

Comparative Analysis of Cash Holding Based on Leverage, Capital Expenditure and Firm Size Factors of Companies in the Properties and Real Estate Sector on the Indonesia Stock Exchange

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ABSTRACT

The availability of cash in a company is very important because, without sufficient cash, the company's operational activities cannot run optimally. This research aims to empirically test the comparison of cash holdings based on leverage, capital expenditure and firm size of companies in the properties and real estate sector on the Indonesia Stock Exchange for the 2020-2022 period. Cash holding is measured by the ratio of cash and cash equivalents to total assets, leverage is measured by DER, capital expenditure is measured by the comparison between the difference between fixed assets from the current year and the previous year and total assets, firm size is measured by the natural logarithm of total sales. This type of research is quantitative comparative test research using secondary data. The sampling technique used was non-probability sampling with a purposive sampling method and resulted in 58 company samples from 69 companies. The data analysis technique used in this research is the Mann Whitney test using SPSS 27 for Windows software. The research results show that there are differences in cash holding based on capital expenditure and firm size. Meanwhile, there is no difference in cash holding based on leverage.

INTRODUCTION

Financial reports are the most important element for a company because they can provide various accurate financial information for the company regarding financial conditions and can be used as material for evaluating the company's performance in the future. The company will strive to improve the welfare of its shareholders and employees, this can be realized if the company is able to achieve the profits that have been set. In running business operations, assets play an important role in supporting the implementation of the company's operational activities.

One of the assets that plays an important role in operational activities and has high liquidity is cash. The availability of cash in a company is very important because without sufficient cash, the company's operational activities cannot run optimally. If the company only has a small amount of cash reserves, it can affect the company's business operations. Conversely, if the company has too much cash availability and is idle, it can cause the company to lose investment opportunities to obtain maximum income. According to Saputri and Kuswardono (2019), the amount of cash availability can affect the level of liquidity of a company. If the company can manage the availability of cash, it shows that the company can meet operational needs and can pay short-term and long-term obligations.

According to Fadhillah (2020), the availability of optimal cash will affect the company's profits and minimize financial risks in running its business operations, therefore the availability of good and safe cash for the company is at least 10 percent of the total assets owned. Companies with a cash level of less than 10 percent can complicate their operational activities, while companies with optimal cash levels will be able to utilize the cash for the development of the company's business. Therefore, companies need to manage cash availability to suit the company's operational needs. Cash management carried out by companies is called cash holding.

Several companies going public on the Indonesia Stock Exchange are experiencing financial crises due to failure in managing cash holdings. The company's weakness in managing cash holdings can lead to financial distress. Therefore, cash holding is very useful in making financial decisions in the future, because companies that have optimal cash holding can carry out good business strategies in the future, and are able to prevent risks in meeting their operational needs. Thus, companies can use cash to take advantage of profitable investment opportunities and allocate capital flexibly and effectively, while avoiding risks that may arise from operational cash flow.

The cash holding phenomenon occurs in companies in the properties and real estate sector. The properties and real estate sector has a risk factor in the company's liquidity and cash availability. The properties and real estate business requires large capital in developing its business projects such as land acquisition, construction costs and infrastructure development. This makes the company allocate cash availability for project financing. Property sales are also generally sold on credit, which of course has a credit risk when customers fail to pay on time, which causes a lack of cash availability for the company.

Previous research that tested the relationship between leverage and cash holding has been conducted with different research results. PHeemati's research *et al.* (2013) examined how leverage affects cash holding in public companies in Iran. The results of the study stated, when there is an increase in leverage, the company's cash holding level will increase. This happens because companies that have a high level of leverage will maintain liquid assets at a high level, because leverage increases the possibility of financial distress. This research is in line with research conducted by Andika (2017) on consumer goods industry companies in Indonesia, where when leverage increases, the company's cash holding will increase. This is different from the research conducted by Barasa *et al.* (2018) on companies going public in Kenya.

The results of the study state, when there is an increase in leverage, the company's cash holding level will decrease, this happens because companies that have a high level of leverage will make payments using cash availability, so that the company's cash holding will decrease. This research is in line with research conducted by Saputri and Kuswardono (2019) on manufacturing companies in Indonesia, where when there is an increase in leverage, the company's cash holding level will decrease. There is also research by Suherman (2017) on non-financial public companies in Indonesia, that leverage has no effect on cash holding.

Previous research that tested the relationship between firm size and cash holding has been conducted with different research results. Guizani (2017) examined how firm size affects cash holding in public companies in Saudi Arabia. The results of the study stated that the larger the company, the higher the cash holding level. This happens because large companies have large assets and therefore large cash reserves. Conversely, small companies have relatively small assets which have an impact on small cash reserves. This study is in line with research conducted by Rasyid (2021) on manufacturing companies in Indonesia, where the larger the company, the larger the company's cash holding. This is different from research conducted by Suherman (2017) on public companies in Indonesia.

The results of the study state, large companies will expand and invest in large amounts. This requires the company to use large amounts of cash, so that the cash in the company is not classified as much. On the other hand, small companies have a high risk in developing their business, so small companies tend to hold larger amounts of cash to minimize the risk of financial difficulties. This study is in line with research conducted by Le *et al.* (2018) on public companies in the UK which stated that the larger the company, the smaller the cash holding will be. As for research by Fauzie *et al.* (2020) on food and beverage companies in Indonesia, which stated that firm size had no effect on cash holding.

Based on the findings of previous research results that differ which cause inconsistencies and there are new phenomena that make the problem very important to be studied further, so the researcher will conduct a study entitled Comparative Analysis of Cash Holding Based on Leverage Factors, Capital Expenditure and Firm Size of Companies in the Properties and Real Estate

Sector on the Indonesia Stock Exchange. This study aims to determine the difference in cash holding between companies with large leverage and companies with small leverage in companies in the properties and real estate sector listed on the Indonesia Stock Exchange for the 2020-2022 period. To determine the difference in cash holding between companies with large capital expenditure and companies with small capital expenditure in companies in the properties and real estate sector listed on the Indonesia Stock Exchange for the 2020-2022 period. And to determine the difference in cash holding between large companies and small companies in the properties and real estate sector listed on the Indonesia Stock Exchange for the 2020-2022 period.

LITERATURE REVIEW

Pecking Order Theory

Pecking order theory explains that companies will divide into several parts or structures when looking for sources of funds for corporate financing decisions. Pecking order theory states that when investment exceeds retained earnings, debt will generally increase and when investment is less than retained earnings, debt will decrease. This can affect cash holding, where cash holding will decrease when investment exceeds retained earnings, and will increase if investment is less than retained earnings. The relationship between cash holding and leverage is supported by pecking order theory. Pecking order theory explains that cash decreases due to debt, this means that the company will maintain the amount of cash at a high level. When the need for investment exceeds the retained earnings owned by the company, debt will increase. This indicates that the company's investment financing no longer uses internal funding, but rather uses external funding, namely debt. Therefore, cash holding must be prepared at an optimal level according to the amount of the loan to external parties. So, when it matures, the company has sufficient cash holding to pay it off.

Trade off Theory

Trade off theory is a condition where someone is faced with a decision of two or more things, namely sacrificing or losing an aspect for a certain reason in obtaining another aspect with a different quality. Trade off theory explains that humans often have to make choices between two or more goals that conflict with each other. This theory explains that in maximizing profits, humans must choose between trying to achieve one goal and abandoning another goal.

There is a relationship between trade off theory and cash holding, that the company's cash holding is managed by considering the limitations between costs and benefits obtained in holding cash. This theory requires companies to maximize the value of their companies by considering the value of the benefit margin (the benefit of holding cash) and the value of the cost margin (the cost of holding cash). The right decision in managing cash holdings will be consistent with the company's goal of maximizing the company's value.

Cash Flow Statement

According to Kieso et al., (2018), a cash flow statement (Statement of Cash Flows) is a report that describes cash inflows and cash outflows in detail from each activity such as:

1. Operating activities include changes in cash that are affected by transactions that generate revenues and expenses. Such transactions are included in the net income category.
2. Investing activities include the acquisition and disposal of investments and land, buildings and equipment as well as lending money and collecting loans.

Financing activities include cash receipts from loans and debt repayments, and cash receipts from shareholders, share buybacks and dividend payments.

Motives for Holding Cash

1. Transactions Motive

The transaction motive means that the company needs a certain amount of cash to finance its operational activities, such as paying salaries and wages, purchasing goods, paying bills (electricity, telephone, water and other bills), paying debts to creditors when due, paying taxes and paying dividends to shareholders.

2. Safety Motive / Precautionary Motive

The precautionary motive is intended to be on guard against needs that may occur but are not clear when they will occur, such as machine breakdowns, changes in raw material prices, fires and accidents. Based on this theory, companies hold large amounts of cash in order to be able to face shocks that are detrimental to the company and cash is used when entering expensive and limited capital markets.

3. Speculative Motive

Speculative motives are intended for speculative purposes such as taking advantage of potential profit-making situations. Companies carry out this motive by taking advantage of emerging opportunities to take advantage of situations, such as a sudden drop in raw material prices.

Cash Holding

According to Luckyanti and Anwar (2022), cash holding is a current asset available in the company to meet operational costs in the form of cash and cash equivalents which are shown in the company's balance sheet. Determining the level of cash holding of a company is a financial decision that must be made by the company's financial manager. Cash management is a company management system in managing cash flow with the aim of maintaining the company's liquidity and cash planning. Cash management aims to accelerate cash collection and slow down cash expenditures in order to increase cash availability for the company. In achieving these goals, there are two approaches in managing cash availability, namely as follows:

1. Cash is designated as a financial asset, the purpose of this approach is to minimize the costs arising from the use of cash. As in transactions that are as much as possible to reduce transaction costs.

2. Cash is considered a physical asset, this approach is used with the inventory model to determine the amount of cash inventory that is appropriate for the company.

Leverage

Leverage is a ratio used to measure the extent to which a company's assets can be financed with debt. In other words, the leverage ratio is a ratio used to measure how much debt the company must bear in order to fulfill assets (Hery, 2016).

Leverage becomes an important factor, because it can affect the company's cash holding level in paying off obligations. Therefore, the company should balance how much debt is appropriate to take and from which sources can be used to pay off debt. According to Kasmir (2017:112), there are several types of ratios used in measuring leverage:

1. *Debt to Total Asset Ratio*

This debt to total assets ratio shows how much of the total assets are taken up by debt.

2. *Debt to Equity Ratio*

This debt to equity ratio shows the relationship between the amount of long-term debt and the amount of capital owned by the company.

3. *Long Term Debt to Equity Ratio*

This ratio is used to measure the portion of equity that is used as collateral for long-term debt.

4. *Times Interest Earned Ratio*

This ratio is used to measure the ability to pay interest on debt from operating profit (sometimes also added with depreciation).

5. *Tangible Assets Debt Coverage*

This ratio is used to measure how much fixed assets can be used to guarantee long-term debt.

Capital Expenditure

Capital expenditure is a cost that will provide benefits for more than one accounting period in order to form new capital by adding fixed assets with the aim of benefiting the company in the long term (Hanaputra and Nugroho, 2021). There are also capital expenditure activities, namely purchasing fixed assets, adding fixed asset components, increasing efficiency and extending the useful life of fixed assets. In other words, capital expenditure is not an expense that is charged directly as an expense in the income statement, but capital expenditure is capitalized first as a fixed asset in the balance sheet, because capital expenditure will provide benefits for more than one year in the future.

Firm Size

Firm size is a picture of the size of a company as indicated by total assets, sales volume, average sales, and average total assets (Silean and Prasetyono, 2017). Firm size can be a benchmark for the ease of a company to gain access to funding. Each company has a different character in determining the optimal cash level. Companies with a large firm size have a lower level of information

asymmetry because they are motivated to disclose more information. Companies with a large firm size can have easy access to obtain funds from outside the company. The company can adopt a flexible funding policy, so that the company is able to maintain a large level of cash holding (Al-Najjar, in Guizani, 2017).

Hypothesis Development

a. Differences in Cash Holding in Companies with Large Leverage and Companies with Small Leverage

Previous research results from Suherman (2017) stated that there was no difference in the level of cash holding based on the leverage factor. This result is in line with the research of Elnathan and Susanto (2020). However, the research of Wasiuzzaman (2014) stated that there was a difference in the level of cash holding based on the leverage factor, where the results of this study are also supported by other studies such as Blondelle (2018).

H1: There is a difference in cash holding between companies with large leverage and companies with small leverage.

b. Differences in Cash Holding in Companies with Large Capital Expenditure and Companies with Small Capital Expenditure

Previous research results from Liadi and Suryanawa (2018) stated that there was no difference in cash holding levels based on capital expenditure factors. This result is in line with research Amalia et al. (2018). However, Trinh and Mai's (2016) research stated that there are differences in cash holding levels based on capital expenditure factors, where the results of this study are also supported by other studies such as Thu and Khuong (2018).

H2: There is a difference in cash holding between companies with large Capital Expenditure and companies with small Capital Expenditure.

c. Differences in Cash Holding in Large Companies and Small Companies

Previous research results from Fauzie et al. (2020) stated that there was no difference in cash holding levels based on firm size factors. This result is in line with research Sari and Zoraya (2021). However, Suherman's (2017) research states that there are differences in cash holding levels based on firm size factors, where the results of this study are also supported by other studies such as Rasyid (2021) so that the conclusion of the study is that cash holding can be influenced by firm size.

H3: There are differences in cash holding between large companies and small companies.

METHODOLOGY

The analysis of this quantitative research emphasizes on numeric data whose processing uses statistical methods. The population in this study is all companies in the property and real estate sector listed on the Indonesia Stock Exchange for the period 2020 to 2022. In this study, the sample used is companies in the property and real estate sector determined by the researcher based on several specific criteria. Based on the criteria that have been

determined in taking samples from 69 companies in the property and real estate sector listed on the Indonesia Stock Exchange and meeting the criteria, there are 58 companies in the property and real estate sector that are used as samples in this study with a research period of 3 years. Sampling in this study uses non-probability sampling. The data collection method used by the researcher is the documentary method (documentation), which is carried out by collecting data (documents) in the form of annual financial reports that the company publishes on the official website of the Indonesia Stock Exchange (www.idx.co.id). While for the explanation of each data variable refers to scientific journals, theses, articles and books obtained by researchers related to this study. The analysis method uses descriptive statistical analysis, normality test, and hypothesis testing with the help of the IBM SPSS program (International Business Machines Corporation, Statistical Package for the Social Sciences) version 26 for Windows.

RESEARCH RESULT

Descriptive Statistical Analysis Results

Table 1 Descriptive Statistical Analysis of Cash Holding, Leverage, Capital Expenditure and Firm Size

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
Cash_Holding	174	.0008	.90	.0700	.09214
Leverage	174	.0002	1.16	.3656	.24590
Capital_Expenditure	174	-.17	.97	.0043	.07657
Firm_Size	174	20.31	30.44	26.1773	2.10730
Valid N (listwise)	174				

Source: Results of data processing with SPSS 27; 2024

Based on table 1, the descriptive statistical analysis of the cash holding, leverage, capital expenditure and firm size variables can be explained as follows:

1. The cash holding variable has a minimum value of 0.0008 and a maximum value of 0.90 with an average company cash holding of 0.0700, a standard deviation of 0.09214 and a total of 174 observations.
2. The leverage variable has a minimum value of 0.0002 and a maximum value of 1.16 with an average company leverage of 0.3656, a standard deviation of 0.24590 and a total of 174 observations.
3. The capital expenditure variable has a minimum value of -0.17 and a maximum value of 0.97 with an average company capital expenditure of 0.0043, a standard deviation of 0.07657 and a total of 174 observations.
4. The firm size variable has a minimum value of 20.31 and a maximum value of 30.44 with an average company firm size of 26.1773, a standard deviation of 2.10730 and a total of 174 observations.

Cash Holding Distribution Based on Large and Small Factors

1. Cash Holding Distribution Based on Large Leverage and Small Leverage

Descriptive statistical tests show the total average (mean) of the leverage factor of 0.3656. Based on the average value, there are 85 samples that are categorized as more than the average of 0.3656. So that the sample is categorized as a company with large leverage. When viewed based on the average, there are 89 samples that are categorized as less than the average of 0.3656. So that the data is categorized as a company with small leverage.

2. Cash Holding Division Based on Large Capital Expenditure and Small Capital Expenditure

Descriptive statistical tests show the total average (mean) of the capital expenditure factor of 0.00432. Based on the average value, there are 33 samples that are categorized as more than the average of 0.00432. So that the sample is categorized as a company with large leverage. When viewed based on the average, there are 141 samples that are categorized as less than the average of 0.00432. So that the data is categorized as a company with small capital expenditure.

3. Cash Holding Distribution Based on Large Companies and Small Companies

Descriptive statistical tests show the total average (mean) of the firm size factor of 26.17. Based on the average value, there are 93 samples that are categorized as more than the average of 26.17. So that the sample is categorized as a large company. When viewed based on the average, there are 81 samples that are categorized as less than the average of 26.17. So that the data is categorized as a small company.

Normality Test

1. Normality Test Results on Large and Small Cash Holding Leverage Samples

Table 2 Normality Test Results
 One-Sample Kolmogorov-Smirnov Test

		Cash Holding Based on Leverage
N		174
Normal Parameters ^{a,b}	Mean	.0700
	Std. Deviation	.09214
Most Extreme Differences	Absolute	.226
	Positive	.173
	Negative	-.226
Test Statistics		.226
Asymp. Sig. (2-tailed) ^c		.000

Source: Results of data processing with SPSS 27; 2024

Based on the normality test on cash holding based on leverage, it can be seen that the significance value of cash holding based on leverage is 0.000. From

this significance value, it can be concluded that cash holding based on leverage is not normally distributed. This is because it has a significance of less than 0.05. Therefore, the hypothesis test that will be used is the Mann Whitney Test.

2. *Normality Test Results on Large and Small Cash Holding Capital Expenditure Samples*

**Table 3 Normality Test Results
One-Sample Kolmogorov-Smirnov Test**

		Cash Holding Based on Capital Expenditure
N		174
Normal Parameters ^{a,b}	Mean	.0700
	Std. Deviation	.09214
Most Extreme Differences	Absolute	.226
	Positive	.173
	Negative	-.226
Test Statistics		.226
Asymp. Sig. (2-tailed) ^c		.000

Source: Data processed with SPSS version 27, 2024

Based on the normality test on cash holding based on capital expenditure, it can be seen that the significance value of cash holding based on capital expenditure is 0.000. From this significance value, it can be concluded that cash holding based on capital expenditure is not normally distributed. This is because it has a significance of less than 0.05. Therefore, the hypothesis test that will be used is the Mann Whitney Test.

3. *Results of Normality Test on Cash Holding Samples of Large and Small Companies*

**Table 4 Normality Test Results
One-Sample Kolmogorov-Smirnov Test**

		Cash Holding Based on Firm Size
N		174
Normal Parameters ^{a,b}	Mean	.0700
	Std. Deviation	.09214
Most Extreme Differences	Absolute	.226
	Positive	.173
	Negative	-.226
Test Statistics		.226
Asymp. Sig. (2-tailed) ^c		.000

Source: Data processed with SPSS version 27, 2024

Based on the normality test on cash holding based on firm size, it can be seen that the significance value of cash holding based on firm size is 0.000. From this significance value, it can be concluded that cash holding based on firm size is not normally distributed. This is because it has a significance of less than 0.05. Therefore, the hypothesis test that will be used is the Mann Whitney Test.

Hypothesis Testing

In this study, the hypothesis test that will be used is Independent Sample T-Test for normally distributed data, Mann Whitney for non-normally distributed data:

1. Mann Whitney Test on Cash Holding Based on Large and Small Leverage

The results of the Mann Whitney cash holding leverage test for large and small are shown in the following table.

Z	-1.257
Asymp. Sig. (2-tailed)	.209

Source: Data processed with SPSS version 27, 2024

Based on the results of the Mann Whitney test on cash holding based on large and small leverage, it can be seen that the significance value is 0.209. From the significance value, it shows that cash holding with large leverage and cash holding with small leverage show a value greater than 0.05. Therefore, it can be concluded that there is no difference between cash holding of large leverage companies and cash holding of small leverage companies.

2. Mann Whitney Test on Cash Holding based on large and small Capital Expenditure

The results of the Mann Whitney cash holding capital expenditure test for large and small are in the following table.

Z	-1.987
Asymp. Sig. (2-tailed)	.047

Source: Data processed with SPSS version 27, 2024

Based on the results of the Mann Whitney test on cash holding based on large and small capital expenditure, it can be seen that the significance value is 0.047. From the significance value, it shows that cash holding with large capital expenditure and cash holding with small capital expenditure show a numerical value smaller than 0.05. Therefore, it can be concluded that there is a difference between cash holding of large capital expenditure companies and cash holding of small capital expenditure companies.

3. Mann Whitney Test on Cash Holding based on Large and Small Companies

The results of the Mann Whitney cash holding test for large and small companies are in the following table.

Z	-5.306
Asymp. Sig. (2-tailed)	.000

Source: Data processed with SPSS version 27, 2024

Based on the results of the Mann Whitney test on cash holding based on large and small companies, it can be seen that the significance value is 0.000. From the significance value, it shows that cash holding of large companies and cash holding of small companies show a value of less than 0.05. Therefore, it can be concluded that there is a difference between cash holding of large companies and small companies.

DISCUSSION

Differences in Cash Holding in Companies with Large Leverage and Companies with Small Leverage

Based on the results of the comparison test using Mann Whitney on large leverage and small leverage cash holding, the significance value is 0.209. These results indicate that there is no difference in cash holding based on large leverage and small leverage in companies in the properties and real estate sector on the Indonesia Stock Exchange.

Leverage in this study is measured by the debt to asset ratio. The purpose of leverage in a company is to increase profits by borrowing from outside. This study shows that cash holding cannot be affected by leverage. The level of leverage, whether large or small, in a company does not always determine how much cash the company will hold. Because cash obtained from debt is not stored in the company or used as operational funding, but is used directly for investment or for other activities that have productive value and the company tends to finance its assets that provide more returns compared to holding cash.

This result is in line with Suherman's (2017) research on non-financial public companies in Indonesia. Companies with large and small leverage will not affect how much the company will hold their cash, the most important thing is how the company manages their leverage ratio level.

The absence of significant differences between large and small leverage companies rejects the pecking order theory. The theory explains that companies will choose the first option, which is company cash, while based on the results obtained, companies prefer to use funds from external parties. In this case, companies do not always consider cash as a precautionary motive and consider cash as safety cash. In addition, the results of this study are also in line with research from Elnathan and Susanto (2020) in manufacturing companies in Indonesia, which states that there is no difference in cash holdings between companies with large leverage and companies with small leverage.

Differences in Cash Holding in Companies with Large Capital Expenditure and Companies with Small Capital Expenditure

Based on the results of the comparison test using Mann Whitney on cash holding of large capital expenditure and small capital expenditure, the significance value is 0.047. These results indicate that there is a difference in cash holding based on large capital expenditure and small capital expenditure in companies in the properties and real estate sector on the Indonesia Stock Exchange.

Capital expenditure in this study is measured by the previous year's fixed assets minus the current year's fixed assets divided by total assets. The company's purpose in making capital expenditures is to buy or repair assets that provide benefits in the future. This study shows that cash holding can be affected by capital expenditure. The level of capital expenditure, large or small in a company, will determine how much cash the company will hold.

This result is in line with Thu and Khuong's (2018) research on public companies in Vietnam. Companies that have large capital expenditures will hold their cash as a protection against high capital expenditure-related transaction costs. When a company has a plan to make a large investment, the company will create cash reserves to maintain the continuity of its work. With the existence of cash reserves, the company's cash holding will be high.

The significant difference between companies with large capital expenditure and companies with small capital expenditure can explain the pecking order theory. The theory explains that companies will choose the first option, namely internal funding. Companies hold large amounts of cash in order to be able to face the possibility of financial distress. Thus, companies with large investment opportunities will hold larger amounts of cash so that they can still finance their investment needs even though economic shocks are hitting.

In addition, the results of this study are also in line with research by Trinh and Mai (2016) on property and real estate companies in Vietnam, which stated that there are differences in cash holding between companies with large capital expenditure and companies with small capital expenditure.

Differences in Cash Holding in Large Companies and Small Companies

Based on the results of the comparative test using Mann Whitney on cash holdings of large companies and small companies, the significance value is known to be 0.000. These results indicate that there is a difference in cash holdings of large companies and small companies in the properties and real estate sector companies on the Indonesia Stock Exchange.

This study shows that cash holding can be influenced by firm size. Companies will make a choice between holding a lot of cash as a precautionary motive or not holding a lot of cash as a speculative motive in obtaining maximum profit. Large companies tend to apply speculative motives because large companies have access to larger and more easily accessible sources of funds, making it easier for companies to obtain external financing. Therefore, large companies tend to invest rather than hold large amounts of cash. Conversely, small companies apply the precautionary principle. Small companies find it more difficult to obtain access to external funding and have higher business risks than large companies, so small-scale companies must hold large amounts of cash to minimize financial distress.

This result is in line with the research of Le et al. (2018) on public companies in the UK which states that the bigger the company, the smaller the cash holding will be. Companies that have large or small sales will affect how much the company will hold their cash. This is because each company has different policies and cash management.

The significant difference in cash holding between large and small companies can explain the trade-off theory. Companies will make a choice between keeping a lot of cash as a precautionary motive or not keeping a lot of cash as a speculative motive in obtaining maximum profit. Large companies tend to apply speculative motives because large companies have access to larger and more easily accessible sources of funds, making it easier for companies to obtain external financing. While small companies consider cash as a precautionary motive, so small-scale companies must hold large amounts of cash to minimize the occurrence of financial distress.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of data analysis and discussion regarding the comparative analysis of cash holding based on leverage, capital expenditure and firm size factors of companies in the properties and real estate sector on the Indonesia Stock Exchange, the following conclusions are provided:

1. There is no difference in cash holdings between companies with large leverage and companies with small leverage in the properties and real estate sector on the Indonesia Stock Exchange, as indicated by the significance value > 0.05 ($0.209 > 0.05$).
2. There is a difference in cash holdings between companies with large capital expenditure and companies with small capital expenditure in the properties and real estate sector on the Indonesia Stock Exchange, as indicated by the significance value < 0.05 ($0.047 < 0.05$).
3. There is a difference in cash holdings between large and small companies in the properties and real estate sector on the Indonesia Stock Exchange, as indicated by a significance value of < 0.05 ($0.000 < 0.05$).

ADVANCED RESEARCH

After analyzing the research data on comparative analysis of cash holding based on leverage, capital expenditure and firm size factors of companies in the properties and real estate sector on the Indonesia Stock Exchange, there are several suggestions that can be used as consideration for companies and interested parties. The suggestions that are submitted include the following:

1. For further research, it is hoped that financial ratios can be added other than those used in this study, in order to identify other factors that can influence cash holding.

For further research, it is expected to use other sectors so that it can also be known how the cash holding policy is in other sectors listed on the Indonesia Stock Exchange.

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