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Effect of Growth Opportunity, Cash Flow and Capital Expenditure to Cash Holding

(Case Study on a Registered Consumer Goods Company on the Indonesia Stock Exchange 2018-2021)

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Abstract: This study discusses the influence of growth opportunity, cash flow and capital expenditure on cash holdings in consumer good companies listed on the IDX from 2018 to 2021. The sample in this study was 35 companies. In determining the sample used by purposive sampling method, namely selection with certain criteria. This study uses multiple regression analysis tests that are strengthened by the F test and R test. This study also uses the classic assumption test to determine whether the data used passes or does not pass the classical assumption test, in the classic assumption test four tests are used, namely, normality test, heteroscedasticity test , multicollinearity test and autocorrelation test. Data processing in this study was assisted by SPSS version 25 for Windows. This research includes causal associative research, namely research that asks the relationship of two or more variables. A causal relationship is a cause-and-effect relationship. From this research, a theory can be built that functions to explain a symptom and the influence between variables

Keywords: *Growth Opportunity, Cash Flow, Capital Expenditure, Cash Holding.*

I. PRELIMINARY

Cash is the company's most liquid asset that can be used easily for the company's operational activities and can also be used to pay off the company's short-term liabilities or solve a company's liquidity problems. The availability of cash is very important in a company, especially in the transactional and operational activities of the company. The availability of cash is very important in a company, especially in the transactional and operational activities of the company, therefore the company must have a good cash management system in managing cash flow. Good cash management in a company can maximize financial management in a company. Cash in the company needs to get attention from management. Because when a company runs out of cash, it is difficult to meet short-term needs. Thus causing the company to be seen as bad and illiquid, which ultimately raises doubts from other parties in the company because of the bad image generated by the company. Funds in the cash are one form of funds that are useful as a source of company activities. These funds are included in critical or liquid current assets. Cash funds that are withheld have the aim of making the owner of the funds prosperous. In addition, it can also be used as an investment in order to gain profits to meet company needs which ultimately raises doubts from other parties to the company because of the bad image generated by the company. Funds in the cash are one form of funds that are useful as a source of activity for a company. These funds are included in critical or liquid current assets. Cash funds that are withheld have the aim of making the owner of the funds prosperous. In addition, it can also be used as an investment in order to gain profits to meet company needs which ultimately raises doubts from other parties to the company because of the bad image generated by the company. Funds in the cash are one form of funds that are useful as a source of activity for a company. These funds are included in critical or liquid current assets. Cash funds that are withheld have the aim of making the owner of the funds prosperous. In addition, it can also be used as an investment in order to gain profits to meet

company needs(Romadhoni et al., 2019). On the other hand, saving too much cash will also result in losses for the company because the company cannot achieve an optimal level of profitability, namely the profit that should be obtained by the company by utilizing too much stored cash to carry out business activities.

One example of cash management is determining the level of cash or cash equivalents owned by a company. Cash or cash equivalents is also known as cash holding (Sudana, 2015: 240). Cash holding is the ratio of cash and cash equivalents divided by net assets. The net assets in question are the total assets minus the liabilities to be paid. Cash holdings can be cash held by the company to meet the needs of the company. Determining the optimal level of cash holding can affect the company's opportunity to anticipate unexpected events from a financing perspective, especially in countries with less stable economies. Cash holding that is too high can result in lost opportunities to invest and get returns,

Much research has been put forward on the factors that influence cash holding, one of which was conducted by GanjarRiski in 2017 which stated that there are several factors that affect cash holding in the Automotive and Component Industry Sub-Sector companies listed on the IDX. The results of this study indicate that growth opportunity has no significant effect on cash holdings, while cash flow and capital expenditure have a significant effect on cash holdings, with the explanation that cash flow has a negative effect and capital expenditure has a positive effect.

Meanwhile, research conducted by Nur Hayati in 2020 suggested that several factors influence cash holdings by using corporate governance as a moderating variable in consumer goods industry companies listed on the Indonesia Stock Exchange. With the results of the study, growth opportunity and capital expenditure which are positive have no significant effect on the cash holding value, which means that the size of the value of growth opportunity and capital expenditure in a company is not enough to determine whether the company will hold large amounts of cash. While the value of cash flow has a significant effect on the value of cash holding, which means that when the cash flow is positive, the bigger the company is to hold more cash.

Intense competition in the business world requires business actors to remain competitive in running their business and maintain their existence in the market. Therefore, a good strategy is needed, especially in cash management. The availability of cash has a significant impact on liquidity. Managing large amounts of cash has several advantages for companies where one of them is to finance matters of storing large amounts of cash, so that there are still companies that have liquidity problems. There is a significant influence between the variable Liquidity (Current Ratio) on Profitability (Return On Assets) in pharmaceutical companies listed on the Indonesia Stock Exchange for the period 2012-2016(Muslih, 2019). Intense competition in the business world requires business actors to remain competitive in running their business and maintain their existence in the market. Therefore, a good strategy is needed, especially in cash management. The availability of cash has a significant impact on our liquidity. Cash holdings are the cash you need to meet your company's day-to-day business needs, because cash is the easiest to obtain(Putrato, 2017)Small companies often encounter difficulties in accessing capital markets. So it tends to hold more cash. Meanwhile, large companies do not hold large amounts of cash to avoid shortages in investing so that cash holdings in large companies are smaller(Ramadan, 2017)Saving cash in the company as a form of investment optimization when the company faces the risk of financial difficulties(IntanAmalia et al., 2018). The development of the cash holding ratio in public non-financial companies in Indonesia during 2000 - 2011 was in the range of 9.8% -13.1%. The average cash holding value in Indonesia is classified as having a fairly high ratio when compared to other countries(Romadhoni et al., 2019).

This study uses growth opportunity, cash flow and capital expenditure as independent variables and cash holding as the dependent variable. Growth opportunity is a significant determinant of capital structure. Opportunities for development can be seen through the development of the company's income, if the company's income increases so that the company's profits also increase (Sugiarto, 2009: 125). Growth opportunity has a significant influence on cash holdings(Andika, 2017).

In theory, free cash flow says that a manager can make better investments when they cannot exclusively use internally generated funds to fund new projects (Evans, 2017). The free cash flow theory also confirms that managers can increase their internal strength by holding more cash (cash holding) because managers can make their own decisions without having to discuss with management. Managers holding large amounts of money do not need to go to external financing markets and provide detailed information about the company's investment projects to outside investors(Le et al., 2018). The company's decision to hold cash (cash holding) is a very important financial decision for the company. Corporate liquidity not only reflects the company's business plan and financial strategy, but is even more closely related to the company's internal governance and to the external macro environment.(Yep, 2018). Capital expenditure is periodic expenditure made in connection with the addition of new capital which adds to fixed assets that provide benefits for more than one accounting period, including some expenditures for maintenance financing which are to

maintain and add to the value of assets (Titman, S., et al, 2011:138). Capital expenditure has a very large influence on cash holdings(Maarif et al., 2019).

II. LITERATURE REVIEW AND HYPOTHESIS

Pecking Order Theory

The pecking order theory contains the absence of optimal cash levels in a company, cash has a role only as a buffer for retained earnings with the aim of investing. Companies that have a lot of cash means that the company is confident in the profitability of the company's investment. The remaining cash in this company will be paid to shareholders or investors in the form of dividends (Basheer, 2014: 1372). Pecking order theory is associated with a funding hierarchy or what is often referred to as a financing hierarchy, starting with retained earnings balances, then debt balances and then issuing new shares. As an alternative sequence of funding sources, in theory, it has the goal of reducing the burden of asymmetric effects and not from other financial burdens. At this time retained earnings cannot meet new investment financing. So what the company does is use cash ownership and then issue new debt (Suherman, 2017: 338).

According to the pecking order theory, the company's financing sources come from three sources, namely: internal financing, issuing debt, and issuing new equity. The company prefers to prioritize the main source of financing from internal financing (retained earnings) first because this financing is cheaper to obtain and minimizes the occurrence of ongoing risks. When the internal financing cannot meet the needs of the company, the steps taken by the company are to use external financing, namely issuing new debt. If it is felt that the debt issued by the company is too large, the company can issue new equity as the final financing.

The conclusion from the Pecking order theory has been studied from several statements put forward by the experts above that this theory has the assumption that the optimal level of cash is not owned by a company but cash is a means of retaining earnings with the needs of investment activities of a company. Increased funding is believed to be the initial trigger for better and more information. The main priority of a company is internal financing first after that the next option is issuing debt with new equity.

Trade off theory

Trade off is a situation where a person must be able to make the right decision on two or more things. A person can sacrifice what he has to get something that has a better aspect and has a different quality. The trade off theory has a relationship with company cash explaining that company cash holdings can be managed by considering the boundaries between costs and benefits. Making good decisions in managing cash holdings will be consistent with the company's goal of maximizing the value of the company. In the trade off theory describes the optimal level of cash holding in a company,

In a trade off, holding cash can bring both benefits and costs to investors or shareholders. By holding cash, companies can minimize costs that arise from external funding, therefore cash holding can be one of the ways companies do in an effort to survive in the face of financial difficulties.

Cash Holding

Cash holding is a ratio that compares the amount of cash and cash equivalents owned by a company. Cash holding is cash and cash equivalents that can be easily converted into money. To calculate the size of the value of cash holdings use the following formula:

$$CashHolding = \frac{Cash\ and\ Cash\ Equivalent}{\text{Total Assets}}$$

$$source: SjamsulMaarif, 2019$$

Optimal cash holding needs to be done because cash is the most needed capital element to meet all the company's operational needs every day. Managers must make related decisions in terms of determining the company's cash holding level, namely, by distributing cash which is then distributed to shareholders in the form of dividends, buying back shares and carrying out investment activities for the benefit of the company in the future (Zulyanti and Hardiyanto, 2019). Cash holding is the most liquid thing and easy for managers to misuse, therefore it can lead to a

conflict of interest between management's duties and the main goal of increasing the stability of the company with the owner or shareholder by balancing cash holdings in the company.

With so many kinds of advantages and disadvantages of holding cash, the problem faced by a manager in a company today is whether the manager will hold cash as a precaution or make an investment in order to gain profits for the company. Therefore the company must have the ability to manage liquid cash. With the increasing importance of the ideal amount of cash for the company, has raised the attention of various groups. The cash holding policy for each company is different, this is due to the different conditions faced by each company and also the different motivations for holding cash. The economic and financial literature has identified 3 things that are commonly used for a company's motives for holding cash, namely the need to transact,

Growth Opportunities

Growth opportunity is an opportunity or possibility of a company's growth in the future. A company has predictions about increased growth in a company in the future. The formula for growth opportunity is:

$$Growthopporrtunity$$

$$\frac{\text{Current Period Amount} - \text{Previous Period Amount}}{\text{Previous Period Amount}}$$

$$Souce: RiskiAlicia, 2020$$

Growth opportunity can be seen from the sales growth of a company from year to year (Sudana, 2015: 163). The company's growth can be seen from growth opportunities, besides that the company's growth opportunities can be seen from the flow of funds where there are challenges for management to balance income and use debt that is not needed by the company. If the company's income increases, the company's profit will also increase, then revenue growth can increase and can affect growth opportunity. Likewise, the company's capital structure will also improve (Sugiarto, 2009:125). Pecking order theory reveals that more growth options usually have an informational disadvantage which results in higher external financing,

According to the pecking order theory, high growth opportunities will encourage companies to make policies by preferring to hold high cash and use it to finance investment opportunities (Andika, M,S., 2017).

H1: Growth Opportunity affects Cash Holding.

Cash Flow

Cash flow is a financial report that shows information related to cash inflow and cash outflow of a company in a certain period. The formula used to calculate cash flow is:

$$\text{Cash Flow} = \frac{\text{Income after tax} - \text{Depreciation}}{\text{Total assets}}$$

$$Souce : RatihSetyo, 2022$$

Based on the Statement of Financial Accounting Standards (PSAK) No. 2 Revision 2009 concerning cash flow statements, cash flows are the inflows and outflows of cash or cash equivalents. The cash flow statement is a revision of where the company gets cash from and how they spend it. The cash flow statement is a summary of the company's cash receipts and payments over a certain period. The company's cash flow reflects the productivity of operations carried out by business entities as well as to assess the company's ability to meet the availability of funds and liquidity. Cash inflows that are higher than cash outflows generate a positive net cash flow which will increase the company's cash balance.

H2 : Cash Flow affects Cash Holding.

Capital Expenditure

Capital Expenditure to measure the influence and relationship with cash holdings. Capital expenditure describes the level of costs that must be used by a company to support physical assets within a company, including costs to maximize capacity and the economic useful life of an asset. The formula applied to calculate capital expenditure by dividing the capital expenditure scale by the total assets owned by a company is as follows:

$$\text{Capital Expenditure} = \frac{Current\ fixed\ assets\ \ - Previous\ fixed\ assets}{\text{Fixed assets}}$$

$$Souce: SjamsulMaarif\ 2019$$

Capital expenditure is one of the important things for the growth and development of a company, therefore it is likely that the company will often allocate capital expenditure into its budget. Capital expenditure or capital expenditure occurs when companies make expenditures to invest in fixed assets. When carrying out an investment plan on fixed assets, the company uses cash to support the investment so that companies that have a high level of capital expenditure will issue large amounts of cash to finance these expenses.

The higher the value of capital expenditure indicates that more cash must also be issued for investment needs so that companies have a tendency to hold cash in investment financing. Conversely, if the value of capital expenditure is low, then the need for cash is less and the company does not need to hold cash, which results in less cash owned by the company.

H3: Capital Expenditure affects Cash Holding.

III. METHOD

This study uses a quantitative approach method. The quantitative method is a research method based on the philosophy of positivism, used to examine certain populations or samples, data collection uses research instruments, data analysis is quantitative or statistical, with the aim of testing established hypotheses (Sugiyono, 2017)

The population used in this study are consumer goods sector companies listed on the Indonesia Stock Exchange from 2018 to 2021. The total population used in this study is 35 companies. The sample used in this study was determined by purposive sampling method, namely selection with certain criteria.

The technique used in analyzing the data in this study, namely using statistical data analysis which uses multiple linear analysis. As for the multiple linear analysis test, there are two reinforcing tests, namely the T test and R test. In addition to data analysis, there is also a classic assumption test which contains four tests, namely, normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. In this study, data processing was assisted by the SPSS version 25 program used in data analysis.

IV. RESEARCH RESULT

Multiple Linear Regression Analysis

Multiple linear regression analysis is a test involving one independent variable.The purpose of this test is to find out the direction and how much influence the independent variables have on the dependent variable. In testing this hypothesis, test hypotheses 1 to 3 where the dependent variable, namely Cash Holding, is regressed into the Growth Opportunity, Cash Flow and Capital Expenditure variables. The following results of multiple linear regression testing can be seen from the results of the table below:

Table 1

Regression Analysis Table

Model	B	std. Error	Betas	Q	Sig.
(Constant)	0.163	0.022		7,308	0.000
X1 Growth Opportunity	- 0.027	0.021	-0.110	-1.285	0.201
X2 Cash Flow	0.126	0.072	0.149	1,748	0.083
X3 Capital Expenditure	0.002	0.024	0.008	0.097	0.923

Source: Processed Data, 2022

Based on the results of the multiple linear regression test above, a regression equation model can be created as follows:

CH = 0.163 + (0.027X1) + 0.126X2 + 0.002X3 + e

Based on the equation above, it can be explained that;

1. A constant of 0.163 indicates that if the growth opportunity, cash flow and capital expenditure are constant, it will generate a cash holding value of 0.163.
2. The constant value of the growth opportunity is -0.027. That means if the value of the growth opportunity variable increases by 1%, then the cash holding variable will decrease by 2.7% and vice versa.
3. The constant value of cash flow is 0.126. That means if the value of the cash flow variable increases by 1%, then the cash holding variable will increase by 12.6% and vice versa.
4. The constant value of capital expenditure is 0.002. That means if the value of the capital expenditure variable increases by 1% then the cash holding variable will increase by 0.2% and vice versa

After carrying out the regression testing above, then the hypothesis testing will be carried out. In testing the hypothesis there are several more tests that must be carried out, including the F test, and the T test. The following is an explanation of each test carried out in this study:

1. Simultaneous Test (Test F)

The purpose of conducting a simultaneous test (Test F) is to find out whether the independent variables simultaneously and simultaneously affect the dependent variable. The effect resulting from the f test is used for all variables independently and together with related variables. The effect of statistical ANOVA is a form of hypothesis testing which can produce conclusions based on inferred data. The following are the results of the research test presented below:

Table 2

Simultaneous Test Results (Test F)

F	Sig.	Information
4,471	005	Influential

A. Dependent Variable : Y Cash Holding
B. Predictors: (Constant), X3 Capital expenditure, X1 Growth Opportunity, X2 Cash Flow

Source: Processed Data, 2022

Based on the data above, it can be seen that the Sig value in the ANOVA table is 0.005. This means that the research model is accepted because the significance value is below the standard, namely 0.05. Thus it can be concluded that the multiple regression model is feasible to use and the independent variables have a simultaneous influence on the dependent variable.

2. Determination Coefficient Test

The coefficient of determination test (R-Squared) is a test used to explain the magnitude of the proportion of variation of a dependent variable that is described in order to measure how good the regression line is. If the value of the coefficient of determination in an estimate is close to number one (1), then it can be interpreted that the variable is well explained by the independent variable, and vice versa. The following are the results of the research tests presented in the table below:

Table 3

Determination Coefficient Results

Model	R	R Square	Adjusted R Square	std. Error of the Estimste
1	0.301	0.090	0.070	0.14007

A. Predictors: (Constant), X3 Capital Expenditure, X1 Growth Opportunity, X2 Cash Flow

B. Dependent Variable: Y Cash Holding

Source: Processed Data, 2022

Based on the data table above, it can be seen that the Adjusted R Square is 0.070 or 7%. This means that the independent variable affects the dependent variable by 7%. The remaining 93% comes from other variables outside the model that can still be developed.

Classic assumption test

The analytical method used in this study is a hypothesis testing method using the classical assumption test. The classic assumption test is a prerequisite test that is carried out before carrying out further analysis of the data that has been collected previously. The classical assumption test also serves to detect deviations from existing data. To find out whether the regression model used in this study is good or not, it is necessary to do some testing first. An explanation of some of the tests in the classic assumption test can be explained as follows:

1. Normality test

According to Ghozali (2018), the normality test is a test carried out to test whether in the regression model, the confounding or residual variables have a normal distribution. In this test the method used to determine the normality of the data distribution is by using the Monte Carlo statistical test. In calculating the P-Velue in this normality test using the Monte Carlo approach. The test is based on the value of Monte Carlo Sig. (2-tailed) and the default value is above 0.05. The following is a table of normality test results:

Table 4

Normality Test Results

N	Monte Carlo Sig. (2-tailed)	Information
139	0.059	Normal

Source: Processed Secondary Data, 2022

Based on the results of the normality test above, it was found that the value of the Monte Carlo Sig. (2-tailed) and sig. is 0.059 greater than the predetermined standard value of 0.050. It has a sig value conclusion. has been normally distributed, because the P-Value obtained is less than 0.05 so that the above results are declared passed and meet the normality assumption requirements.

2. TestHeteroscedasticity

Heteroscedasticity test is used to find out if the regression model has dissimilarity between one observation and another. A good regression model is one with homoscedasticity or no heteroscedasticity. In this study the

heteroscedasticity test used was the Spearman test. The test is carried out by correlating the residual absolute value with each independent variable. The criteria for testing the hypothesis can be explained as follows:

Ho : There are no symptoms of heteroscedasticity.
Ha : There are symptoms of heteroscedasticity.
Ho is accepted if the P-Value or significance is greater than 0.05.

The following are the results of the research test which can be seen in the table below:

Table 5

Heteroscedasticity Test Results

Variable	Sig.	N	Information
(X1) Growth Opportunity	0.094	139	There is no Heteroscedasticity
(X2) Cash Flow	0.135	139	There is no Heteroscedasticity
(X3) Capital Expenditure	0837	139	There is no Heteroscedasticity

Source: Processed Secondary Data, 2022

Based on the results of the heteroscedasticity test with the Spearman rank test method that has been carried out above, it can be concluded that the above test is that all independent variables pass the symptoms of heteroscedasticity with reference if the sig. on the independent variable on the residual value which is above the predetermined standard, which is equal to 0.05. Thus it can be concluded that Ho is accepted with a significance value greater than 0.05, so it can be concluded that the data used in this study are free from symptoms of heteroscedasticity.

3. Multicollinearity Test

The multicollinearity test in this study is intended to test whether there is a high or perfect correlation between the independent variables or not in the regression model. There are criteria in the multicollinearity test, namely the VIF (Variance Inflation Factor) test which has a value of <10, which means there is no multicollinearity problem and a tolerance value above 0.1. Following are the results of the VIF test that was carried out in this study:

Table 6

Multicollinearity Test Results

Model	Collinearity Statistics		Information
	tolerance	VIF	
(X1) Growth Opportunity	0.980	1020	No Multicollinearity
(X2) Cash Flow	0979	1,022	No Multicollinearity
(X3) Capital Expenditure	0.998	1,002	No Multicollinearity

Source: Data processed, 2022

Based on the results of the multicollinearity test above, it can be concluded that all variables have been declared free of multicollinearity because the VIF value is below 10 and above the required tolerance value.

4. Autocorrelation Test

The autocorrelation test has the aim of knowing whether in a linear regression model there is a correlation between errors in the period with the previous t-1 or t period. If there is a correlation, it can be said that the regression model has an autocorrelation problem. In the linear regression model, an autocorrelation test must be carried out if the data used is time series data or data at regular intervals. In this test using the Dubrin-Watson test. To find out whether there are autocorrelation symptoms in this linear regression model, it uses the assumptions of Santoso (2014: 214). The following are the assumptions used in this test:

a) If the DW value is below -2, it indicates a positive autocorrelation.

b) If the DW value lies between -2 to +2 then it is indicated that there is no autocorrelation.
c) If the DW value is above +2 then it indicates a negative autocorrelation.

From the assumptions above, the results of the autocorrelation test in this linear regression model can be seen in the table below:

Table 7

Autocorrelation Test Results

Durbin-Watson	Information
0.516	No Autocorrelation Occurs

Source: Data processed, 2022

Based on the results of the autocorrelation test above, the second santoso assumption can be used, namely the DW value lies between -2 to +2, indicating that there is no autocorrelation. the test results show that the DW value is 0.516 and based on the Durbin Watson table. Based on the second Santoso assumption, it can be concluded that the data in this study escapes the autocorrelation problem.

V. DISCUSSION

In this study using the independent variables in the form of growth opportunity, cash flow and capital expenditure. Meanwhile, the dependent variable in this study is cash holding. The purpose of this research is to find the effect of each independent variable on the dependent variable. After carrying out several tests that have been described above one by one, it can be concluded as follows;

Does Growth Opportunity affect Cash Holding?

The results of data analysis show that the growth opportunity variable has a Sig value. greater than the specified level of significance, which is less than 0.05. The value of the growth opportunity variable is 0.201. In this case it shows that the hypothesis is rejected, where the growth opportunity variable does not affect the cash holding variable simultaneously. Because the growth opportunity value in this study is greater than the specified standard, it shows that the growth opportunity value does not affect the cash holding value.

This means that if the growth opportunity value in a company increases by 1%, the cash holding value of the company will decrease by 2.7% and vice versa. This affects the plans of a company to carry out developments in its business because growth opportunities are used to describe opportunities and predict the company's growth in the future.

Does Cash Flow affect Cash Holding?

From the results of data analysis, it shows that the cash flow variable has a Sig value. greater than the specified level of significance, namely 0.084 > 0.05. This shows that the hypothesis is accepted, where the cash flow variable has no significant effect on the cash holding variable. Because the cash flow value in this study is greater than the specified standard, it shows that the cash flow value does not affect the cash holding value.

This means that if the cash flow value in a company increases by 1%, the cash holding value of the company will increase by 12.6% and vice versa. This shows that the increase in the value of cash flow as well as the value of cash holding also increases significantly and changes in the value of cash flow also result in changes in the cash in and out reports used to meet the needs and expenses of the company.

Does Capital Expenditure affect Cash holding?

From the results of data analysis, it shows that the Capital Expenditure variable has a Sig value. greater than the specified significance level, which is less than 0.05. the value of the test results in this study amounted to 0.923. This shows that the hypothesis is accepted, where the Capital Expenditure variable will not affect the Cash Holding variable. Because the value of capital expenditure in this study is greater than the specified standard.

This means that if the value of Capital Expenditure in a company increases by 1%, the cash holding value of the company will increase by 0.2% and vice versa. This shows that the increase in the value of Capital Expenditure as well as the value of cash holding also increases significantly and changes in the value of capital expenditure affect the costs

that must be incurred by a company which are expected to generate profits over a period of more than one year or one current period. This is also related to the development of the company.

VI. CONCLUSIONS AND RECOMMENDATIONS

This study aims to examine the effect of Growth Opportunity, Cash Flow and Capital Expenditure on Cash Holding in Consumer Good companies listed on the Indonesia Stock Exchange from 2018 to 2021. Based on the results of the explanation described in the previous chapter, this research can be concluded as follows:

a. The results of testing the first hypothesis show a constant regression coefficient of -0.027 and a significance value of 0.201 > 0.05, so H1 is rejected. Because the value of significance is greater than the standard value that has been determined and Growth Opportunity has no effect on Cash Holding.
b. The results of testing the second hypothesis show that the coefficient value of the regression constant is 0.126 and the significance value is 0.084 > 0.05, so H2 is rejected. Because the value of significance is greater than the standard value that has been determined, and Cash Flow has no effect on Cash Holding.
c. The results of testing the third hypothesis show that the regression coefficient constant is 0.002 and the significance value is 0.923 > 0.05, so H3 is rejected. Because the significance value is greater than the predetermined standard and the Capital Expenditure has no effect on Cash Holding.

SUGGESTION

From the results of the conclusions and limitations of the research above, the authors can provide suggestions so that they can be used as input to further researchers as follows:

1. Further research is suggested to increase the number of independent variables or replace them with other variables, so that they have the potential to affect the dependent variable, namely Cash Holding.
2. Further research is recommended to use other derivative sectors in manufacturing companies such as the miscellaneous industry sector and the basic and chemical industry sector.
3. Further research is suggested to increase the number of sample companies and extend or replace the year of the research period.

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