

**ANALYSIS COMMON SIZE FOR ASSESSING FINANCES
AT PT AIR ASIA INDONESIA TBK.**

Lala Merlita¹, Ian Wooton², Rico Nur Ilham³, Irada Sinta⁴

^{1,3}Faculty of Economic and Business Universitas Malikussaleh

²University of Strathclyde – United Kingdom

⁴Faculty of Agriculture Universitas Malikussaleh

Corresponding Author: riconurilham@unimal.ac.id

Abstract

This study aims to examine the assessing finances from 2019 to 2020, recording revenues fell and liabilities increased due to the implementation of PSAK 73 which requires every asset to be included in a liability account. The sample in this study is the aviation sub-sector companies listed on the Indonesia Stock Exchange for the 2019-2020 period. Based on data from analysis of income statement financial statements using the common size method in 2019 and 2020, it can be concluded that the company's performance and finances were in a declining condition when the Covid-19 virus was increasing.

In the disclosure of information, management stated that the contribution of income from operational activities that stopped or experienced restrictions to last year's total revenue was due to Business Profit (Loss) in which the efficiency program had been carried out by reducing operating expenses, but a significant decrease in operating income due to the impact of the Covid-19 pandemic causing the Company to record an operating loss of IDR 2.80 trillion in 2020 after the previous year it posted an operating profit of IDR 113.94 million.

Keywords: Financial Statements, Common Size Analysis, profit and loss balance

INTRODUCTION

The global condition in 2020 was heavily affected by pandemic Covid-19. Cumulatively, since the pandemic was officially announced in March 2020, the world health Organization's latest data shows nearly 90 million positive cases and 2 million deaths worldwide. The United States, India, and Brazil accounted for the highest number of cases and deaths, while Indonesia recorded 2 million cases and 55 thousand deaths.

Currently, there are often financial crises, therefore companies are more required to maximize their performance. To do this, airlines in Indonesia are growing rapidly and are quite promising because they see the number of airlines that have been established. The airline business experienced a setback during the economic crisis in 1997, but the airline business continues to rise and grow. Along with the times and human needs that require fast transportation, this business continues to increase.

The increase in the aviation business can be seen from the number of passengers and flight fleets that continue to grow. However, in January 2020 where the first COVID-19 cases were identified in Wuhan, the growth of these positive cases continued to increase. Thus, in March 2020 the World Health Organization (WHO) issued a statement stating that COVID-19 is a global pandemic due to the increasingly worrying level of spread and severity. The implication of this statement is that governments in various countries restrict the movement of their citizens to prevent the spread of the virus from spreading.

The pandemic abruptly halted the flow of goods and passengers, both cross-border and domestic. Strict restrictions on mobility imposed by governments around the world led to severe economic contraction the impact includes PT AirAsia Indonesia Tbk. In article Hartomo, Giri. (2020) about Finance Minister Sri Mulyani Indrawati revealed that the number of flights had decreased drastically in line with restrictions imposed by regions and countries..PT Indonesia AirAsia was established on 8 December 2004 through a joint venture between AirAsia International Ltd and PT Awair International, a privately owned airline in Indonesia that had operated since 2000. PT Indonesia AirAsia serves both domestic and international flights with 5 operational hubs located in Jakarta, Bali, Surabaya, Medan and Lombok.

In the past 14 years, PT Indonesia AirAsia had carried more than 50 million of passengers, together with the other affiliate airlines, AirAsia is recognized as the airline group that carried the greatest number of international tourists into Indonesia. Through air transport, AirAsia Group has brought about 30% of a total of 12.3 million international visitors into Indonesia during 2019.

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In the Financial Statements of PT. AirAsia Indonesia Tbk (2019-2021), according to *Bisnis.com*, suffered losses in 2018-2020. In the 2020 financial statements, it recorded that revenues fell, and liabilities swelled due to the application of PSAK 73 which requires every asset to be included in a liability account. According to *CNBC Indonesia* (05/07/2020) the increase in fantastic losses occurred due to a drastic drop in income due to government policies regarding social restrictions and recommendations not to travel and make tourist visits during the Covid-19 pandemic as a result the number of passengers has greatly decreased from the previous year 2019.

As a result, Total capacity decreased at 67% to 3,15 million seats and number of passengers declined by 73% to 2,15 million. Amid the situation, the Company opened five new routes and started to expand its presence to Sumatra and Kalimantan.

The management's analysis and discussion of financial performance is developed based on the financial and operational data and the Consolidated Financial Statements attached to this Annual Report. The Consolidated Financial Statements of PT AirAsia Indonesia Tbk and its subsidiaries as of 31 December 2020 and 2019 and for the year then ended, have been audited by the Public Accountant Firm Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Limited).

In the opinion of the Company's public accountant, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT AirAsia Indonesia Tbk and its subsidiaries dated 31 December 2020, and its consolidated financial performance and cash flows for the year ended, in accordance with Financial Accounting Standards in Indonesia.

Good management is needed so that it can manage everything optimally, therefore the company is required to improve its performance. The performance and survival of the company in the long term depends on the decisions of the management team itself. There is also something that management must do, namely the need to conduct an assessment of its financial performance per period so that based on the results of this performance the management team can find out the progress of the company, which will be useful for the company in the future in terms of decision making. In making decisions by the company's management, company owners need to look at the company's financial statements. A financial report is a record of a company's financial information on something that can be used to describe the company's performance and financial statements are part of the process.

Judging from the theory above, the researcher wants to examine how the company's financial performance using common size analysis will be compared with the year under study. Because we will see the company's financial statements from 2019-2020 PT. Air Asia Indonesia Tbk whether experiencing financial performance that greatly increased or decreased as stated in the financial statements of PT. Air Asia Indonesia Tbk.

Presentation in the form of a common size will make it easier for readers of financial statements to pay attention to changes that occur in the balance sheet and income statement. Changes that occur will not be known for good or bad without looking at the proportion of each item to the total which is used as the basis for calculating the percentage. With the percentage per component in the financial statements, it is very useful for analysts who are studying the short-term financial condition and results of the company's operations.

In addition, the procedures in financial statement analysis using common size are also called vertical analysis because they evaluate accounts from top to bottom or from bottom to top in the company's financial statements (Hery, 2012). This form of vertical analysis helps in identifying cost stickiness that occurs in both realization and budget (Azmi & Januryanti, 2021; Ramashar et al., 2019).

Common Size analysis is used to measure financial performance by dividing all items in the income statement by sales, while all items in the balance sheet are divided by assets. In the common size report, all accounts are expressed as a percentage and the monetary amount is not shown. In financial statements, common size (reports of the same size) is because the total number of accounts in the group concerned is 100%. The advantage of the common size analysis itself is that it can make it easier for us to read the financial statements of a company, because the calculation of this common size analysis is calculated by the components in the financial statements, then helps decision makers in predicting future results.

Based on the above background, the authors are interested in taking the title of this scientific work is "Analysis of Common Size Profit and Loss to Assess Financial Performance at PT. AIR ASIA INDONESIA Tbk" Periode 2019-2020.

LITERATUR RIVIEW

In the journal from Ratna Kurniawati, Listyowati (2021) Pandemic COVID-19, it can cause a decrease in the ability of airlines listed on the IDX to fulfill their short-term financial obligations by using the company's current assets. The COVID-19 pandemic can result in an increase in the amount of debt used to finance airlines listed on the IDX. The COVID-19 pandemic can result in a decrease in the asset turnover value of airlines listed in

the IDX. The COVID-19 pandemic can result in a decline in the ability of airlines listed on the IDX to generate profits.

Ayu Mulkhadimah (2021) The results of the Common-size analysis show that operating results from the profit and loss point of view show that the percentage of net income to income tends to decrease. This condition shows that the company is less effective in increasing revenue and has not been able to carry out cost efficiency so that the percentage of net profit is decreasing.

Chintya Christine Toniga(2021) The purpose of this research is to analyze the financial data reports of the company PT. Federal International Finance or in short, the FIF GROUP Manado Branch for a period of three years, namely 2017, 2018 and 2019 by comparing annually whether there has been an increase or decrease in company finances. In analyzing these financial statements, calculations are carried out using the Common Size analysis method, which is an analysis that is compiled by calculating each account in the income statement and balance sheet into a proportion of total sales (income statement) or of total assets (balance sheet) . And through this analysis, the company can be said to be quite good at managing finances and it needs to further improve the company's performance so that in the future the company can experience an increase in the company's financial income even more.

RESEARCH METHOD

The data analysis method used in this study is descriptive comparative research by examining the annual financial statements using the Common Size method, where the previous year's financial statements are compared with the next year's financial statements. For the data source itself, it uses secondary data in the form of financial report documents of PT.Air Asia, Tbk from 2019-2020 obtained from the website <https://www.idx.co.id> listed companies with published financial and annual reports. Analytical techniques What is done is to calculate the percentage comparison of the previous year and the following year, after that the analysis stage is carried out by describing the condition of the company.

The panel data regression method used is through three approaches, namely, the least squares approach of common effects, the second is the fixed effect approach and the third is the random effect approach. Furthermore, the data is also tested for classical assumptions. The equation model for panel data regression analysis is as follows.

ANALYSIS QUANTITATIVE

It is called quantitative analysis because what is analyzed is data that quantified by a mathematical model. Called statistical analysis because generally the data were analyzed using statistical methods. The purpose of using data analysis techniques is to determine and obtain conclusions from the research data that has been collected. In addition, data analysis techniques can be used to describe research results so that they can be more easily understood by others. Data analysis techniques are also needed to find solutions to the problems that are the topic of research.

STUDY OF LITERATURE

Common Size Analysis

According to Lukas Atmaja (2006:418), common size analysis is an analysis of the company's financial statements by dividing all items in the income statement by sales and dividing all items in their report by total assets. The advantage of doing this common size analysis is that it allows us to compare the balance sheet and income statement from time to time.

Common size analysis is an analysis used to measure financial performance by dividing all items in the income statement divided by sales, while all items in the balance sheet are divided by assets. In the common size report, all items on the income statement are divided by assets. In the common size report, all will be stated in percentages and not shown the monetary amount.

Operating Income

is that which comes from the company's main activities. This is very influential on the continuity of a business. The greater the income obtained, the greater the ability of the business to finance all expenses or daily operational costs that will be carried out.

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Operating Expenses,Net

The difference between revenue and costs during a certain period in the sense that profit can be obtained if the company carries out its activities in the form of selling services, processing raw materials, which will eventually be resold to the public to earn income. The company will make a profit if the difference between income and costs is positive. Conversely, the company will incur a loss if the difference between revenue and costs is negative. a. Other Income: income that is not derived from the company's main activities, for example, rental income, interest income, dividends, foreign exchange differences, etc. b. Other Expenses: expenses that have nothing to do with the company's main activities, for example, interest expenses, foreign exchange losses, and others.

Profit (Loss)Business

Reporting from Investopedia, the income statement is a financial report that focuses on showing the company's income and expenses during a certain period. The income statement (English: Income Statement or Profit and Loss Statement) is part of a company's financial statements produced in an accounting period that describes the elements of the company's income and expenses so as to produce a net profit or loss. Income statements can be made in a period of one month, one year, or based on the concept of comparison (matching concept).

Loss before income tax benefit (expense)

is an important component of the income statement.

Net profit (loss) for the year

is the company's net profit (loss) for one period after calculating income tax

RESULTS AND DISCUSSION

Common-Size analysis calculation Profit and loss balance PT. Air asia indonesia Tbk. 2019 with 2020
(In Rp. Million)

KETERANGAN	2020	2019	Percentage Change		Pertumbuhan (Growth)
			2020	2019	
Operating Income	1.610.973	6.708.801	100,00%	100,00%	-75,99%
Operating Expenses,Net	4.414.035	6.708.687	274,00%	100,00%	-34,20%
Profit (Loss) of business	-2.803.061	113.943	-174,00%	1,70%	-2560,06%
Loss before income tax benefit (expense).	-3.069.608	-61.807	-190,54%	-0,92%	4866,44%
Net profit (loss) for the year	-2.754.590	-157.369	-170,99%	-2,35%	1650,40%

Operating Income

The company recorded operating revenues of IDR 1.61 trillion in 2020, a decrease of 75.99% compared to 2019 of IDR 6.71 trillion. The decreased revenue was mainly due to a decrease in passenger income by 76.92% to IDR 1.53 trillion in 2020 from 2019 of IDR 6.62 trillion. Passenger revenue consists of sales of seats and other things. Other passenger income is ancillary income such as baggage, flight services, catering services, and ground handling. In addition, cargo revenue also decreased by 28.62% to IDR 60.89 billion from 2019 of IDR 85.30 billion.

Operating Expenses,Net

In 2020, total operating expenses amounted to Rp4.41 trillion, decreased by 34.20% from 2019 amounting to Rp6.71 trillion. The decrease in operating expenses was mainly due to a 50.51% decrease in fuel use from Rp2.53 trillion in 2019 to Rp1.25 trillion in 2020. In addition, there was no aircraft rental expense in 2020 compared to 2019 which reached Rp1.07 trillion. Operating expense items such as repairs and maintenance; salaries and allowances; aircraft and aviation services; and marketing has also decreased.

Profit (Loss) of business

Although the efficiency program has been carried out by reducing operating expenses, the significant decrease in operating income due to the impact of the Covid-19 pandemic caused the Company to record an operating loss of Rp.2.80 trillion in 2020 after the previous year's operating profit of Rp.113.94 million.

Loss before income tax benefit (expense)

In 2020, the Company recorded a loss before tax of Rp3.07 trillion, an increase of 4,866.44% from 2019 of Rp61.81 billion. Financial income decreased by 79.25%, from Rp4.22 billion to Rp875 million.

Current year's loss

The Company posted a loss for the year of Rp2.75 trillion in 2020, an increase of 1,650.40% from 2019 of Rp157.37 billion.

CONCLUSION

Based on data from analysis of income statement financial statements using the common size method in 2019 and 2020, it can be concluded that the company's performance and finances were in a declining condition when the Covid-19 virus was increasing. In the disclosure of information, management stated that the contribution of income from operational activities that stopped or experienced restrictions to last year's total revenue was due to Business Profit (Loss) in which the efficiency program had been carried out by reducing operating expenses, but a significant decrease in operating income due to the impact of the Covid-19 pandemic causing the Company to record an operating loss of IDR 2.80 trillion in 2020 after the previous year it posted an operating profit of IDR 113.94 million.

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