

**EFFECT OF CREDIT AND IMPROVEMENT
REVENUE FOR SMALL BUSINESS
(A Case Study Ngo Tuba Rai Metin , Branch Liquica)**

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ABSTRACT

In this research its aim, to test and Analyzing of variable third which is Credit and Revenue Enhancement Application as variable as independend or free and Small Enterprise variable as variable as dependend or variable is tied-up, observational type that is utilized is observational survey. Analisis's tech data utilizes bifilar linear regression with SPSS'S program Version 16,0 found result $y = 432 + 0,057 X_1 + 1,094 X_2$ dimana : $a = 432$ its mean usufructs on a par of Small Enterprises y . before regarded by Credit Application x_1 and Revenue Enhancement x_2 memeliki assesses to make a abode 432 $b_1 = 0,045$ are bifilar linear regression coefficients on Credit Application x_1 its mean each changing on Credit Application can have positive influence and signifikan to Small Enterprise (Y .) as big as $0,045$ or $0,04$ % by that assumption Revenue Enhancement is (X_2) is konstanta. $b_2 = 0,783$ are bifilar linear regression coefficients instead of Revenue Enhancements (X_2) its mean each changing on Revenue Enhancement has positive influence and signifikan to Small Enterprise (Y .) as big as $0,783$ or $78,3$ % by that assumption credit application is konstanta. By use of quiz t menunjukkan is variable Credit Application and simultan's ala Revenue Enhancement or all together doesn't have positive influence and signifikan to Small Enterprise

Keyword: credit application. revenue enhancement and small enterprise.

INTRODUCTION

Associated with the provision of credit , there are a number of problems that can not be ascertained . As one of such problems, the question is whether this assumption as the basis for crediting will take place , or remain valid in the future . Therefore , it is virtually in every decision always contains an element of uncertainty . In the face of this uncertainty , people tend to make decisions

to be cautious . One way to cope , to increase revenues , the provision of credit to be rising prices in general and persistent (continuous) with regard to market mechanisms that can be caused by various factors , among others , private consumption increased , excess liquidity in the market that triggered consumption or even speculation , to include also due to the lack of launch distribution of goods .

Giving credit is one of the main activities Ngo, and is a source of income to cover the cost of interest paid to depositors on deposits or community and operating costs; while the excess is an advantage for Ngo. Therefore, the credit is for Ngo's business activities, and are in business traffic for the bank and a tot daden van beheeren, or act of stewardship for directors.

Talking about small businesses, then one of the efforts to improve the business is in terms of capital (credit). Capital will increase the public passion for running various types of business activities through their own creativity and initiatives to further improve the standard of living. The amount of collateral is also an issue that can affect demand for loans to small and medium enterprises. What is meant by the guarantee is the confidence or ability and kesangupan customers to settle their obligations in accordance with the promised, unsecured loans very dangerous position of the bank, given if the customer failed, it will be difficult to cover losses on loans granted by Ngo Tuba Rai Metin. Therefore, sometimes the small businesses in Dili district both small businesses who do not own a number anguna as dimintah by Ngo Tuba Rai Metin, as a condition of credit application.

The problems often faced by Ngo Tuba Rai Metin in the granting of credit usually arises because of frequent delays in loan repayments, causing difficulties for customers and management systems Ngo less rigorous in analyzing that the incidence of bad debts.

LITERATURE REVIEW

Definition Lending

Ismail (2010 : 93) describe that , credit is the distribution of funds from the owner to the parties that need funds. The distribution of funds is based on the trust given by the owner danakepada use of funds . From the definition of the theory can be concluded that the Ngo credit based on profits earned through interest , while for Ngo are based on the principle form of remuneration or profit sharing. In a broad sense is defined as trust loans . Similarly, in Latin means credere means to believe credit . The purpose of the trust grantor of credit is to believe that the credit recipient credit disalurkanya will definitely be returned according to the agreement . As for credit recipients constitutes acceptance of trust so as to have the obligation to pay the appropriate time period .

Elements of Credit

Cashmere (2012: 87) the elements contained in the credit granting a credit facility are as follows:

1. Belief

That is a belief that the credit granting loans (in the form of money, goods or services) would really welcome back a certain future in the future.

2. Opportunity

Besides the element of trust in the credit also contains elements of an agreement between the lender and the recipient of the credit. The agreement is contained in an agreement where each party signed the rights and obligations of each.

3. Period

Each credit is given to own a certain period, this period includes a credit repayment period has been agreed. The time period can be in the form of short term, medium term or long term.

4. Risk

This risk is borne by the bank, either deliberate risk by clients who neglect, as well as the risk that inadvertently. For example following a natural disaster or a customer's business seemed no other intent element.

5. Reply Services

An advantage over the granting of a credit or services, known as interest. Remuneration in the form of interest and administrative fees of credit is the bank's profit. While the bank is based on the principles of the Bank remuneration is determined by the results section.

Objectives and Functions of Credit

Cashmere (2012 : 88) granting a credit facility has a specific purpose . The purpose of granting such credit will not be separated from the NGO 's mission is established . The main purpose of granting a loan are as follows :

1. Finding Profits

This advantage is important for the survival of the bank . If the banks continue to suffer losses , then great kemungkinan the bank will be liquidated or (dissolved) .

2. Helps Business Customers

With these funds to help business customers who require funds , then the debtor will be able to develop and expand its business .

3. Help Government

Many lending by the banks , then semaking good , considering the growing number of credit means an increase in development in various sectors .

Definition of Income

Manurutng (2002: 266), revenue is total revenue (either in cash or non-cash) a person or a household during the period tertentu.Tilarso in the introductory part of the macro economics of 1999: 63, that income is any form of ballast works obtained as remuneration for the donation a person to process produksi.Menurut book Encyclopedia of Indonesia; 185 revenue is the result of the effort / work / search someone.

Community income

Income community called national income was decisive or as a measure of the prosperity of his nation. When the high-lace which determine the national income, it can also determine the level of prosperity and progress of a country. From the description above can be concluded that the accumulation of income is spent for consumption and the rest of the Set aside.With formula that: $income = Consumption + Savings$, Savings commonly denoted I-income, consumption is prevalent disimbolkaan with C-Consumption Savings whereas commonly symbolized by $S = Saving$.

Definition of Small Businesses

Gunawan (2001: 19) states that a small business is a business that is done in order to meet the advantage of being a small business decline usual expectations of additional capital will increase the level of profits. From the above definition can be concluded that the profit adalah revenue or profits by the company after deducting all pengeluaran or income is the total income of the total cost. Zamorony (1999: 15) states that the business is a process of applying kreatifitas and innovation to solve problems and achieve the opportunities facing everyone in everyday life.

From the above definition can be concluded that small businesses are getting bigger and bigger. With the number of customers more and more capital but from poverty more the number of

existing businesses in the community few number belongs to small businesses, so small businesses are very important in the company's overall business activities.

RESEARCH METHODS

Types of research

The research is a survey research, because research is conducted on large populations and small, but the data studied are studied data from a sample of the population. With the cross-sectional design techniques to portray matters relating to the state, as well as explore extensively about matters that affect the occurrence of something Arikunto, (1992: 110).

Population

Hasan (2008: 84), states the population is the totality of all objects or individuals who own a certain characteristic, clear and complete to be studied. Object and the value is called the unit of analysis or elements of the population, the population in this study is that existing customers on Ngo Tuba Rai Metin Branch Liquica.

Samples

According Arikunto (2003: 239) The sample is part of the population (in part or representative of the population studied). The samples are part of the population is taken as a data source menwakili entire population, and the number of samples to be taken as many as 50 people. In determining the sample using the formula of taro Yamane (in Riduwan; 2005: 249).

Quality Test Data

Analytical techniques show how management and discussion that has been obtained. The analytical techniques used to answer this question is a quantitative research using an analysis tool, validity, reliability and classical assumption.

Test Validity

Validity test to measure whether legitimate or valid questionnaires. A questionnaire is said to be valid if the questions on the questionnaire were able to reveal something that will be measured by the questionnaire Widodo, (2001: 142). Test the validity of this research used the product moment correlation by performing the correlation between the score of the questions with a total score of the items in a variable concept. Item question is said to be valid if the correlation is positive and greater than the value of the product moment r table at $df = nk$, $A = 5\%$.) While the validity test used Conbrach Alpah coefficient (α).

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 Widodo, (2001: 140)

RESULT

Classification of Respondents

The study was conducted with 15 questions to customers in Ngo Tuba Rai Metin Branch Liquica, after the research get 50 respondents, of each questionnaire conducted by the research eventually restored properly. So in this questionnaire contained 3 parts: the first is Lending (X1) are both Income (X2), while the third is a Small Business (Y). Then described the classification of respondents by gender, occupation and education level.

Classification of Respondents by Gender

With quite a lot of borrowers in Ngo Tuba Rai Metin Branch Liquica, 2014, the sex of each survey respondents differentiate into two sections that allow to own a difference between men and women. The composition of respondents by sex is presented in Table 1 below.

Table 1. The composition of respondents by sex

Gender	Amount	Percentage(%)
Male	18	36
Female	32	64
Amount	50	100

Source : The results of the processing of the respondents with SPSS version 16.0

Associated with the existing results in the above table can be seen that of the 50 respondents were male sex as many as 18 people with a percentage of 36.0 % and female 32 people with a percentage of 64.0 % It can be concluded that the existing Small Business Ngo Tuba Rai Metin Branch Liquica more didominan by women .

Table 2. Respoanden Classification by Type of Education

No	level of education	Amount	Presentage (%)
1	S2	1	2
2	S1	19	38
3	D3	4	8
4	SMA	21	42
5	SMP	3	6
6	SD	2	4
	Amount	50	100

Source : The results of the processing of the respondents with SPSS version 16.0

Related to the above table can be seen that of the 50 respondents were educated S2 as many as one person with a percentage of 2.0 % , Bachelor or S1 as many as 19 people with a percentage of 38.0 % , D3 by 4 people with a percentage of 8.0 % , SMA 21 with a percentage of 42.0 % , SMP 3 people with a percentage of 6.0 % and SD 2 with a percentage of 4.0. % then dapatdisimpulkan that small enterprises in Ngo Tuba Rai Metin Branch Liquica more didominan by educated high school ..

Data Quality Testing

Table 3. Test reliability and validity for Variable Lending (X1)

Cronbach's Alpha	N of Items
.789	5

In Table 3 it appears that the reliability shown by Cronbach Alpha of 0.789 or 78.9 % . Therefore instruments to measure variables Lending (X1) is reliable in the categories of reliability satisfactory .

Table 4. Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
x1.1	13.48	10.296	.488	.774
x1.2	13.62	8.893	.652	.722
x1.3	13.48	8.663	.658	.719
x1.4	13.90	8.541	.598	.740
x1.5	14.24	9.900	.453	.785

Validity test used to measure the validity of an instrument of research or to reveal something that will be measured by the instrument which can be seen ditabel Item - Total Statistics column Corrected Item - Total Correlation $\geq 0,30$ according to criteria (Nunnaly 1967) . Then from the existing results of research can conclude all the data is valid , because each of the values shown in column Corrected Item - Total Correlation ≥ 0.30 , where the criteria applied by (Nunnaly , 1967) . therefore the instrument to variable Lending (X2) is valid and realibel .

Table 5. Validity and reliability for variable Income (X2)

Cronbach's Alpha	N of Items
.721	5

In Table 5 it appears that the reliability shown by Cronbach Alpha of 0.721 or 72.1 % . Therefore the instrument to measure Variable Income (X2) is reliable in the categories of reliability satisfactory .

Table 6. Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
x2.1	14.74	7.053	.598	.625
x2.2	14.92	10.198	.139	.767
x2.3	15.14	7.715	.382	.717
x2.4	15.58	6.575	.679	.587
x2.5	15.46	6.458	.603	.618

Validity test used to measure the validity of an instrument of research or to reveal something that will be measured by the instrument which can be seen ditabel Item - Total Statistics column Corrected Item - Total Correlation > 0.30 according to criteria (Nunnaly 1967) . Then from the existing results of research can be concluded all data X2.1 , X2.3 , X2.4 and x2.5 is valid because each values shown in column Corrected Item - Total Correlation > 0.30 , where criteria are applied by (Nunnaly , 1967) while X2.2 is not valid because its value ≤ 0.30 .

Table 7. Validity and reliability , Variable Small Business (Y)

Cronbach's Alpha	N of Items
.748	5

In Table 7 it appears that the reliability shown by Cronbach Alpha of 0.748 or 74.8 % . Therefore instruments to measure variables Small Business (Y) is reliable in the categories of reliability satisfactory .

Table 8. Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
y1.1	14.02	8.714	.673	.636
y1.2	14.38	9.955	.741	.621
y1.3	14.36	10.847	.536	.695
y1.4	13.96	12.733	.294	.775
y1.5	14.40	12.490	.363	.752

Validity test used to measure the validity of an instrument of research or to reveal something that will be measured by the instrument which can be seen ditabel Item - Total Statistics column Corrected Item - Total Correlation > 0.30 according to criteria (Nunnaly 1967) . Then from the existing results of research can be concluded all data Y1.1 , Y1.2 , Y1,3 and Y1.5 adalah valid because , each masingnilai indicated in column Corrected Item - Total Correlation > 0.30 , where the criteria applied by (Nunnaly , 1967) while Y1.4 is not valid because its value ≤ 0.30 .

Conclusions AND SUGGESTIONS

Conclusion

Lending (X1) which is measured by Small Business (Y) does not have a positive and significant effect on the level of Small Business. Thus the high and low is not affected by the Small Business Lending. The amount of influence Lending to Small Businesses Cost Of; 0.045 or 0.04% with a significant level of 0.621. Based on the findings of this study can be concluded that; the hypothesis that says there pengaruh between Lending to Small Businesses can be rejected.

Increased Revenue (X2) as measured by Small Business (Y) has a positive and significant impact on Small Business. Thus the high lace Small Businesses can be affected by Income. The magnitude of the effect of the increase in revenue to Small Businesses for; 0783 or 78.3% to the level of sig. 0.000. based on the findings of this study can be concluded that; the hypothesis that there is influence between Increased Revenues for Small Businesses can be accepted.

Simultaneously Lending (X1) and Income (X2) as measured by Small Business (Y) can provide a positive influence on Small Business. The magnitude of these two variables together influence the Small Business of; 0.616 or 61.6%. While the remaining $100-616 = 38.4$ is the influence that comes from other factors outside the model. Based on the findings of this study can be concluded that the hypothesis of the study that says that; no simultaneous effect of variables and Income Lending to Small Businesses can be accepted.

Suggestion

Lending does not have a positive and significant impact on Small Business , this means needs to be improved in order Lending Small Business remains high for products supplied by Ngo Branch Liquica . The data processing and data analysis showed that the Income results were positive and significant influence on Small Business . Therefore, in order to Small Businesses continue to feel satisfied with the products manufactured by Ngo Tuba Rai Metin Branch Liquica , then Ngo need menurungkan Revenue in accordance with the ability of Small Business .

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