EFFECT OF CREDIT AND INTEREST RATE FOR SMALL BUSINESS REVENUE
(Case Study NGO Moris Rasik in Atabae Unit)

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ABSTRACT

This study aims to prove the Effect of Small Business Development as to the variables Dependent variables Lending and Interest Rate. Object of research is Moris Rasik NGO Unit Atabae Distrito Bobonaro Data were collected by using questionnaires to each variable Lending and Interest Rate and Small Business Revenue. The model used in this analysis is linear regression. Results of analysis show that the product (X1) positive and significant impact on the Small Business Revenue (Y) due to the significant level of T-count obtained value 4.1445 with a significance level of 0.000, which is greater than ttabel 1.9930 or thitung Bigger ttable confidence level 95% and 5% error level and interest rates (X2) positive and significant impact on small business income (Y) because tcount obtained from a price of 3,430 with significance level of 0.01 which is greater than 1.9930 or ttabel thitung> ttable at 95% confidence level and 5% error level. And simultaneously between lending (X1) and interest rates (X2), a positive effect and siginfikan simultaneously on small business income variable (Y), this can be proved by the F-count of 26 794 with a significance level of 0.000 compared F-table of 2:34

Keywords: Lending, Interest Rate, Small Business Revenue.

INTRODUCTION

Banking is a financial institution that kegiatanya as financial institutions that finance capital as a business field that temporarily holds money that has not been used by its owner.

In addition keuagan agency activities can not be separated from keuagan services, which in the know that the Bank is known as an institution whose main activity keuagan accept demand deposits, savings and deposito.Di addition, the Bank is also known as a place to borrow money (credit) for people who menbutuhkanya to meet the bank hidup.Fungsi level in a State as a tool to keep kestabilitas monetary economy that can assist the government in managing, maintaining and keeping kestabilitas currency values and expand employment opportunities in order to improve people's lives.

In a broader scale we also know that is always associated with credit guarantees and installments are accompanied by a time period determined by the bank and must be returned to the successor agreement to the time period that has been specified by the Martial pihak.Peranan banks as financial institutions never be separated from the problem of credit, the amount of loans outstanding will determine profits for the bank. If the bank is able to extend credit, it will

be the temporary congestion, so that the funds needed by society can not be achieved as expected, it will cause the bank losses.

Therefore, credit management should be done with the best possible loan amount ranging from planning, determination of interest rates, lending procedures, analysis of the provision of credit to the credit control which macet.Bank as a place to collect funds from the public and the people in charge of securing savings and term deposits and savings accounts. As well as the funding channel bank or credit provider, and vice versa as providers of services, payments and financing, and bank functions as well as the improvement of living standards of the masses, so that people become better and more prosperous than ever before.

Credit is the funds provided by the Bank to nasabaha taspengusaha-small entrepreneurs who need it, in order to expand its business. Therefore, the process of granting credit to customers or prospective customers or borrowers is by passing the credit application process and through the provision of credit filed, after completing administrative procedures. The analysis used in banking is like a character (character),

capacity (ability), capital (capital), collateral (guarantee) condition of economy

(economic conditions) (5C).

Analysis 5C is one of the conditions set by the bank in the credit approval process, in order to analyze and assess potential borrowers before deciding to give menghindarnya kredit.Tujuan for bad loans. Because lending activities as a bank instrument in maintaining liquidity, solvency and profitability as well as driving increased sales of bank products used to smooth the economy masyarakat.Sebab but aims to make a profit, the bank also has the desire to prosper rakyat.Salah one gains from earnings namely bank lending customers.

The purpose of the credit is to profit (profit) which is higher than the security services and bank lending that is security for a safe nasabahmenyimpan.Kredit will have a positive impact for the banks so that the public trust will bertambah.Secara outline the functions of credit in the economy, trade and finance can improve (utility) of money, improve efficiency (utility) of goods, improve circulation and traffic of money, as a means of stabilizing the economy, will generate excitement attempted society, as a bridge to increase the national income, and as a tool international economic relations.

NGO Moris Rasik Branch Atabae a micro financial institution credit operations went well, especially in His ministry sangatta help people in Sub Distrito Atabae especially poor women and widows who do not have keemampuan in the capital to grow the business., Through the loan process by monitoring based 5C and 7P analysis and the provision of credit to be used for memperluasdan finance small businesses.

In the operations of NGOs providing credit and might also accept deposits from the public by earning interest on the loan and give interest on savings, savings deposits to nasabah.Bunga loans granted to customers vary in accordance with the loan application include: Short-term credit of six months (6 months) bunganaya 10%, one-year (1-year) interest of 15% and a period of 1 ½ years with interest rate 22.5% and jagka 2 years (2 years) with an interest rate of 30% (Fllat), while the interest for savings of 2% and 6% sinpanan year for deposits.

Problems arising from loans and interest rates dibebangkan by NGO Moris Rasik to its customers in increasing customer revenues, experienced some problems in loan repayment due kesenjaan and inadvertently from the imposition nasabah.Mengingat interest rates provided by different NGO Moris Rasik with others, in the interest charges depending on a given timeframe.

LITERATURE REVIEW
Definition Lending

Here are some definitions of credit according to the following theories: Kashmir (2000: 81), defines the word credit comes from the word meaning Credere is trust, meaning if someone obtaining credit, meaning they acquire kepercayaan.Sementara, for lenders means give credence to someone that definitely lend money in return.

Muljono (2001: 10), defines that credit is the provision of cash or the equivalent, based on agreements between bank lending to parties who require borrowing to pay off debt after a certain period of time with interest.

Credit is the right to receive a payment or obligation to make payment on demand or at a time that will come because of the delivery of the goods now. (Bymont P.Kent cited by Suyanto 1990: 15).

Moekijat (1989: 105) credits is defined as the ability of a person or of an enterprise to gain economic value, the trust in exchange for a payment that is expected from the same economic value, usually at a special time to come.

Hasibuan (1996: 87), says that credit is a type of loan that must be paid back with interest by the borrower in accordance with the agreement that has been agreed upon.

Cashmere (2008: 109), to be able to carry out activities in a healthy credit has been known principally include:

1. Character or belief that the reason was the belief of the bank that the borrower has the moral, character or personal traits were positive and also have a good sense of responsibility, in his life as a member of the community or in menjalangkan business activities.
2. Capacity or capability that is an assessment of the ability of borrowers to repay their obligations from business activities that do that will be financed by a bank loan.
3. Capital (Capital) that the amount of own funds or capital owned by prospective borrowers.
4. Collateral (collateral) is the main conditions that determine the approval or rejection of loan application customers.
5. Condition of economy (economic conditions), in general and particularly in the business loan application, if it is good and has a good prospect, the request will be approved, otherwise if it is not good, the credit application will be rejected.

Elements of Credit

Cashmere (2010: 103), said that, in the said loans contain various purpose or in other words the credit word contained elements glued into satu.Sehingga when talking about the credit, including discussing the elements contained didalamanya. the elements contained in granting a credit facility are as follows:

1. Belief
   Trust is a trust for the lender that loans (either in the form of money and services) really are acceptable back in the future appropriate credit period.
2. Agreement
   Besides the element of trust in credit, also contains elements of an agreement between the lender and the recipient of this kredit.Kesepakatan contained in an agreement where each party signed the respective rights and obligations of this masing.Kesepakatan then poured in credit regulation and signed by both parties before Credit is launched.
3. Duration
   Kuncoro (2002 p 489) states that the Bank is an active body also write credit to customers of both short-term loans, long-term and medium-term. Thus lending is giving credence in terms of credit granted to customers really convincing and restored by the loan recipient in accordance with the time ditentukaan.

From Theoretical can be concluded that the provision of credit is the provision of goods or services to others or direct payment of the same but with the belief that those who receive money or goods will refund or repay the debt in accordance with a specific time period. Granting business loans or the ability of non-bank institutions and others to implement a grant or a loan with an agreement or an agreement between creditors and debtors in accordance to be carried or suspended by the specified time period.

Each credit is given for a certain period, this jangkawaktu covers the period of credit that has disepakati.Jangka that time could take the form of short-term (under one year), medium term (1-3 years) Long term (over 3 years) Duration is loan installment repayment deadline agreed both belahpihak.Untuk certain conditions this period can be extended as needed.

4. Risk

Due to the grace period, the loan repayment will allow a risk of non-collection.

5. Remuneration

For bank remuneration is profit or revenue for the granting of a kredit.Dalam Bank remuneration conventional type known by the name bunga.Disamping reply jasadalam flower shape Banks also charge to customers of credit administration costs which is also an advantage Bank.Bagi Bank based on Sharia principles reply services is determined by the results.

Elements kredmerupakan a goal and hopes that required by the lender to carry out an appropriate business plan, to gain an advantage in the future, on the other hand the income can answer desire for repayment to the bank according defined time period.

Loan purpose

Granting a credit facility has several tujuanyang be achieved which would depend on the purpose of the NGO it self.credit provision will also not be separated from the bank's mission didirikan.Dalam practice, the purpose of a credit consists of:

1. Finding advantage

The main objective is to obtain credit keuntungan.Hasil this advantage is obtained in the form of interest received by the bank as remuneration and administrative costs of credit are charged to customers.

2. Assist the customer's business

The next goal is to help business customers who require funds, both for investment funds as well as funds for capital kerja.Dengan the fund, then the debtor will be able to develop and expand usahanya.Dalam this case both banks and customers are equally benefited.

3. Assist the government

Another aim is to assist the government in various bidang.Bagi more and more government loans extended by the banks, the better, keeping in a growing number of credit means the smooth running of the fund in order to increase development in various sectors, especially sectors rill.Secara outline the advantages for the government with the spread of lending by the banking sector are as follows:

a. Tax revenues, profits obtained Yangdi customers of the bank.

b. Employment opportunities, in this case for the construction of new business loans or business expansion will require new workers, so it can suck labor force unemployed.

c. Increase the number of goods and services, it is obvious that most of the loans will be able to increase jumlahproduksi calm goods and services in the community, so that eventually people have many choices.

d. State's foreign exchange, especially for products that were previously imported and when it can be produced in the country with existing credit facilities will obviously be able to save the country foreign exchange.

e. Increase the country's foreign exchange, if the product of the credit-financed for export.

Credit function

Cashmere (2000: 80) credit function consists of:

1. To improve the usability of money

   With the credit can increase the usefulness of money, meaning if money only disimpang at home alone will not produce anything useful. Given the cash credit to be useful to produce goods or services by credit recipients. Then also can provide additional income to the owner of the funds.

2. To improve traffic circulation and money.

   In this case the money given or disbursed and outstanding from a region other so, an area with a shortage of money to obtain credit adaerah mak will receive additional money from other areas.

3. To improve the usability of goods

   Bank loans granted will be used for the debtor to manage goods that previously useless becomes useful or beneficial.

4. Improve the circulation of goods

   Credit may increase or facilitate the flow of goods from a region other kewilah, bringing the total number of outstanding items of a credit increases or other areas can also increase the amount of goods beredar.Kredit to increase the trade or export-import credits.

5. As a means of economic stability

   By providing credit can be considered as a tool or economic stability, because the adannya loans will increase the number of necessary public goods.

Types of credit

Cashmere (2002: 76), diversity of types of businesses, causing a variety of funding also needs to be dana.Kebutuhan diverse causes this type of loan also becomes beragam.Dalam praktiknykredit given commercial banks and rural banks to society consists of various types, among others:

1. In terms of usability

a. investment loans

   Credit investments are long-term loans are typically used for business expansion or to bring up the project / new plant for the purposes of rehabilitation.

b. Working capital loans

   Working capital loans are loans that are used to increase production in operation.

2. In terms of credit goals

a. Credit productive

   Loans are used to improve the business or production or investasi.Kredit is given to produce goods or services.

b. Credit consumptive

   Credit used for personal consumption credit dalamm no accretion of goods and services produced, due to it is used or occupied by any person or entity.

c. Credit perdangangan

   Credit is granted to traders or used to finance trade activities such as buying goods dangangan which payment is expected from the sale of the merchandise.

3. In terms of period

a. Short-term credit.

   A loan with a term of less than one year or a maximum of 1 year and is typically used for working capital purposes.

 b. Medium-term credit

    Period of credit ranging from 1 year to 3 years and credit customarily used for investment.

c. Long-term loans

Credit is the longest repayment period of long-term loans, repayment period above 3 years or 5 years.

4. In terms of collateral

a. Loans with collateral

Credit is given to guarantee. guarantee can be in the form of tangible goods or collateral orang.Artinya any credit issued will be protected minimally valued certain credit guarantees or collateral must exceed the amount of the proposed loan borrowers.

b. Loans without collateral

Credit is given without guarantee of goods or a particular person. This type of credit is given to the prospects of business, character and loyalty or good name sicalon debtor for dealing with banks or other parties.

5. Judging from the business sector

a. Agricultural credit, a credit-financed for plantations or agriculture sectors. Agricultural business sector can be either term or long term.

b. Credit pertenakan, merupakankredit given to the farm sector both short term and long term.

c. Credit industry, represent loans to finance industry, both small industries, medium or large industry.

d. Mining credit, credit is given to the mining business.

e. Credit education, credit is given to development of educational facilities or can be in the form of credits for students.

Definition of Small Businesses

Small businesses are an organized individual businesses to produce and sell goods or services gunauntuk benefit in meeting the daily needs of most businesses masyarakat.History major developments ranging from small businesses that are growing bigger and bigger, with capital and number of employees more and more, but from umpteenth many number of businesses in the community few number of relatively large and mostly in among belonging to small businesses, with dimikian small business is a very important role in the overall effort.

Some revenue being addressed by the following experts, among others: Alma (1973: 83), that small business is a business that is all around shops perfections, barbers, beauty salons, bookstores and drugstores, the shape of a small business a lot in society.setiap encountered in individuals like opening a small business because they lack of freedom in the care, and want to start their own businesses benefit from his efforts.

Kuncoro (2002: 486), small businesses are " businesses that surround such as a shop or a beauty salon, bookstore and shop small business obat.Bentuk encountered in many societies "every individual happy opening a small business because of the lack of freedom in the care and want to start their own businesses to benefit from usahananya.

Buchari (2003: 236), a small business is the people's economic activities are small in scale and meets the criteria of net worth or annual sales and ownership as stipulated in the law, people's economic activities are small scale is the economic activity that is owned by and support the majority of the people .

RESEARCH METHODS
Population

Population is the total number of customers that researchers use to do research, which this study will collect information on the local social situation regarding the provision of credit and lending to the small business income. Thus the target population in this study are the customers of financial institutions Moris Rasik totaling 250 people and this information will be extracted through methods that researchers use in the form of a questionnaire.

Samples

Samples are part of the population, so in this study, the sample is part of keselurhan population of 250 customers reason, the sample is too large then the sample taken from the population, drawn at random to be sampled is numbered 72 customers. Corroborating this statement is if the size of the population of less than 72, then sampling of at least 10% of the population ukurang.

Test Validity

Validity test used to measure whether a valid or invalid kuesioner.Kuesioner said to be valid if the questions on the questionnaire were able to reveal something that will be measured by the questionnaire. So the validity want to measure whether the questions in the questionnaire that was made really be able to measure what we want to measure or tidak.Uji validity correlations were calculated using a single, produck momentpearson, if r count larger than r table, the instrument is said to be valid.

Test Reliability

Reliabilitis used to measure a questionnaire which is an indicator of variabel.Kuesioner said to be reliable or reliable if someone answers to questions are consistent or stable over time.

RESULT AND DISCUSSION

Multiple Linear Regression Analysis

From the analysis of credit as an independent variable (X1) and the interest rate as an independent variable (X2) on small business income variable (Y).

Based on the multiple linear regression equation as follows:

Y = 5342 + 0443 + 0320 X2 X1

Description:

• a = 5.342 means that the average yield of small business income before, influenced by credit and interest rates have a fixed value (value constanta) of 5.342

• b1 = 0, 443 is the regression coefficient of variable credit (X1) means that any changes regarding the small business income (Y) of 0443, or 44.3% assuming that the interest rate (X2) is constant.

• b2 = 0406 is the regression coefficient on the variable interest rate (X2) means that any change regarding interest rates, can affect small business income (Y) of 0.320 or 32% on the assumption that the provision of credit (X1) is constant.

Coefficient Ditermainasi

Tabel. 1 Model Summary

Model Summary^b

Model	R	R Square	Adjuste dR	Std.Error of the Estimate	Change Statistics R Square	F Change	Sig. F Change	Durbin -
1	.981^a	.962	.960	.881	.962	717.113	.000	1.992

a. Predictors: (Constant), X2, X1
b. Dependent Variable: Y

From the results of Output SPSS version 16 o'clock on the Model Summary shows that, the results of R2 influenced simultaneously by 0962 this means variabl penda [atan ussaha little influenced by both the independent variable, that variable lending (X1) and interest rates (X2), by 0962, or 96.2%. While the rest (100% - 96.7%) = 3.3% influenced by other variables outside of the existing models.

Simultaneous Test (Test F)

Calculated F value of 26.794 with probability tinggkat (sig) 00:00, small business income is Ho rejected and Ha accepted, meaning that the provision of credit and interest rates together affect the income of small businesses.

Partial test (t test)

Effect of Credit (X1) The Small Business Revenue (Y)

From the results of SPSS output display the address that the value of the variable lending Thitungdari (X1) of 4.1445 with a significance level of 0:00 in which> of value Ttabelsebesar 1.9930atau Thitung> Ttabelpada 95% confidence level and standard error of 2.5%. Based on the above results it can be concluded that; Thitung≥ Ttabel, then (Null hypothesis) Ho is rejected and the (alternative hypothesis) Ha received means that there is significant influence between the variables X1 provision Credit rating of the small business income (Y).

Against the influence of the interest rate of small business income (Y)

From the results of SPSS output display that is addressed Thitungdari value of the variable interest rate (X2) of 3.430 with a significance level of 0.01 which> from Ttabel value of 1.9930 or Thitung> Ttabelp no 95% confidence level and standard error of 2.5%.

Starting from the acquisition of these results it can be concluded that Ho (the null hypothesis) is rejected and the alternative hypothesis (Ha) is accepted, because tcount fall in the reception area means the interest rate (X2) positive and significant impact on small business income (Y).

CONCLUSION
Conclusion

Based on the analysis in chapter four (IV) above, then as the end of the discussion is the end of this thesis the authors draw conclusions as follows: a = 5,342 means that the average yield of small business income on NGO Moris Rasik, before it affected the provision of credit and rates flower has a fixed value of 5.342.dan value

1. b1 = 0.443 is the regression coefficient of the lending (X1) means that any change regarding the provision of credit to the NGO Moris Rasik, can improve the small business income (Y) of 0.443 or 44.3% on the assumption that interest rates (X2) is constant ,
2. b2 = 0.320 is the regression coefficient of the interest rate (X2) means that any change regarding the interest rate on NGO Moris Rasik, can improve the small business income (Y) of 0.320 or 32% on the assumption that the provision of credit (X1) is constant.
3. terminated coefficient (R2) obtained the value of 0962 or by 96.2%, meaning that the relationship (correlation) between the variable lending (X1) and interest rates (X2) on the income of small businesses have a relationship that the remaining kuat.Sedangkan (100% - 96.2%) = 3.8% small business income is influenced by other variables not examined in this study.

Based on the results of the analysis showed that the provision of credit (X1) positive and significant impact on small business income (Y) due t count obtained from variable lending = 4,145 with significance level 0.000, and nilaittabel = 1.9930 or t count> t table at a level of trust 95% and 5% error level .Departing of these results it can be concluded that Ho (the null hypothesis) is rejected and the alternative hypothesis (Ha) is accepted, because tcount fall in the reception area, which means lending (X1) positive and significant impact on operating revenues small (Y).

And the results of the analysis of the second hypothesis can be seen that the interest rate (X2) positive and significant impact on small business income (Y) because tcount obtained from sebesar3.430 price with a significant level of 0,001dan nilaittabel amounted to 1.9930 or t

count> t table at a rate 95% and 5% error level .Departing of the acquisition of these results it can be concluded that Ho (the null hypothesis) is rejected and the alternative hypothesis (Ha) is accepted, because tcount fall in the reception area, which means the interest rate (X2) has a significant positive effect on small business income (Y), and the results of hypothesis testing Simultaneous (F test) was conducted to determine the results of the analysis between lending (X1) and interest rates (X2), a positive effect and siginfikan simultaneously to variablependapatan small businesses (Y) , this can be proved by the F-count = 26 794 with a significance level of 0.000 compared to the F-table at 2:34.

Suggestion
Based on the results of the above conclusions in order to maintain and improve the provision of credit and interest rate on small business income, the authors can provide some suggestions as follows:
1. Moris Rasik NGOs should continue to have an impact on the provision of credit for small business income.
2. Morisk Rasik NGO should maintain the level of interest rates because the impact on small business income.

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