanti (2022). This ratio is proxied by the debt to assets ratio by comparing the corporate's total debt with the total assets owned by the corporate.

*Corona Virus Pandemic pandemic.* Corona Virus Pandemic is a disease caused by the SARS-Cov-2 virus which has been designated by WHO as a pandemic. Corona Virus Pandemic is believed to have originated from animals and spread to humans. The symptoms range from mild to severe and can cause death. This virus is transmitted through cough droplets from people infected with the Corona Virus Pandemic virus. In response to this pandemic, many countries have issued policies to prevent the spread of Corona Virus Pandemic, such as implementing lockdowns, tracking people who are indicated to be infected with the Corona Virus Pandemic virus, and carrying out vaccinations.

**Hypothesis**
The effect of the Corona Virus Pandemic pandemic, such as decreased sales and income due to policies during the Corona Virus Pandemic pandemic, resulted in reduced funds to pay off corporate obligations. In property and real estate companies that experience project operations being stopped which reduces the corporate's cash flow. The corporate also experienced delays in receiving rent from customers due to economic uncertainty. The increasing debt due to needs that must be met and on the other hand the reduction in income receipts causes the corporate to have more debt and there is no cash to pay off the debt. The hypothesis of this thought is:
**H1: There is a difference in CR before and during Corona Virus Pandemic**

The decline in revenue caused the corporate's net profit to decline during Corona Virus Pandemic, causing the corporate's financial Achivement to experience a significant decline. Property values also decreased and investment decreased because investors did not invest capital in the corporate. The corporate lost many customers so that income decreased. This has a big influence on the assets and profits the corporate receives from the properties it sells. The hypothesis from previous thoughts is:
**H2: There is a difference in ROA before and during Corona Virus Pandemic**

Corona Virus Pandemic has caused asset values to fall. An uncertain economy makes corporate business plans uncontrollable and future finances cannot be predicted. This means that long-term obligations may not be able to be paid by the corporate. Declining market values make it difficult for companies to recoup additional costs from selling properties at high prices to make a profit. The hypothesis of this thought is:
**H3: There is a difference in DAR before and during Corona Virus Pandemic**
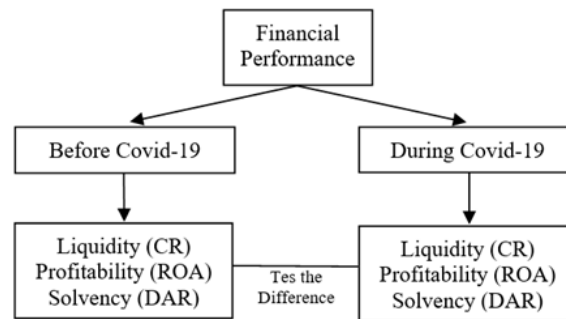
Figure 1.  Experiment Framework

## 2. RESEARCH METHODS

The experiment design used in this experiment is a quantitative method. The data collected came from property and real estate companies listed on the Indonesia Stock Exchange for the period 2018 to 2021. The sampling technique used in this experiment was purposive sampling. This experiment sample was selected based on the following criteria: (1) Property and real estate sector companies listed on the IDX from 2018-2021. (2) Property and real estate sector companies that present annual financial reports from 2018-2021. The total sample used is 120 samples from 10 property and real estate companies.

The analysis in this experiment uses descriptive statistical tests, followed by the classic assumption test, namely the normality test and ending with hypothesis testing using the paired sample t-test. This experiment uses financial Achivement as a variable that will be tested and analyzed using financial ratios. The financial ratios used in analyzing a corporate's financial Achivement are the liquidity ratio which is measured using the cash ratio by dividing cash equivalents by total current debt, the profitability ratio using return on assets by dividing net profit by total assets, and the solvency ratio using debt to assets. ratio calculated by calculating total debt divided by total assets. The comparison periods in this study were before Corona Virus Pandemic and during Corona Virus Pandemic.

Table 1. Operational and measurement variables

| Ratio | Pengukuran | Formula | Scale |
|---|---|---|---|
| Liquidity | Cash Ratio | $\dfrac{\text{Cash and cash equivalents}}{\text{Current liabilities}}$ | Ratio |
| Profitability | Return on Assets | $\dfrac{\text{Earning after tax}}{\text{Total assets}}$ | Ratio |
| Solvency | Debt to Assets Ratio | $\dfrac{\text{Total liabilities}}{\text{Total assets}}$ | Ratio |

## 3. RESULTS AND DISCUSSIONS

Descriptive statistical analysis is the first step that must be taken in experiment to process data before analyzing the data with other tests. CR before Corona Virus Pandemic showed a min value of 0.038806, a max value of 0.628272, a median value of 0.2244035 and a standard deviation of 0.156864112. CR during Corona Virus Pandemic shows a min value of 0.004495, a max value of 0.272767, a median value of 0.1415086 and a standard deviation of 0.083416046.

CR shows a decline in the period before and during Corona Virus Pandemic. ROA before Corona Virus Pandemic showed a min value of -0.020728, a max value of 0.046519, a median value of 0.01958015 and a standard deviation of 0.018916895. ROA during Corona Virus Pandemic shows a min value of -0.048835, a max value of 0.028137, an average value of -0.0040856 and a standard deviation of 0.019285882. ROA shows a decline in the period before and during Corona Virus Pandemic. DAR before Corona Virus Pandemic showed a min value of 0.052580, a max value of 0.604823, a median value of 0.35876295 and a standard deviation of 0.188858772. DAR during Corona Virus Pandemic shows a min value of 0.020773, a max value of 0.804480, a median value of 0.39442005 and a standard deviation of 0.252543800. DAR experienced an increase in the period before and during Corona Virus Pandemic.

Table 2. Descriptive statistic result
Source: Data processed with SPSS version 25

| | N | Min | Max | Mean | Std. Deviation |
|---|---|---|---|---|---|
| CR BEFORE CORONA VIRUS PANDEMIC | 20 | .038806 | .628272 | .22440350 | .156864112 |
| CR DURING CORONA VIRUS PANDEMIC | 20 | .004495 | .272767 | .14150860 | .083416046 |
| ROA BEFORE CORONA VIRUS PANDEMIC | 20 | -.020728 | .046519 | .01958015 | .018916895 |
| ROA DURING CORONA VIRUS PANDEMIC | 20 | -.048835 | .028137 | -.00408560 | .019285882 |
| DAR BEFORE CORONA VIRUS PANDEMIC | 20 | .052580 | .604823 | .35876295 | .188858772 |
| DAR DURING CORONA VIRUS PANDEMIC | 20 | .020773 | .804480 | .39442005 | .252543800 |

Table 3. Normality test result
Source: Data processed with SPSS version 25

| Kolmogorov-Smirnov | | | |
|---|---|---|---|
| CLASSIFICATION | Statistic | df | Sig. |
| CR BEFORE CORONA VIRUS PANDEMIC | .183 | 20 | .079 |
| CR DURING CORONA VIRUS PANDEMIC | .084 | 20 | .200[*] |
| ROA BEFORE CORONA VIRUS PANDEMIC | .151 | 20 | .200[*] |
| ROA DURING CORONA VIRUS PANDEMIC | .120 | 20 | .200[*] |
| DAR BEFORE CORONA VIRUS PANDEMIC | .189 | 20 | .059 |
| DAR DURING CORONA VIRUS PANDEMIC | .141 | 20 | .200[*] |

The normality test was carried out after carrying out descriptive statistical tests. This test uses the One Sample Kolmogorov-Smirnov Test (K-S). Normality test results for CR before Corona Virus Pandemic produced sig. 0.079, CR during Corona Virus Pandemic produces sig. 0.200, ROA before Corona Virus Pandemic produces sig. 0.200, ROA during Corona Virus Pandemic produces sig. 0.200, DAR before Corona Virus Pandemic produced sig. 0.059, and DAR during Corona Virus Pandemic produces sig. 0.200. From these results. shows that the normality test produces normal data because all classification results show a number more than 0.05 (>0.05).

After the data is normal, then a hypothesis test is carried out with a predetermined sample. Samples were tested using paired sample t-test. The results of the hypothesis test are shown in the following table:

Table 4. Hypothesis test result
Source: Data processed with SPSS version 25

| Pengukuran | Sig. (2-tailed) | significance | Result |
|---|---|---|---|
| CR before - CR during Corona Virus Pandemic | 0.016 | 0.05 | There are differences in CR Achivement |
| ROA before - ROA during Corona Virus Pandemic | 0.002 | 0.05 | There are differences in ROA Achivement |
| DAR before - DAR during Corona Virus Pandemic | 0.093 | 0.05 | There is no difference in DAR Achivement |

Testing this experiment hypothesis uses SPSS 26 with paired sample t-test. Table 2 shows that CR before Corona Virus Pandemic is compared with CR during Corona Virus Pandemic, there is a difference in financial Achivement with sig. 0.016 is less than 0.05. This indicates that H1 is accepted which states that there is a difference in CR's financial Achivement before and during Corona Virus Pandemic.

ROA before Corona Virus Pandemic compared with ROA during Corona Virus Pandemic shows sig. 0.002 is less than 0.05, which means there is a difference in financial Achivement. This indicates that H2 is accepted, which states that there is a difference in ROA's financial Achivement before and during Corona Virus Pandemic. DAR before Corona Virus Pandemic compared with DAR during Corona Virus Pandemic shows sig. 0.093 is more than 0.05, which means there is no difference in financial Achivement. This indicates that H2 was rejected, which stated that there was a difference in DAR's financial Achivement before and during Corona Virus Pandemic.

The results of this experiment show that there are differences in corporate financial Achivement before Corona Virus Pandemic and during Corona Virus Pandemic in Indonesia which were analyzed using CR. This is related to the CR showing that the presence of Corona Virus Pandemic made the corporate unable to maintain the stability of its financial condition regarding cash and cash equivalents and current liabilities during the Corona Virus Pandemic pandemic. The increase in current liabilities of property and real estate companies during the pandemic also shows that companies have not been able to control decisions regarding current liabilities that they want to take during the pandemic. The results of this experiment support experiment that has been conducted by previous experimenters, namely Makriva et al. (2022) and Silindung and Yanti (2023) who stated from the experiment results that there were differences in cash ratio Achivement before and during Corona Virus Pandemic. This is different from experiment conducted by Nabawiyah and Jaeni (2022) and Zamami (2021) which stated that there was no difference in cash ratio Achivement before and during Corona Virus Pandemic.

Analysis using ROA shows that there are differences in the corporate's financial Achivement before and during Corona Virus Pandemic. ROA shows that the corporate was unable to maintain stable financial conditions related to profits and total assets during the Corona Virus Pandemic pandemic. The decline in profits during the pandemic also means that the corporate has not been able to maximize business operations in terms of earning profits during the pandemic. The results of the ROA analysis in this experiment are in line with experiment conducted by Silindung and Yanti (2023) , Nabawiyah and Jaeni (2022), and Hilman and Laturette (2021)  which produced experiment with the opinion that there were differences in

ROA Achivement before and during Corona Virus Pandemic. However, this is not the case with experiment conducted by Putri and Henny (2022), who argue that there is no difference in ROA Achivement before and during Corona Virus Pandemic.

Analysis using DAR shows that there is no difference in the corporate's financial Achivement compared to the period before Corona Virus Pandemic and during Corona Virus Pandemic. For DAR there is no difference because the increase in total liabilities is balanced by an increase in total assets during the pandemic, indicating that the corporate can stabilize total liabilities with its total assets. In this case it can be concluded that property and real estate companies can manage financial Achivement related to the debt to assets ratio which shows the balance of total liabilities which have increased and total assets which have also increased. This experiment is supported by previous experiment, namely Zamami (2021) and Pratama et al. (2022) who stated that there was no difference in the Achivement of the Debt to Assets Ratio before and during Corona Virus Pandemic. The results of this experiment contrast with experiment conducted by Oktafira and Barusman (2022), Nabawiyah and Jaeni and Roosdiana which stated that their experiment results showed differences in the Achivement of the Debt to Assets ratio before and during Corona Virus Pandemic.

## 4. CONCLUSIONS AND SUGGESTIONS

The results obtained show that there are differences in CR and ROA Achivement before and during Corona Virus Pandemic. There is no difference in DAR Achivement before and during Corona Virus Pandemic. This indicates that the presence of Corona Virus Pandemic has caused the corporate's financial Achivement to change, resulting in a decline in financial conditions. The limitation of this experiment is that it only takes 1 industrial sector, future experimenters are expected to be able to take several existing industrial sectors so that the experiment industrial sector is broader, not just 1 sector. The sample of companies in this experiment comes from Indonesia only. Future experimenters are expected to experiment companies from outside Indonesia so that the experiment is international because the effect of the pandemic is felt throughout the world. The ratios used in this experiment are limited to only 3 ratios with 1 pengukuran taken for each ratio. Future experimenters can add more varied ratios and proxies to analyze the corporate's financial Achivement in various financial aspects more deeply.

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