

The Influence of Inflation on the Company's Consolidated Financial Statements PT. Garuda Indonesia

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ABSTRACT

This study aims to find out how much magnitude influences inflation to performance report financial consolidation of the company Garuda Indonesia where the years 2020-2021 took place due to the decline in financial performance impact of the COVID-19 pandemic. This study uses the data obtained indirectly from the results of PT. Garuda Indonesia uses method quantitative with analytical models descriptive with the aim to analyze financial ratios so that after analyzing the company can know and get evaluate is mark affected financial ratios' impact on favorable inflation company or otherwise

INTRODUCTION

In doing A evaluation to A company's financial performance can reviewed from report his finances. Financial reports ie A loading report about corporate financial responsibility in a manner thoroughly compiled every end period and used to find out until Where company's financial performance. To know financial reports, as necessary done that is analyze use financial ratios. Ratio is the most important tool in financial analysis. By using financial ratios then can give description about company's financial capability from year to year.

In Indonesia itself growth sector transportation air reflect Growth economic sustainability of a country, so it saves very important and strategic role. Success sector Air transportation can be measured in a manner macro. By Doing measurement macro can seen from Donations mark he added in Formation Product Domestic Gross and resulting impact to Growth sector others, as well Blocking ability Rate inflation through smoothness Distribution goods and services throughout remote homeland.

Quoted from (BI.GO.ID) Inflation The Consumer Price Index (CPI) in 2020 was recorded low 1.68% (yoy) and below range target of $3.0 \pm 1\%$. Low inflation affected to weak domestic demand as a result from covid 19. Adequate supply and synergy policy between BI and the government in maintaining price to be fixed stable. In the future, the Indonesian bank will remain guard consistent inflation from range the target $3.0 \pm 1\%$ in 2021.

CPI by month december 2020 very under control so that push achievement low inflation in 2020. Every month, month CPI inflation december 2020 reached 0.45% (mtm), increasing from the previous November namely 0.28% (mtm). This inflation is over low from the average inflation in December 5 previous years namely 0.67% (mtm). based on from part, inflation parent recorded at 0.05% (mtm), relatively stable if seen from month previously namely 0.06% (mtm). inflation the administered prices section is monitored low i.e. 0.35% (mtm), though in accordance pattern seasonal year -end increase from month Then by 0.16% (mtm).

Head of policy agency fiscal (BKF) ministry of finance febrio Kacaribu telling you that in the middle Indonesian inflation to july 2022 has reached 4.94% yoy. And impact from The increase in airfare is

estimated will impact on the whole inflation national in the future. The government said Febio, did not want off guard and on monitor order when increase in airfare and other policies do not arrive disturbing rate Indonesian inflation by thorough.

According to Garuda Indonesia (2021), the airline Garuda Indonesia is companies operating in the field flights in Indonesia. Garuda Indonesia is becoming airline the biggest in Indonesia. Historically, the name "Garuda Indonesian Airways (GIA) was decided by President Soekarno. On the situation inflation currently Garuda Indonesia is required implement a good strategy Maintain existence company and also to stay maintain safe and stable financial performance

LITERATURE REVIEW

Financial performance

Financial performance is as far as see profit clean company during period the operation. Financial performance is results end from a number policies and decisions management. It can be concluded that financial performance is size ability something producing company profit from activity management (Brigham & Gapenski, 2006). Financial performance ie is something analysis done to see until Where something company has do it using rules financial implementation properly and correctly (Fahmi, 2011). Healthy company later will can give profit for the owners of capital, a healthy company can also pay debt properly time. In addition, the financial performance of company that has achieved in one period time, is description Healthy or nope circumstances something company. Analysis financial performance can distinguished into 8 parts, namely as following :

1. Comparative analysis to Financial Report
2. Trend Analysis Position
3. Common Size Analysis
4. Analysis of Sources and Use of Working Capital
5. Analysis of Cash Sources and Uses
6. Analysis of Financial Ratios
7. Change Analysis To Gross Profit
8. Break Even Analysis

Analysis Financial Ratios

Analysis This financial ratio is something which tools are in activity analyze and measure performance company namely by using the condition parameter company's financial health the. for financial data normal Can got from existing financial reports like balance sheets, reports profit loss report cash flow and reports other. Thus, this financial ratio is method yang's erring used in conducting analysis in a way count average value against financial reports and notify A connection between amount certain amount another in a the financial statements (Jojonomic, 2021). According to (fahmi, 2017) the benefits that can be taken from use calculation financial ratios include the following :

1. Useful financial ratio analysis If used as a tool for evaluation A work and achievements company.
2. Financial ratio analysis has benefit for party management namely as a proposal to make planning.
3. Financial ratio analysis can used as a tool for evaluation condition something company from perspective.

Inflation

According to (Tokopedia.com Dictionary) Inflation namely the process of improvement price done in a manner generally and continuously related to market mechanisms that are affected by several factor, which like factor enhancement consumption society, excessive market liquidity so that trigger consumption even speculation, so it's not smooth distribution to goods. Inflation is an indicator to see level change, and inflation considered happen if Where an ascension process price going on continuously and mutually affect One each other. Reason inflation as follows :

1. Inflation consequence pull demand (demand pull inflation), which where inflation happen consequence pull request is inflation that occurred Because request goods (aggregate demand or AD) exceeds from amount goods offered in aeconomy (aggregate supply or the US).
2. Inflation consequence encouragement production (cosh push inflation), where Inflation insistence cost or inflation from side offer is inflation that occurred consequence exists increase fast costsfrom economy If compared to productivity and efficiency A company, so company the reduce the supply of goods and services.

METHOD

This research uses method approach quantitative. Yang where in the method research and this type of data is used to analyze as well as describes the financial report data obtained in a manner numeric and knowing is caught impact favorable inflationor otherwise. Where to get seen in the financial statements of PT Garuda Indonesia on the Indonesia Stock Exchange (IDX). The data sources that the authors use is the secondary data obtained from A document written form Consolidated financial reports company. Data collection techniques used in this research are technique documentation by collecting data sources relating to the ratio liquidity and financial performance of PT Garuda Indonesia In various source references, as well do by studying various articles in related journals. As for the data Then analyzed by Using method analysis descriptive which is done by describing the data that is already available

RESULT AND DISCUSSION

Results

In part this discussion will explain about the findings obtained from exposure library that has stated and indicated. analysis performed on the company's financial statements the no.1 flight in Indonesia namely PT.Garuda Indonesia during that period hit by the COVID-19 pandemic.

Ratio Solvability To PT.Garuda Indonesia Financial Statements

According to (Kinasih, June 2021) the following is table from results calculation ratio solvency in the form of debt to asset ratio and debt to equity ratio:

Table 1, Debt to asset ratio

Year	Total debt	Total assets	Difference	%
2017	USD 2,825,822,893	USD 3,763,292,093	0.7509	75.09
2018	USD 3,515,668,247	USD 4,155,668,247	0.8460	84,60
2019	USD 3,735,052,883	USD 4,455,675,774	0.8383	83,83
2020	USD 10,361,096,065	USD 9,905,520,965	1.0460	104,60

Table 2, Debt to equity ratio

Year	Total debt	Total equity	Difference	%
2017	USD 2,825,822,893	USD 937,469,200	3,014	301.43
2018	USD 3,515,668,247	USD 639,806,556	5,495	549,49
2019	USD 3,735,052,883	USD 720,622,891	5,183	518.31
2020	USD 10,361,096,065	USD 455,575,100	-22,743	-2274.29

Debt To Asset Ratio

on the table above, got We look closelyWhere seen fluctuating ratio.In 2017 earn mark ratio 75.09% which one Then increased in 2018 by 9.51 withmarkratioto 84.60%. ThenhappenA littledecreased in 2019 by 0.77 to 83.83%. The upgradesignificantoccurred in 2020 by 20.77 to 104.60%. For these four years it turns out Far above the average valueindustry (35%) that causesvalue company not good at managementfinancial performance. The DAR value for the 2020 period has experienced enough

increasesignificant than period that has been passed. itcan make it difficult inside companyobtainloan especially in the last year PT Garuda Indonesia was fully financed by debt.

Debt to Equity Ratio

Same asanalysisbefore, DER pointed outa ratio that fluctuates on eachthe year. 2017 earn ratio of 301.43% and then increase Far of 248.06 to 549.49% in 2018. Then it happenedA littlea decrease in 2019 of 31.18 to 518.31%. In 2020 it turns out DER value experienced crash by 2,792.8 to -2,274.29%. Where is pthe showthat the DER at PT Garuda Indonesia is very farfromstandardindustry (90%), sameas well as the Debt to Asset Ratio increasingly Far ratio the than the standard averageindustry, then the more badcompany to manageperformance his finances. This mattercancause company it will be very hard to getloans, due to the company's DER sidefully financed by debt. From the results of the two data above the so if DAR and DER are associated with a relationship inflation so clear that seen from percentage own significant influenceeven when a pandemic occurs inflation to airline flight. Where if inflation Keep going will happen during this pandemic resulted bankruptcy to company garuda Indonesia, because on the side tall his level price ticket resulted lack of request consumers in choosing accommodation flights and how hard it is to get get loan due to the company's DER fully financed by debt.

Liquidity Ratio Against the Financial Performance of PT. Garuda Indonesia

Jumungan (2011: 239) argues that performance financial statements are A reflection financial situation at a period time certain concernsaspect collection or general disbursement of funds measured by profitability, liquidity, and indicators capital adequacy. quoted from (Gea Mustika, Intan Nur, vol.3, January 2022) Next that is exposure about the financial performance of PT Garuda Indonesia Tbk in 2020 includes :

Table 3. Ratio fast and cash ratio pt garuda Indonesia in 2020

Aspect	2020 year
Current assets	536,547,176
Supply	105,199,006
Liability fluent	4,294,797,755
Cash and cash equivalents	200,979,909
Ratio fast	10.04%
Cash ratio	4.68%
Ratio fluent	12.49%

Source: Indonesia Stock Exchange

To rate something's performance the financial statements of PT Garuda Indonesia, the author uses ratio liquidity with 3 types ratio that is among them ratio fast, cash ratio, and current ratio, among others, as follows:

1. Ratio fast

Based on the data that has been exposed Previously, current assets experience fluctuation. According to (Umar, 2020), this is significant increase or decrease in current assets irregular in nature. Temporary mark supply tend experience increase and debt fluent always experience increase every year. This is what causes ratio fast experience decline every the year. Following is formula to calculate ratio quick:

$$\text{Quick Ratio} = \frac{\text{Current Asset} - \text{Inventory}}{\text{Current liabilities}}$$

$$\text{Quick Rasio} = \frac{536,547,176 - 105,199,006}{4,294,797,755 \times 100\%}$$

Quick Ratio = 10.04%

Calculation on show that mark asset fluent company without supply by 10.04%. This kind of thing is meaningful that asset fluent only can pay off obligation period short just 10.04 %. Then, still there is obligation fluent of 89.96% who could not paid by PT Garuda Indonesia Tbk. This is because asset growth is not proportional to growth debt fluent company. On the side another, company always add supply so very influential counting ratio quick to cause this ratio is increasing decreased.

2. Cash ratio

According to (Lestari, 2020), the information obtained that cash and cash equivalents tend to be experience decline temporary debt fluent company always experience enhancement every year. And incomparable growthstraight this is what causes cash ratio tends experience decline every the year. The formula for calculating cash ratio, as follows :

$$\text{Cash Ratio} = \frac{\text{cash and equivalent}}{\text{Current Liabilities}}$$

$$\text{Cash Ratio} = \frac{200,979,909}{4,294,797,755} \times 100\%$$

Cash Ratio = 4.68%

Ratio on shows the company's cash and cash equivalents only worth 4.68% of mark obligation smoothly. It shows that cash and equivalent company only can pay off 4.68% of the obligation period short company. meanwhile, the rest of 95.32% of liabilities smoothly can not paid by the company using cash and cash equivalents, due to the amount of the company's cash and cash equivalents experience fluctuation from 2015 to 2020 and while debt fluent always experience enhancement every year. Unparalleled growththis is what causes company cash ratio experience decline.

3. Ratio fluent

Ratio fluent can calculated in this way share assets current with current debt. If ratio smoothly low, that is that is Where show that exists problems in liquidity. However, the opposite If ratio fluent something company too height is also not good because can resulted a lot of idle funds and can reduce ability company. Formulas used in ratiosmoothly, that is :

$$\text{Current Ratio} = \frac{\text{Current Asset}}{\text{Current liabilities}}$$

$$\text{Current Asset} = \frac{536,547,176}{4,294,797,755} \times 100\%$$

Current Ratio = 12.49%

Based on these data ratio smoothly in 2020 shows the figure of 12.49%. It is experiencing decline from 2019 which reached by 33.39%. That is, the Garuda Indonesia company is capable fulfil obligation period in short of 12.49% and means there is obligation smooth that ca n't fulfilled is of 87.51%.

From the results analysis performance financial reports from facet aspect ratio liquidity during the 2020 pandemic, PT Garuda Indonesia always experience decline. It shows that company financial condition not feeling well because income operational can not close cost increasingly operationalswell. There is the Covid-19 pandemic and the resulting PSBB implementation income company the more slumped even resulted great loss, and plus happening inflation during a pandemic though inflation small. quoted from (kompas.com) PT Garuda Indonesia's strategy for health return performance his finances among them namely by carrying out the restructuring process from financial and operational side. Optimization from various aspects are also carried out To use save the company. Like he did

communication intensive and negotiations on creditors and lessors, do restructurisation through incur settlement or out of court settlement through negotiations conducted with creditors. Another strategic step that was decided company namely optimization route flights, simplification of the type of aircraft to reduce maintenance costs, increase cargo contribution, as well increase ancillary business income

CONLUSSION

based on discussion study on concluded that performance PT. Garuda Indonesia 's financial reports during the pandemic drop at the moment happen inflation at that time even though they did not have significant influence. it can be seen from third aspect ratio liquidity and yield calculation ratio solvency. Where all his experience fluctuations that will influential bankruptcy when inflation that occurred during the covid 19 pandemic related close to what happened. Impactful Covid19 pandemic much on the economy in different countries of parts of the world including one of their economy in Indonesia.

If this is the case constantly, then PT. Garuda Indonesia predicted will experiencing financial distress, where circumstances something company on stream the cash is not able to cover or pay off existing obligations. Financial distress is condition where experienced company bankruptcy consequence from loss in a few years. So than it is necessary must repair carried out by parties eagle, for example like expansion and search for share capital, reduction employees carried out in order do emphasis to spending, doing restructurisation credit owed Garuda Indonesia, and most importantly is enhancement to income. PT Garuda Indonesia must be responsive think about How way to awaken company

Based on the results of the research, the researcher's suggestion is:

1. Pause activity flights on routes certain if only give A little or don't even give advantage, as well can cause the more extent the Covid19 outbreak.
2. If This Covid19 pandemic is over, strategies to improve income entered PT Garuda Indonesia in the draw interest of the candidates the passengers that is give a promo or discount on sale ticket to reduce influence inflation.
3. Company must reduce debt fluent company Because If debt company the more large and not proportional to the income, then matter the will raises even financial difficulties until raises bankruptcy if not soon handled.

Company must capable do efficiency cost expenses for the company still stable and not experiencing bankruptcy when happening inflation in the midst of a pandemic

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