CONTROL BUDGET ANALYSIS FOR MEASURING THE LEVEL OF PROFITABILITY
(Case Study on companies Esset Home Centre Dili East Timor)

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ABSTRACT

This study aims to depict or describe the results of the analysis of financial ratios include liquidity ratio, Solvalitas Profitabilits, to determine the company's financial situation and development Esset Home Centre Dili, East Timor from 2011-2013
Current ratio obtained in 2013 current ratio of 38.40. This value can be interpreted that for every obligation secured by 38.40% of current assets. As for the year 2012, the current ratio is at 34.81%, which means that any current debts secured by current assets 34.81. So even for the year 2011 the current ratio was 30.97
Quick ratio of 18:56 for 2013 compared to 2012 amounted
15:04 which could mean that for any debt secured by assets quickly cashed. Whereas for 2011 the quick ratio is 12.70.
The development of profitability ratio consisting of the ratio, GPM, NPM, ROA and ROE over the last three years, namely in 2011 s / d in 2013 looks to fluctuate, which GPM ratio with an average of 64.64% of the total GPM ratio 193.93% a sharp increase from the year 2011 to the year 2012 is 64.25% to 64.53% and 65.15% in 2013 means there is always an increase from 2011 to 2013 it caused an increase in Total Assets was not accompanied by a significant increase in Net Income.
NPM ratio with the average - average of 53.73% of the total ratio of 161.2% NPM looks fluctuating increase, which in 2011-2012, namely 53.58% - 53.92% and a decline of the year, 2013, to 53, 70%
ROA with a total of 183.88%, while the average value of 61.29% ROA increase is also fluctuate, which in 2011-2012, namely 66.07% - 62.09% with a significant decrease. The following year occurred the increase fluctuate namely in 2011, 2012, and 2013 respectively 66.07%, 62.09% and 55.72%.
ROE shows a great return to the mean of three periods can be measured by the value of 62.26%, while the value of the total sum of 186.77% ROE. knowing penbandingan in 2011 with a value of 67.25% in 2012 with a value of 63.04%, while in 2013 the value of 56.48% means that the higher capital investment for the company's profit meraikan Esset Home Centre

Keywords: Analysis of the Budget Control To Measure Level of Profitability

INTRODUCTION

The development of the world economy is rapidly increasing, the business development in companies that either profit-oriented trading companies, service companies and manufacturing companies in their business activities increasingly complex and dynamic. To enable the public economy of a country that, apart from the government sector, the private sector also plays an important role in contributing to the economic development of Timor-Leste.

Company with a healthy performance in order to help improve the lives of people in a country's economy. In connection with this, the company is required to be evaluated by analyzing the financial statements for each period to determine whether the company's financial performance in a healthy state or vice versa.

The achievement of a very important company goals by management in determining all corporate activities correctly and accurately. In carrying out the activity of the company is not easy, the activities undertaken are buying or selling electrical exist in the company. melakuakan trade sales by determining the price as much as possible to achieve the expected profit. sales made by the company due to lack of planning and effective control and efisen, for trading companies have a high motivation in improving the quality of the sale.

Budget is one of the factors that are important to a company, its activities are run in accordance with the annual program, then the activity will run smoothly and the company's activities will be based on a budget that is prepared for a specific period.

Sala budget is an important factor for the company, the company's management team must be able to control the various budgets that have been collated and will be realized within a certain period in the sense that companies should improve the function of controlling the various activities undertaken.

Budget is an important tool in planning and short-term pengendaliaan efektiftas within the organization. Can be seen in the budget allocation boast the power that can be used for management in achieving organizational tuajuan. At the end of the budget period, the resources that have been used by management and the results achieved will be compared with the budget that has been set, both budget revenues and budget expenses. The difference from this comparison will be used as a benchmark for performance evaluation keuanggan performance management in particular.

Management as one of the budget-making will tend to slightly lower budget revenues and expenditures made higher in order easily achieved.

All financial activities are always associated with cash, accounts receivable and inventory which is an element of working capital as a source of the company to generate profits is through penjulannya activities for the implementation of sales activities in need of investment in and activities -aktivitas companies primarily in the trading business.

In the management of supplies necessary for working capital this is because such companies in menjalangkan activities require capital. Thus investing in each activity companies need for good processing. processing sufficient working capital or in accordance with permintaan.Tetapi to determine some of the working capital required by the company is dependent or influenced the factors and properties of the company itself.

The company uses the ratio of profitability to measure a company's ability to achieve the benefits of a ratio used by the company can determine the level of profit last year to this year, so it can merealisasian profitability.

The company "Esset Home Centre" which is engaged in the trade in each period the company mengaggarkan with capital sebesarnya possible to merealsasikan greater profits from year to year the company allocates capital amounting to carry out activities in company Esset Home Centre gain so that the realization of the level of profitability obtained can add to the company's sales and operational costs.

The level of profitability of the company "Esset Home Centre" is the realization of the targeted profit margin does not reach, because many of its peers in the competition, as well as many different offers that guarantee as well as the prize for the consumer. Another factor in the company's existing budget to Esset Home Centre is still dependent on economic conditions and supply of electronic material from Australia supplying the motor of Indonesia, and this causes difficulties in controlling the budget measures the level of profitability.

LITERARURE REVIEW

Budgetary Control

Hansen Mowen quoted Abdul Halim (2000: 73) defines control of the budget is "a standard process to receive feedback with actual performance and take action that is required if the actual performance with significantly different to what had been planned".

RA Supriyono (2009: 9) management control budget is "a process to re-examine, assess and always monitor the reports if the implementation does not deviate from the wrong destination specify" Controlling costs should be attributed to the deviation between the realization of the planned well, then The plan will be used as a means of controlling the realization of control must be connected to the type that saves costs, the amount penimpanan. In the hold control must be held sesungguhya comparison between the results achieved with the projections set out in the planning to assess the achievements of the past danmeletakan tanggunjawab deviation.

Of the two definitions above, the authors conclude that the budget control is the process of monitoring the activities of the company Esset Home Centre checks back to take the necessary corrective action. it is necessary to control all activities within the company Esset Home Centre.

Function Budget

Budget function can be divided six parts (Anthony Govindarajan, 2005: 86) is as follows:

1. The budget is the result of the end of the process of preparing the work plan of the results.
2. The budget is implemented company's activities.
3. The budget serves as a tool in linking manager komonikasi bottom and top managers.
4. The budget serves as a benchmark that is used as a comparison result actual operation.
5. Budget as a means of control that enables the management showed a strong field and weak for companies
6. The budget serves as a tool to influence and motivate managers and employees to always act effectively and efficiently in accordance with corporate goals

Purpose Budgeting

The purpose of the operation budget has four main objectives (Anthony and Govindarajan, 2005: 175) adala as follows:

1. To adjust the strategic plan.
2. To assist in coordinating the activity of some parts of the organization.
3. To assign responsibility to the manager, to authorize the amount authorized for their use, and to inform them about the performance expected of them.
4. To obtain a commitment which is the basis for evaluating the actual performance manager.

Financial Ratio

To assess the financial konsisi and achievements of the company, financial analysis requires some departure ukur.Tolak serig measurement used is the ratio of the two synchronize financial data with each lainnnya.Dari various ratios can provide a better view of the financial condition and achievements Integration for the analysis of skilled and experienced than analysis based solely on financial data alone are not shaped ratios.

Henry Simamora (2000; 523) in his book Accounting Basis Business Decision proposed "financial ratios consists of: (1) Liquidity ratio, (2) the ratio of profitability, and (3) the solvency ratio

Liquidity Ratio Measurement

In measuring the company's liquidity position should use some testing and application of appropriate benchmarks. The liquidity ratio indicates how much the company's ability to meet its short-term liabilities by comparing the value of current assets to current liabilities value

Susan Irawati (2006: 27) in expressing Measurement liquidity ratio using the formula consists of: (1) current ratio, (2) quick ratio or acid test ratio, (3) the cash ratio, and (4) working capital to total assets ratio (WCTT)

Profitability Ratio Analysis

Harjito (2005: 18) define the profitability of that company's ability to obtain the capital used to bring out the profit.

Muslich (2000: 51) states that profitsbilitas level measurement can be done by comparing the rate of return on Investments (ROI) is expected by the rate of return demanded by invertor in capital markets. If the expected result is greater than the requested results, then the dikatan as a profitable investment. Profitability ratios depending on the accounting information taken from financial statements, because the profitability in the context of measuring income ratio analysis according to the income statement and the book value of investments.

Profitability is the net result of a series of policies and decisions Brigham (2001: 89) In order to maintain its viability, a company must be in a state favorable (profitable). Without the benefit would be very difficult for companies to attract capital from outside. The creditors, the owner of the company and particularly the management company will try to increase this advantage, as well recognized how important advantage for the company's future.

There are several ways of measurement that can be used to measure the profitability of the company. Each of these measurements associated with the volume of sales, total assets and own capital. Overall all three of these measurements will allow analyzer to analyze the level of earnings in relation to the volume of sales, total assets and number of certain investments.

Profitability ratio aims to measure the company's ability to earn profits, both in relation to sales, assets, or against their own capital. Thus, the profitability ratio will measure the effectiveness of management as a whole as shown in gains / profits from sales and investment. Various ratios are used to measure the profitability can be explained as follows: (Shamsuddin, 1996: 55).

1. Gross profit margin

   Gross profit margin is the percentage of gross profit compared to sales (sales). The larger the gross profit margin, the better the state of the company's operations, because it shows that the cost of goods sold is relatively low compared with sales. Vice versa, the lower gross profit margin, the less well the company's operations.

2. Operating Profit Margin

   This ratio is used to measure the company's ability to generate operating profit. This ratio illustrates what is commonly called pure profit because the profit is measured here is the profit earned on every penny of sales made, regardless of the financial burden (interest) and the burden on the government (taxes). The higher this ratio shows the company's management success in reducing operating costs.

3. Net Profit Margin

Net profit margin is the ratio between net income (net profit) and sales (sales) Net profit here is the rest of the proceeds after deducting the entire costs, including interest and taxes. Thus this ratio will measure the amount of net profit achieved by the company of a number of sales that have been made.

For the leader of the company, net profit ratio is getting bigger, the better. But this can not be a representative measure for assessing the success or failure of the company, since the profits from it should also be compared with the amount of funds used to acquire such profits.

4. Return On Investment (ROI)

Return on investment (ROI) or often also called denganreturn on total assets is the ratio used to measure the overall ability of the company to generate a profit by the amount of assets available within the company the higher this ratio, it can be said the better the state of the company.

5. Return On Equity (ROE)

Return on equity (ROE) is a ratio used to measure the level of opinion (income) available to business owners on the capital they invest in the company. In general, the higher this ratio indicates the higher the level of income derived by the shareholders / owners of the company.

Agnes Sawir (2000: 17), says the analysis of profitability ratios are: "the end result of a variety of policies and management decisions are made up of gross prifit margin, or profit margin on sales, basic earning power or profitability economical, ROA (return on assets), ROE (return on equity) or return on net worth ".

RESEARCH METHODS

Population

The population is a source of data covering the characteristics of a group of subjects, symptoms or object. Like the notion expressed by Sugiyono population (2011: 90) population is generalization region consisting of: an object or a subject that has a certain quantity and characteristics defined by the researchers to dipelejari and then drawn conclusions.

Definition of the population in this study is loparan annual earnings and the annual report on the company's realization of cost Esset Home Centre Dili, East Timor. (Financial statements of the year 2010 until 2013).

Samples

In an interesting sample of the population must be done in ways that minimize sampal really works can illustrate the state of the population Sugyono (2011: 91) sample is part of the number and characteristics possessed by this population.

The method used is in sampling this by using purposive sampling method is sampling technique with consideration or a specific purpose, (Sudjana 1996: 168).

Pgertian sample in this study is the collection of financial statement data from 2011 to 2013, which includes financial statements and decisions peruahaan set.

RESULT AND DISCUSSION

Research result

Table 1. Statement of Income ($) of 2011 to 2013 .
Esset Home Centre (EHC)

Description	December 31,2011	December 31, 2012	December 31, 2013
revenue			
Electrical sales	932.949,60	951.608,59	980.156,85
Cost of goods sold	333.512,30	337.514,45	341.564,62
Gross profit from sales	599.437,30	614.094,14	638.592,62
other income	10.500,00	11.500,00	16.009,00
Total income	**609.937,30**	**625.594,14**	**654.601,23**
Cost operasinal			
Salaries and wages	67.352,60	68.699,65	70.073,65
electricity	10.500,00	10.710,00	11.245,50
vehicle maintenance	12.300,00	12.563,00	12.814,26
phone	6.500,00	6.630,00	7.293,00
Office supplies	1.500,00	1.800,00	1.836,00
Etc	1.500,00	1.530,00	2.000,00
Total Cost operasinal	1.500,00	1.530,00	2.000,00
operating profit	**501.307,70**	**514.576,77**	**540.145,08**
Cost of depreciation	8.977,00	9.084,72	9.193.74
Profit before tax	**501.307,70**	**514.576,77**	**540.145,08**
tax	1.375,00	$ 1.375,00	1.375,00
NET PROFIT	**499.932,70**	**513.201,77**	**526.395,08**

Source: The Company Esset Home Centre 2014

Liquidity Ratio Calculation Results

Table 2. Calculation Liquidity Ratio

	2001	2012	2013
a. Current Ratio (%)	30.97	34.81	38.40
b. Quick test Ratio (%)	12.70	15.04	18.56
c. Net Working Capital (%)	30.87	33.81	37.40
d. Cash ratio (%)	100.201	110,35	140.644

Current Ratio

The ability of the company's current assets to meet short-term obligations. From the calculation for the year 2013 obtained current ratio of 38.40. This value can be interpreted that for every obligation secured by 38.40% of current assets. As for the year 2012, the current ratio is at 34.81%, which means that any current debts secured by current assets 34.81. So even for the year 2011 the current ratio was 30.97 From comparison of the three periods, it appears that there was an increase in the current ratio. The higher the current ratio supposed to be the greater the company's ability to pay short-term obligations. But the result of this calculation is not a significant increase in the current ratio, which means that management in the management of current assets is very good. Otherwise the current ratio is too large shows that the management of current assets less good because there are many idle assets.

Quick Test Ratio.

Quick ratio measures the ability of current assets less inventory to pay current liabilities. Omission of this inventory because the inventory requires a long period of time in order to be converted into cash. From the calculations, the quick ratio for the year 2013 by 1856% compared to 2012 amounted to 1 504%, which could mean that for any debt secured by assets quickly cashed. Whereas for 2011 the quick ratio is 1270%, which means that any current debts secured by assets quickly cashed. Quick ratio above shows that the rapid asset guarantee adequate as seen from the comparison between the three periods mentioned above shows that the assets are quickly cashed sufficient to pay liabilities maturing in the short term.

Table 3. Results Perhitunga Solvabiliats of 2011 to 2013

Solvabilitas	year	2011 Year	2012 Year	2013 Total	An average
a. Debt to Asset Ratio (%)	1.75	1.51	1.35	4.61	1.53
b. Debt to Equity Ratio (%)	1.78	1.53	1.37	4.68	1.56

Debt to Asset Ratio (DAR)

Based on the above table it can be seen that the development of the solvency ratio consisting of DAR That is the ratio of total liabilities to assets . It stresses the importance of the ratio of debt financing by the company showing the percentage of assets backed by debt . From the calculations, the DAR ratio value of 1.75 % for 2013 , 1:51 % for 2012 and 1:37 % for the year 2011 .

Debt to Equity Ratio (DER)

DER for three years is the increase in the ratio in 2011 increased to 1.75 % and in 2012 a decline into a 1:51 % , while in 2013 a decline into a 1:37 % . DER showed a decline in the performance of the company that is increasing with the increasing decline in the debt portion in funding the assets . With the growing amount of value DER ratio shows that the majority of the capital own . Small ratio also resulted in the payment of very small flowers .

Profitabilitas

Table 4. Profitability Ratios (%) Esset Home Centre Dili East Timor Year 2011 - 2013

Year	**Profitabilitas Ratios** (%)			
	GPM	NPM	ROA	ROE
2011	64.25	53.58	66.07	67.25
2012	64.53	53.92	62.09	63.04
2013	65.15	53.70	55.72	56.48
Total	193,93	161,2	183,88	186,77
Average	64,64	53,73	61,29	62,26

Source : Processed Data , 2014

Based on Table 4 it can be seen that the development of profitability ratio that consists of a ratio, GPM, NPM, ROA and ROE over the last three years, namely in 2011 s / d in 2013 looks to fluctuate, which GPM ratio with an average of 64.64% of the total ratio of 193.93% GPM been a sharp increase from the year 2011 to the year 2012 is 64.25% to 64.53% and 65.15% in 2013 means there is always an increase from 2011 to 2013 it caused an increase in Total Assets is not accompanied by Net Income increase significantly.

NPM ratio with the average - average of 53.73% of the total ratio of 161.2% NPM looks fluctuating increase, which in 2011-2012, namely 53.58% - 53.92% and a decline of the year, in 2013, to 53, 70%.

ROA with a total of 183.88%, while the average value of 61.29% ROA increase is also fluctuate, which in 2011

- 2012, namely 66.07% - 62.09% with a significant decrease. The following year occurred the increase fluctuate namely in 2011, 2012, and 2013 respectively 66.07%, 62.09% and 55.72%.

ROE shows a great return to the mean of three periods can be measured by the value of 62.26%, while the value of the total sum of 186.77% ROE. knowing penbandingan in 2011 with a value of 67.25%

In 2012 the value of 63.04%, while in 2013 the mean value of 56.48% of the higher capital investment for the company's profit meraikan Esset Home Centre

CONCLUSION

Conclusion

Based From the above description has been stated that the analysis of liquidity, solvency, and profitability. The writer can conclude that the financial position Esset Home Centre. in the period 2011 to 2013 is as follows:

1. The liquidity ratio on the company can be said ilikuid due to current assets, cash held to ensure smooth debt.

a. From the calculation for the year 2013 obtained current ratio of 38.40. This value can diinterpretsasikan that for every obligation secured by 38.40% of current assets. As for the year 2012, the current ratio is at 34.81%, which means that any current debts secured by current assets 34.81. So even for the year 2011 the current ratio was 30.97%

b. From the calculations, the quick ratio for the year 2013 by 1856% compared to 2012 amounted to 1 504%, which could mean that for any debt secured by assets quickly cashed. Whereas for 2011 the quick ratio is 1270%, which means that any current debts secured by assets quickly cashed.

c. The ratio of net working capital is used to determine the ratio of net capital. Net capital ratio is how much net working capital owned by the company as compared to current liabilities. From the calculations, the net working capital amounted to 37.40% for 2013 and 2012 amounted to 33.81% and 30.87% for the year 2011. If we look at the comparison between the three periods, an increase in the ratio of net working capital. Net working capital ratio is too large, indicating that management is less efficient in managing financial resources with the number of idle assets.

d. cash ratio increased for the year 2011 with a value of 10 201%, meaning cash ratio can pay off the debt with the cash themselves then in 2012 the cash ratio increased to a value of 11 035%, while in 2013 the cash ratio increased to a value of 140.64% means paid debt with cash

2. The solvency ratio at the company can be said to be solvable, as can be seen from both the indicator is total debt to total assets ratio and long-term debt to equity ratio, the company can meet short-term debt and long-term debt.

a. Debt to Asset Ratio (DAR) Based on the results of chapter 4 it can be seen that the development of the solvency ratio consisting of DAR That is the ratio of total liabilities to assets. It stresses the importance of the ratio of debt financing by the company showing the percentage of assets backed by debt. From the calculations, the DAR ratio value of 1.75% for 2013, 1:51% for 2012 and 1:37% for the year 2011.

b. Debt to Equity Ratio (DER), which for three years is the increase in the ratio in 2011 increased to 1.75% and in 2012 became 1:51% decline. whereas in 2013 a decline into a 1:37%. DER showed a decline in the performance of the company that is increasing with the increasing decline in the debt portion in funding the assets. With the growing amount of value DER ratio shows that the majority of the capital own. Small ratio also resulted in the payment of very small flowers.

3. Ratio of profitability of the company in general can be said to be profitable because the profit generated generally fluctuated from year to year. Profitability in Esset Home Centre to see indicators of GPM, NPM, ROA, ROE in the period 2011 - 2013 grew ratio fluctuated. years 2011 - 2013 a significant increase is

a. GPM with an average of 64.64% of the total ratio of 193.93% GPM been a sharp increase from the year 2011 to the year 2012 is 64.25% to 64.53% and 65.15% in 2013 means there is always an increase from 2011 to in 2013 it caused an increase in Total Assets.

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c. ROA with a total of 183.88%, while the average value of 61.29% ROA increase is also fluctuate, which in 2011-2012, namely 66.07% - 62.09% with a significant decrease. The following year occurred the increase fluctuate namely in 2011, 2012, and 2013 respectively 66.07%, 62.09% and 55.72%.

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means that the higher capital investment for the company's profit meraikan Esset Home Centre

Suggestion

1. To increase the level of liquidity , the company should reduce the number of long-term debt and increase assets .
2. The solvency ratio is quite good and continue to be improved by increasing the profit dipeoleh and pressing debts .
3. The solvency ratio can be improved by increasing the amount of penghasilkan without a subsequent rise in costs . Because the company can not use their capital efficiently , the company will have difficulty in paying off debts.
4. Based on the results that have been done in this research, there are two implications , namely

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