

Analysis of Liquidity Ratios, Profitability Ratios and Solvency Ratios to Assess the Financial Performance of PT Blue Bird Tbk for the Period 2017 – 2022

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ABSTRACT

This study uses liquidity ratios, profitability ratios, and solvency ratios to evaluate PT. Blue Bird Tbk's financial performance from 2017 to 2022. PT. Blue Bird Tbk's financial statements for the years 2017–2022 serve as the basis for the study's quantitative and descriptive methodology. In order to assess PT's financial performance, the liquidity ratios were calculated using the current ratio and quick ratio. According to Blue Bird Tbk, the current ratio and quick ratio are both considered "Healthy" for the years 2017–2022. This suggests that the business can fulfill its immediate responsibilities. When evaluating PT's financial performance, Return on Equity is scored as "Healthy," while Return on Assets is rated as "Healthy." For the years 2017–2022, Blue Bird Tbk has been graded as "Less Healthy." This indicates that the business has not been able to turn a profit from its ongoing operations. As for the Debt to Equity Ratio, which assesses PT's financial performance, it is assessed as "Healthy," and the Debt to Assets Ratio. Blue Bird Tbk for the period 2017-2022 is also rated as "Healthy." This indicates that not all of the company's activities are financed by debt. For the years 2017–2022, Blue Bird Tbk is likewise graded as "Healthy." This suggests that not all of the business's operations are funded by debt.

INTRODUCTION

People travel from one place to another using transportation. Typically, the objects of this movement are both people and goods. There are three types of transportation: air, river, and land transportation. Land transportation includes vehicles such as cars, motorbikes, trains, bicycles, and other modes of human mobility used on land routes. The phrase "water transportation" refers to the means of transportation that people use to travel along waterways, including ships and boats. Air transportation refers to the means of human mobility that include aircraft such as airplanes and helicopters.

In the past, a service user would usually wait at specific sites where the transportation could be obtained or travel to the locations where it was available. Service users' activities would undoubtedly be disrupted by this, particularly at crucial periods. Therefore, in order to make the transportation system more accessible to users, it must be updated or developed. Nowadays, customers can easily and swiftly access transportation services. This is because the transportation system itself incorporates technology. This is evident in the present transportation service system, which allows us to book and pay for rides using just a smartphone. Additionally, we can use transportation services to order or send items.

The headquarters of the transportation firm PT. Blue Bird Tbk are located in Jakarta. The company has 16,963 conventional taxi units, 1,131 executive taxi units, 5,027 automobile units, 526 bus units, and 161 commuter transport units at the end of 2020 to support its business operations. Additionally, it has a number of subsidiaries, including PT. Cendrawasih Pertiwijaya, PT. Silver Bird, and PT. Central Naga Europindo. When PT. Blue Bird Tbk made the decision to "Go Public" in 2014, it sold about 15% of its shares to the general public. Of the revenues, 53.04% were used to settle bank debt, with the remaining amount going into capital projects in 2015.

LITERATURE REVIEW

A. Management

Planning, organizing, overseeing, and controlling are all aspects of the art of management. The English verb 'manage,' which meaning to plan, organize, lead, or manage, is where the word management originates. The art or philosophy of management pertains to the process of cooperation between persons and groups, together with other resources, in order to accomplish organizational objectives (Syarif, 2021). According to its etymology, management is the art of planning and carrying out (Nugroho, 2021).

Management, according to Hasibuan (2017:1), is the science and art of planning the process of employing people and other resources in an effective and efficient manner in order to accomplish particular goals. Management, according to Robbins (2017:6), is the process of organizing work activities to be more successful and efficient through other people. According to Afandi (2018:1), management is the process of implementing planning, organizing, staffing, leading, and controlling functions in order to work with people to achieve organizational goals.

According to the views of the aforementioned experts, management is a science or art that deals with organizing, planning, supervising, and controlling. It is used to set up or run an organization by making use of the resources at hand in order to accomplish desired goals effectively and efficiently.

B. Functions of Management

An organization's management has a role in helping the organization reach its objectives and in making sure all of its members are satisfied (Muhammad Faisal, 2020). The public is well aware of the four roles that management plays: organizing, directing, managing, and planning (Panglipur, 2019).

C. Definition of Financial Management

Financial management, as defined by Brigham (2015:6), is the art and science of managing money, encompassing the operations of markets, institutions, and tools used in the exchange of funds between people, corporations, and governments. Wilson (2020:1) defines financial management as the process of raising money and making efficient use of it in order to maximize shareholder wealth. An organization's or business entity's financial management is important for both individuals who directly contact with it and those who are indirectly involved. This is due to the fact that financial management include planning, analyzing, and controlling financial activity. In essence, a company's operations can be divided into two primary categories: funding distribution and fundraising (Faisal et al., 2018).

Financial Reports Financial management can be defined as the science or art that businesses use to plan, analyze, and control financial activities so that the use of the organization's or business entity's funds can be effective and efficient and capable of reaching the organization's or business entity's goals to the fullest extent possible.

Financial statements are reports that show the financial condition of a company at the present time or over a specific period," states Kasmir (2018:7). An organization's or business entity's financial data from an accounting period is documented in financial statements. Information on a company's financial status is provided via financial statements, which may be used to show how well the business is doing financially.

Munawair asserts that financial statements are a crucial resource for learning about the state of the company's finances and the outcomes it has attained. Therefore, it is anticipated that financial statements would help users make financial decisions. In the statement of sources and uses of funds, they also function as supplemental materials, such as reports on retained earnings. Rohman (2017).

The end product of the accounting process, which involves recording, classifying, summarizing, and compiling all transactions into a financial report, are financial statements. Consequently, it can be said that financial statements are a compilation of financial data from the last stage of accounting that has been processed to show the company's financial performance during a given accounting period."

D. Financial Statement Analysis

According to Hery (2016), "Financial statement analysis is a process of breaking down financial statements into their components and examining each of these components with the aim of gaining a good and accurate understanding of the financial statements themselves." The process of locating, evaluating, organizing, and contrasting a company's financial statement data in order to provide more precise and comprehensive information is known as financial statement analysis. Applying analytical tools and procedures to financial statements for general purposes and associated data in order to provide estimates and conclusions that are helpful in business analysis is known as financial statement analysis. (Syarif, 2021). Therefore, it can be said that financial statement analysis is the process of observing a company's financial activity in order to determine whether or not the company is in a strong financial situation.

E. Financial Performance

In the words of Fahmi (2017:142), "Financial performance is an analysis conducted to see the extent to which a company has implemented financial execution rules properly and correctly." A financial performance report is a summary of a company's financial analysis gathered over a given time period with the goal of comprehending the company's financial flow. A company's financial performance is the outcome of several, ongoing management decisions. In summary, a firm's financial performance report outlines the outcomes the organization has attained over a specific time period in order to comprehend the company's financial flow and provide a basis for decision-making. A business can comprehend its state and set criteria for future decision-making by looking at its financial performance.

F. Conceptual framework.

The Conceptual framework of thought in this research is as follows:

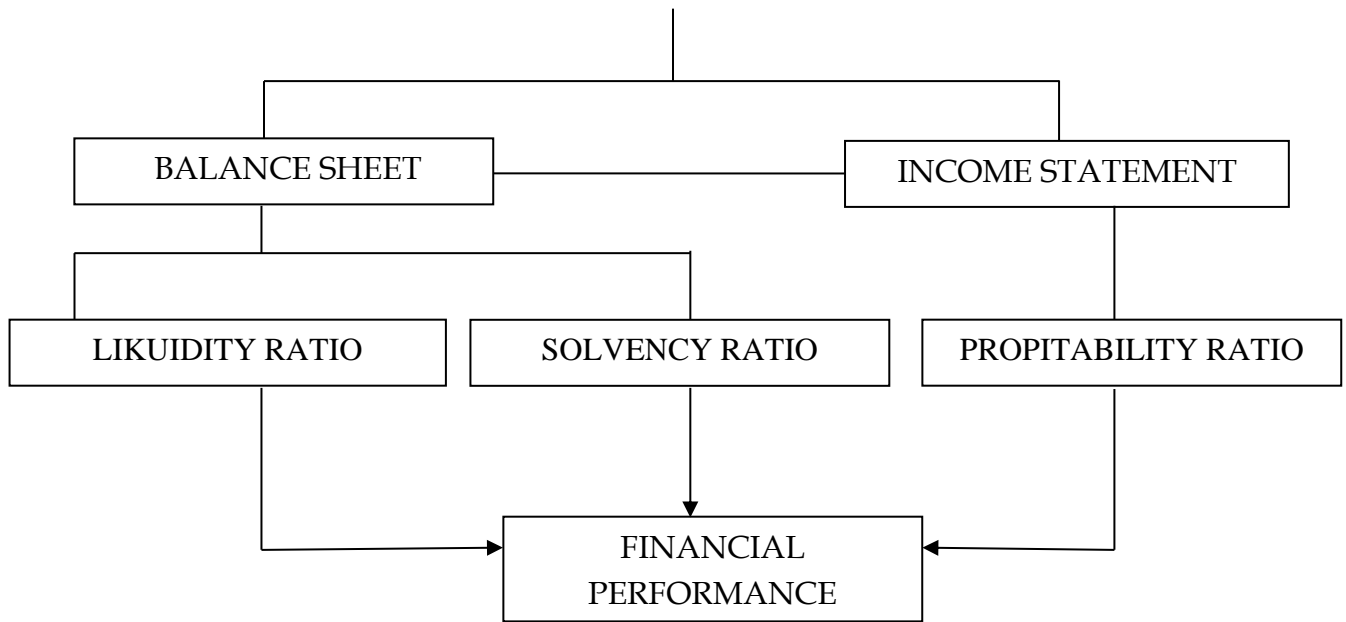


Figure 1. Conceptual Framework

METHODOLOGY

The researcher employs a particular kind of quantitative descriptive study. The foundation of quantitative research is quantitative data, which is represented by numerical values. Analyzing one or more variables without drawing comparisons or connections between them is the goal of descriptive research. Additionally, this study does not formulate a hypothesis; it merely describes the object's status..

The balance sheet and income statement of PT. Blue Bird Tbk for the years 2017–2021 comprise the data used in this study. The ratio analysis method, which comprises liquidity ratios, profitability ratios, and solvency ratios, will be the one employed..

In this research, the researcher used data collection techniques through:

a. LiteratureStudy.

Literature study is a research method that involves collecting and reading journals, books, articles, and news related to the topics being studied in order to obtain valid data.

b. Documentation.

Documentation is a research method that involves gathering data from the company to obtain information related to the data being studied. The data used includes the balance sheet and income statement of PT. Blue Bird Tbk from the year 2017 to 2021.

c. Internet.

The internet is a research method that utilizes online media on the research object to obtain the secondary data needed for the study. The researcher uses the internet on the official company website, which is www.bluebirdgroup.com.

In this study, the researcher employed the descriptive quantitative method for data analysis. This method is employed to provide an overview of the condition of the objects being studied by the researcher based on the facts obtained after collecting, classifying, analyzing, and interpreting the data available in the field. In the preparation of this thesis proposal, the researcher Collecting data related to the research object. The data consists of financial statements, namely the balance sheet and income statement for a period of 6 years (2017-2022). The financial ratio analysis approach, which comprises liquidity ratios, profitability ratios, and solvency ratios, is the analysis technique the researcher will employ in the study. By comparing the company's financial status throughout time, the researcher will be able to evaluate the financial performance of the organization.

RESEARCH RESULT

A. Assessment of the Financial Performance of PT. Blue Bird Tbk for the Period 2017-2022 Using Liquidity Ratios.

Based on the results of the data analyzed using financial ratio research methods, it can be compared with the industry average standards according to Kashmir as a measurement tool to assess the financial performance of PT. Blue Bird Tbk during the period of 2017-2022. The following is the explanation:

**Table 4.1. Average Liquidity Ratio
of PT Blue Bird Tbk for the Period 2017-2022**

Description	<i>Current Ratio</i>	<i>Quick Ratio</i>
Average Company	177%	175%
Industry Standard Ratio	200%	150%

Source: Data processed 2023

1. Current Ratio

It is evident from the preceding table that the average industry standard for the current ratio, as determined by Kashmir, is 200%. It should be mentioned that a company's current ratio is deemed "Healthy" if its average value is either the same as or higher than the industry standard for comparable companies. On the other hand, Kashmir states that the Current Ratio is considered "Unhealthy" if the value is less than the industry standard." Additionally, it is known that PT. Blue Bird Tbk's average current ratio from 2017 to 2022 was 177%, which is lower than the industry standard, according to Kashmir. As a result, the company's current ratio might be described as "Unhealthy." This indicates that the company's short-term liabilities cannot be covered by its available assets.

2. Quick Ratio

According to Kashmir, the industry standard value for the Quick Ratio is 150%. It is observed that a company's Quick Ratio is deemed "Healthy" if its

average value is either the same as or higher than the industry standard for comparable companies. In contrast, Kasmir states that a company's Quick Ratio is considered "Unhealthy" if its average value is lower than the industry standard. Following the analysis of PT. Blue Bird Tbk's financial data from 2017 to 2022, the researcher discovered that the company's average Quick Ratio was 175%, higher above the industry average for comparable businesses. As a result, the company's quick ratio can be described as "Healthy." This indicates that the business can use its existing assets to pay down its short-term debts without taking inventory values into account. This result is in line with earlier study by Riana Christy Sipahelut, Sri Murni, and Paulina Van Rate in the paper "Analysis of Company Financial Performance (Case Study on Automotive and Component Subsector Companies Listed on the IDX for the Period 2014-2016)".

B. Assessment of the Financial Performance of PT. Blue Bird Tbk for the Period 2017 - 2022 Using Profitability Ratios

Table 4.2. Average Profitability Ratio of PT Blue Bird Tbk Period 2017-2022

Description	<i>Return on Assets</i>	<i>Return on Equity</i>
Average Company	3%	5%
Industry Standard Ratio	30%	40%

Source: Data processed 2023

1. Return on Asset

It is evident from the above table that the industry average standard value for comparable businesses is 30%. It is observed that a company's Return on Assets (ROA) is deemed "Healthy" if its average value is higher than the industry benchmark, as per Kasmir. On the other hand, Kasmir states that a company's Return on Assets is "Unhealthy" if its average value is lower than the industry norm."

According to the data, PT. Blue Bird Tbk's average return on assets from 2017 to 2022 was 3%, which is less than the industry average, according to Kasmir. Consequently, it may be said that the company's return on assets is "Unhealthy." This indicates that the business is unable to make the best use of its resources in order to maximize profit. According to earlier research by Riana Christy Sipahelut, Sri Murni, and Paulina Van Rate, "Analysis of Company Financial Performance (Case Study on Automotive and Component Subsector Companies Listed on the IDX for the Period 2014-2016)" is consistent with this.

2. Return on Equity.

Return on equity is 40%, which is the industry standard for comparable businesses. According to Kashmir, a company's financial performance is considered "Healthy" if its average value is at least as high as the industry standard average value. On the other hand, Kashmir considers a company's

financial performance to be "Unhealthy" if its average value is lower than the industry benchmark. The chart also shows that PT. Blue Bird Tbk's average return on equity from 2017 to 2022 was 5%, which is less than the industry average for comparable businesses. As a result, the company's return on equity is classified as "Unhealthy." This indicates that the business cannot maximize the utilization of shareholder-provided capital to produce profits, where the anticipated profit is the profit distributed to the capital owners. This is consistent with earlier study by Riana Christy Sipahelut, Sri Murni, and Paulina Van Rate titled "Analysis of Company Financial Performance (Case Study on Automotive and Component Subsector Companies Listed on the IDX for the Period 2014-2016).

C. Assessment of the Financial Performance of PT. Blue Bird Tbk for the Period 2017- 2022 Using Solvency Ratios.

**Table 4.3 Average Solvency Ratios
of PT Blue Bird Tbk Period 2017-2022**

Description	<i>Debt to Asset Ratio</i>	<i>Debt to Equity Ratio</i>
Average Company	25%	33%
Industry Standard Ratio	35%	90%

Source: Data processed 2023

1. *Debt to Assets Ratio.*

The aforementioned table indicates that the industry standard average for comparable organizations' debt to asset ratio is 35%. According to Kashmir, in the event that a company's average value exceeds the industry benchmark, its financial performance can be deemed "Unhealthy." On the other hand, Kashmir claims that a company's financial performance is "Healthy" if its average value is either the same as or less than the industry standard."

The solvency ratio has different standard requirements than the other two measures, which are the profitability ratio and the liquidity ratio. This is due to the fact that businesses utilize the solvency ratio to determine the proportion of their assets that are financed by debt. As a result, if the solvency ratio is higher than the industry average for comparable businesses, it means that all of the company's assets are managed through debt. On the other hand, if the ratio is at or below the industry average for comparable businesses, it means that the company's debt is not being used to finance asset management..

According to the data, the company's average debt-to-asset ratio during the previous five years is 25%. Given that PT. Blue Bird Tbk's average debt to asset ratio is lower than the industry average for comparable businesses, it can be characterized as "Healthy." This indicates that the company's debt is not used to fund the management of its assets. This is consistent with earlier research by Riana Christy Sipahelut, Sri Murni, and Paulina Van Rate titled "Analysis of Company Financial Performance (Case Study on Automotive and Component Sub-Sector Companies Listed on the IDX for the Period 2014-2016)".

2. Debt to Equity Ratio.

Next, using the Debt to Equity Ratio, the researcher additionally examined PT. Blue Bird Tbk's financial performance from 2017 to 2022. The chart shows that, according to Kashmir, the industry standard number is 90%. When a company's average value exceeds the industry standard value of comparable companies, its financial performance is deemed "Unhealthy." On the other hand, the company's financial performance is deemed "Healthy" if its average value is either the same as or lower than the industry standard, according to Kashmir. The researcher then examined PT's financial records. An analysis of Blue Bird Tbk from 2017 to 2022 revealed that the company's average debt-to-equity ratio was 33%, which is less than the 90% industry average for comparable businesses.

This means that the company's Debt to Equity Ratio is "Healthy." To put it another way, the company's total debt to equity ratio is not excessively high, which indicates that it has a low debt-repayment obligation. This is consistent with earlier research by Riana Christy Sipahelut, Sri Murni, and Paulina Van Rate titled "Analysis of Company Financial Performance (Case Study on Automotive and Component Subsector Companies Listed on the IDX for the Period 2014-2016)".

G. Assessment of the Financial Performance of PT Blue Bird Tbk for the Period 2017-2022 Based on Liquidity Ratios, Profitability Ratios, and Solvency Ratios.

Table 4.4. Research Results on the Liquidity Ratio, Profitability Ratio, and Solvency Ratio of PT. Blue Bird Tbk Period 2017-2021.

No	Ratio		Value	Standard	Description
1	Liquidity Ratio	<i>Current Ratio</i>	177%	200%	Unhealthy
		<i>Quick Ratio</i>	175%	150%	Healthy
2	Profitability Ratio	<i>Retrun on Asset</i>	3%	30%	Unhealthy
		<i>Return on Equity</i>	5%	40%	Unhealthy
3	Solvency Ratio	<i>Debt to Asset Ratio</i>	25%	35%	Healthy
		<i>Debt to Equity Ratio</i>	33%	90%	Healthy

Source: Data processed 2023

The financial data processing results of PT Blue Bird Tbk for the years 2017–2021 using liquidity ratios, profitability ratios, and solvency ratios are shown in the above table. Based on the aforementioned findings, it can be said that PT Blue Bird Tbk's financial performance from 2017 to 2021, as measured by liquidity ratios, was rather sound. However, this does not mean that the company is entirely able to fulfill its short-term obligations. Additionally, PT Blue Bird Tbk's financial performance from 2017 to 2021 can be described as less healthy based on profitability ratios, which show that the business cannot turn a

profit from its operations. According to solvency ratios, PT Blue Bird Tbk's financial performance for the years 2017–2021 is deemed healthy, suggesting that the business's operations are not unduly reliant on its debt. This is consistent with earlier research by Riana Christy Sipahelut, Sri Murni, and Paulina Van Rate titled "Analysis of Company Financial Performance (Case Study on Automotive and Component Sub-Sector Companies Listed on the IDX for the Period 2014-2016)".

DISCUSSION

The corporation is in a "Healthy" state, according to the current ratio, which is based on the computation of liquidity ratios. This indicates that the business has enough assets on hand to meet its immediate liabilities. In a similar vein, the Quick Ratio shows that the business is in a "Healthy" position, which means that it can settle its short-term debts with its current assets without taking inventory value into account.

The Return on Assets (ROA) for the profitability ratio shows that the business is in a "Healthy" state. This indicates that the business can make the best use of its resources in order to maximize profit. When it comes to the Return on Equity (ROE) ratio, however, the business is considered "Less Healthy." This suggests that the business cannot maximize the utilization of shareholder-provided capital to produce profits, even though such earnings are meant for the capital owners..

Calculations of the solvency ratio indicate that the debt-to-asset ratio is "Healthy." This indicates that the company's debt is not used to fund the management of its assets. The Debt to Equity Ratio, on the other hand, is likewise considered "Healthy." Stated otherwise, the company's total debt in relation to its equity is not unduly high, suggesting that it has a modest duty to repay its loans.

CONCLUSIONS AND RECOMMENDATIONS

Based on the analysis conducted by the author regarding the Liquidity Ratio, Profitability Ratio, and Solvency Ratio in assessing the financial performance of PT. Blue Bird Tbk for the period 2017-2021, the following conclusions can be drawn:

1. From the analysis conducted, it can be concluded that the financial performance of PT. Blue Bird Tbk for the period 2017-2021, based on the Liquidity Ratio, can be considered to be in good or healthy condition. This is evidenced by the Current Ratio and Quick Ratio, which are above the industry standard for similar companies. This means that the company has the ability to meet its obligations or pay its short-term debts. Therefore, the financial performance of PT. Blue Bird Tbk for the period 2017-2021, as viewed from the Liquidity Ratio, can be said to be "Healthy."
2. From the analysis conducted, it can be concluded that the financial performance of PT. Blue Bird Tbk for the period 2017-2021, based on the Profitability Ratio, can be considered to be in fairly good or fairly healthy condition. This is evidenced by the Return on Assets and Return on Equity, where both values are respectively above and below their industry standards, indicating that the company is capable of generating profits, although it is still

not optimal. Therefore, the financial performance of PT. Blue Bird Tbk for the period 2017- 2021, as viewed from the Profitability Ratio, can be said to be "Fairly Healthy".

3. From the analysis conducted by the author, it can be concluded that the financial performance of PT. Blue Bird Tbk for the period 2017-2021, based on the Solvency Ratio, can be considered good. This is evidenced by the Debt to Asset Ratio and Debt to Equity Ratio, both of which are below their respective industry averages, indicating that the company's ability to meet its short-term and long-term obligations is very good. Therefore, the financial performance of PT. Blue Bird Tbk for the period 2017-2021, as viewed from the Solvency Ratio, can be said to be "Healthy".
4. From the analysis conducted by the author, it can be concluded that the financial performance of PT. Blue Bird Tbk for the period 2017-2021, based on the Liquidity Ratio, can be stated as healthy, indicating the company's ability to meet its short-term obligations. Furthermore, the financial performance of PT. Blue Bird Tbk for the period 2017-2021, based on the Profitability Ratio, can be considered fairly healthy, indicating that the company is still able to generate profits from its operational activities. Meanwhile, the financial performance of PT. Blue Bird Tbk for the period 2017-2021, based on the Solvency Ratio, is stated as healthy, indicating that not all of the company's activities are financed by debt. Therefore, the financial performance of PT. Blue Bird Tbk for the period 2017-2021, as viewed from the Liquidity Ratio, Profitability Ratio, and Solvency Ratio, can be said to be "Fairly Healthy."

ADVANCED RESEARCH

This research focuses more on the conversation because of the author's time and resource constraints. Thus, the author limits the scope of this study by evaluating PT. Blue Bird Tbk's financial performance for the years 2017–2021 solely utilizing liquidity ratios, profitability ratios, and solvency ratios. Furthermore, this study has limitations because of the low values of the profitability ratios and current ratio. Therefore, in order to improve the caliber of the research, the researcher believes that future studies will be able to include more ratios.

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