CHAPTER V

CONCLUSION AND SUGGESTION

5.1 Conclusion

Based on the data obtained and the analysis carried out by researchers, the conclusions of this study are:

1. There is a positive significant effect of leverage towards cash holding. This result is contradicted with the hypothesis that has been made which is leverage has a significant negative effect on cash holding.

2. There is a significant effect of profitability towards cash holdings. Profitability affects cash holdings positively, which means in every additional profit, there will be inclining in cash holding.

3. There is a positive significant effect of liquidity towards cash holdings. This result is contradicted with the hypothesis that has been made which is liquidity has a significant negative effect on cash holding.

4. There is a negative effect of firm size towards cash holding but it is not a significant effect.

5. There is a significant effect of growth opportunity towards cash holdings. Growth opportunity affects cash holdings positively, which means in every additional PBV value, there will be inclining in cash holding.

5.2 Research Implication

Based on the conclusion above, Profitability and Growth Opportunity have a significant positive effect on cash holding, while Leverage and Liquidity have a
significant negative effect. Firm size variable has no significant effect on cash holding. The implications of this research are as follows:

1. This research provides the information the effect of Leverage, Profitability, Liquidity, Firm Size and Growth Opportunity to cash holding, which will help academics and researcher to give an insight on factors that affect company cash holding.

2. This research provides insights for management and company to consider what determination of cash holding and how important it is to keep cash holding in the right amount depends on company needs.

5.3 Limitation and Suggestion

There are limitations exist in this research that are the data provided is limited to only properties and real estate companies in Indonesia Stock Exchange. The results may differ if the object used is from other sectors. Researcher suggest to do research on other company sector to get generalized result on factor determined company cash holding. There are some companies that didn’t issued financial report during period of 2017-2020 and there are outliers exist so it has to be eliminated. As a result, the number of samples is decrease.