THE EFFECTIVENESS OF CREDIT SAVINGS COOPERATIVE OF
WIRA KARYA JAYA COOPERATIVE, CAKUNG DURING PERIOD
JANUARY 2007 – DECEMBER 2009

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Cikarang, September 2010

Siti Hanifa Sandri
DECLARATION OF ORIGINALITY

I declare that this thesis, entitled “The Effectiveness of Credit Savings Cooperative of Wira Karya Jaya Cooperative, Cakung Period January 2007 – December 2009” is, to best of my knowledge and belief, an original piece of work that has not been submitted, either in whole or in part, to another university to obtain a degree.

Cikarang, Indonesia, 30 August 2010.

Siti Hanifa Sandri
ABSTRACT

At this time, Indonesia was struggled to rise from the economic crisis, political and social. Many corporate bankruptcies and rising unemployment that have an impact on the poverty rate increased. Cooperative also experienced ups and downs caused by several factors, including political factors. However cooperative is an organization that is very close to the Micro Small and Medium Enterprises (MSME). Cooperation may also be utilized in the Indonesian economic recovery.

This study tries to find the correlation of saving that represent voluntary saving in cooperative and loan that represent funds channeled to members toward profit the period January 2007 – December 2009. Researchers want to see the role of cooperatives in providing financial capital as a source other than bank. The profit in this study are the profit that distributed by credit savings in Wira Karya Jaya, Cakung only during the period January 2007 - December 2009. In doing the analysis, the researcher used Multi regression method because with this method could see the factors that affect the profit of the cooperative. The researcher used secondary data from credit savings cooperative. Classic assumption test, F test and T test use during the analysis.

Based on the result of the analysis, the researcher can conclude that saving and loan had a close relationship to profit. It could be seen from the adjusted $R^2$ value is 0.301 from the analysis could be known that saving has a significant to profit.
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CHAPTER I

INTRODUCTION

1.1. Background of Study

Cooperative for the moment had been significant development than in the past decade. As one of the configuration tool for accomplishment people needs, cooperative often issued as leading solution. Thus, cooperative must increasingly be developed and enhanced their capabilities and then managed efficiently, because cooperative is an economic forum which is very important in cultivating and developing the economic potential of people in realizing economic life. Development of cooperative is center of people to adequacy capital for doing business activity. Cooperative also play role in channeling capital to wider of people, especially small economic people who really needs. Cooperative judged capable of giving various privileges to members of cooperative or people who use these things because their existence accordance with the nature of the collectivity of high society and family.

According ASEAN, in the present contribution which produced by people who has produce small and medium enterprise cannot be considered trivial. Likewise Indonesian economic developing also cannot release from the role sectors of Micro, Small and Medium Enterprise (MSME) and Cooperative. Sectors of MSME have security better relatively than large businesses during the economic crisis in 1997. This is because MSME are not dependent on imported raw materials and has high market potential. High market potential is more due to the relatively low production costs, so prices of products that produced relatively low and still reached by the middle to the lower economics groups.

The number of MSME business unit in 2003 was 42.4 million up to 9.5 percent compared with the year 2000. This situation shows the contribution of MSME’s Gross Domestic Product (GDP) growth higher than the growth contributions from
the large business. In year 2000 from 4.9 percent of national GDP growth of 2.8 percent, overall growth comes from MSMEs. (Figure 1). Therefore, their role must integrate into national economic potential. (Kementrian Koperasi dan UKM, 2003)

Based on data of the Ministry of Cooperatives and MSMEs, the performance of MSMEs in recent years continued to increase. Quantities are GDP that created by MSME’s in 2003 reached a value of Rp 1013.5 trillion (56.7 percent of total national GDP) with details coming from Small Enterprise 41.1 percent and 15.6 from Medium Enterprise. In 2000, MSME contributed only reached 54.5 percent of total national GDP comes from Small Enterprise 39.7 percent and Medium Enterprise 14.8 percent. (Kementrian Koperasi dan UKM)

Although there are various kinds of micro credit providers, many of Indonesian population have no access to micro credit. According survey (BRI, Asia Foundation, 2002) revealed that 50 percent of households lack access to an effective possibility of micro credit, and less than 40 percent have a savings account. However, about a third of households in Indonesia do not want take out a loan, one – fifth are eligible to borrow and want borrow but do not know how or not served by finance institutions.
Crisis in 1998 which made the economic of this country grown up until now there are Cooperative and Small and Middle Enterprise. Therefore, Cooperative, Small, and Middle Enterprise must grow well in the future that hoped given benefit to Indonesian economic develop. Existence from government so that people can enjoy prosperity evenly with the aim of a just and prosperous society and economy is achieve through the construction field, for example by providing credit to the parties that the economy is still weak or small people.

1.2. Problem Identified

Recognized the existence of small businesses still cannot be separated from some of the classic problems that accompany. Especially problem that refers with the capital access. August 2007 data, the budget allocation from government to MSME is nearly big enough. Many programs have undertaken to develop the MSME business since 20 years ago until recently these programs have not produced encouraging news.

Although many government’s programs that are plan but most do not get it from their own community not yet understand in getting venture capital. Indonesia is very rich in micro credit providers. Provision funds for Indonesian population who cannot afford to help them out of poverty. From the BRI Unit Desa which govern by the Banking Act and supervised by Bank Indonesia until Cooperatives, Credit Savings Cooperatives, Rural Banks, or Credit Agency Village, Sub district Level Funders, and Pawnshops.

Ministry of Cooperatives and Small Medium Enterprise (SME) since 2003 have been rolling the traditional market development program involving cooperative as a means of motor development and market management. It aims to people easier to obtain access capital; because cooperative are approach and assess in small people.
Further said Akyuwen (2005), specifically there are at least three (3) the internal problems faced by SMEs, namely: (1) Limited control and ownership of production assets especially capital; (2) Low human resource capacity and (3) Institutional business hasn’t evolved optimal in providing facilities for people’s economic activities.

Can proved, the main problem for small people are not separate from capital. Problems include difficulties in terms of capital access to capital from sources other than banks. For them, it is hard to qualify that in proposing by bank. In addition to the requirements of the time required from loan application until liquid funds could reach 2 – 3 months. Not to mention if the loan is rejected which can cause small people losing opportunity. Therefore, people need access to get capital from sources other than bank.

This study aimed to see how much people get access to other sources of capital than banks, namely cooperative and how effective channeling of funds community so that the cooperative society can live in social welfare.

1.3. Statement of Problem

This research is to find cooperative role in society to improve social and economic welfare. Therefore, the statement of the problem in this research is to know the correlation between saving and loan to profit in Credit Saving Cooperative in Wira Karya Jaya, Cakung period 2007-2009.
1.4. **Research Objective**

As stated on the problem statement above, researcher would like to study about loans from Credit Savings Cooperative to public. The purposes of this research are:

1. To know the advantages of the credit cooperative to public
2. To inform people about cooperative role in society to improve social and economic welfare

1.5. **Significant of the Study**

Thru this research, there are some benefits that can achieve, which are:

1. **Theoretical Significant**

   To the people who productive business such as traders in traditional markets and stalls especially. To know function of cooperative to obtain venture capital in cooperative.

2. **Practical significant**

   a. **For President University**

      Adding some information’s about credit cooperative. If President University wants to establish cooperative programs, which are aims to ensure the survival employee and people around President University.

   b. **For Public**

      Provide information to public to take advantage of cooperative and learn more about cooperatives so that they raise capital to operate and can move out of poverty.
c. For Government

Government should focus on targeted expansion of micro finance and the economy is expected to create a business climate that can improve the welfare of people and participate in development of national economic system.

1.6. Theoretical Framework

This research is about cooperative role as one of corporation that has purpose to increase welfare society in order to live in prosperity and unity. The researcher focused in cooperative role to lower and middle economics people who can help them. So, they can improve the economics of Indonesia.

![Figure 1.2 Theoretical Frameworks](source: constructed by researcher)
As the chart above shows cooperative are part of business entity that has the goal to achieve profitability. Business entity is an organization that combine and organize resources for the purpose of manufacture or produce goods and services for sale to members. (Dominick Salvatore, 1989).

Cooperative is a business entity (UU No. 25 tahun 1992). As business entity, cooperatives remain subject to the rules of corporate and economic principles that apply. Thus, cooperatives should be able to generate profits in developing the organization and its business.

1.7. Scope and Limitations of Study

The researcher are made to connect the topic which is “Utilizing Cooperative (Economic Enterprise) in Society to Raise Prosperity Society”. The scope of this study will be as follows the correlation savings and loans toward profit period 2007 – 2009 in Credit Savings Cooperative so the data will be gathered from Credit Savings Cooperative study case in Wira Karya Cooperative in Cakung, East Jakarta.

The limitation of this study is focus in Credit Savings Cooperative to public and it takes the data from Credit Savings Cooperative for period January 2007 – December 2009 with monthly period.
CHAPTER II

LITERATURE REVIEW

2.1. History of Cooperative

Cooperative is part of a business entity that requires the organization as a means to manage activities. Business entity is a juridical entity that aims to make profits and economic. Seems like cooperative, the cooperative has a purpose such as business entities. Cooperatives have a goal to improve the welfare of members and the community. Historically, the cooperative was not a typical business organization that originated from Indonesia. Cooperative activities and organization of cooperatives at first introduced in England around the mid-century (or someone said that the days of the industrial revolution in-UK) which was initiated by an industrialist named Robert Own socialist. At that time, cooperative main mission is to help the workers and farmers who face economic problems by mobilizing the power of their own. The establishments of workers cooperatives are working to buy staple goods together and it turns out that the price at the cooperative store is cheaper compared to stores that are not cooperative. In Indonesia, the cooperative was introduced in the early 20th century. (Forum Ekonomi Indonesia, Tambunan, University of Trisakti).

History of the birth and development of cooperatives in the developed and developing countries are very influential. In developed countries, a cooperative were born as a movement to fought injustice markets, therefore grows and develops in an atmosphere of market competition. Even with the strength that cooperative bargaining position and reached an important position in the constellation of economic policies including in international negotiations. Whereas, in the Developing Countries were presented within the framework of cooperatives to build institutions that can become partners in moving the country to achieve the welfare of the community development. Indonesia is a developing country it is, the cooperative expected to move, adding to achieve public welfare.
In Indonesia, the introduction of cooperatives is undertaken by government encouragement, even since the Dutch colonial rule had been introduced. Cooperative movement itself declared as a movement has been started from the date of July 12, 1947 through the Cooperative Congress in Tarlac. Experience in our homeland more unique because the cooperative had been born and had grown naturally in the colonial era, and then after independence updated and given a very high position in the explanation of the basic law. And on the basis that later gave birth to various interpretations of how to develop cooperation (Soetrisno, 2003).

The first cooperative Institute introduced in Indonesia has directed to side with the economic interests of the people known as the economically weak. These groups are usually derived from a group of middle-class society. Cooperative institutions by many, believed to be very appropriate to the culture and way of life of the Indonesian nation. It contains the charge self-help, cooperation for mutual interest (mutual assistance), and several other moral essence. Many people know about the cooperative but not necessarily the same understanding, let alone only a fraction of the population of this nation that is able cooperative correctly and consistently. Since independence achieved, cooperative organizations are always getting his own place in the structure of the economy and getting attention from the government. (Forum Ekonomi Indonesia, Tambunan, University of Trisakti).

Cooperative was born from the suffering that occurs in Europe as the mid-18th century. Therefore, in Indonesia was born as a cooperative effort to improve the economy of society who oppressed by the colonialists at the time. To know the development of cooperatives in Indonesia, the historical development of Indonesian cooperatives can generally divide into "two times”, namely the colonial period and the period of independence. (Article business, Oct 2009).

In the Dutch colonial period, Indonesia's first cooperative movement was born from the initiative of R. A. Wiriaatmadja in 1986. Wiriaatmadja, the governor Purwokerto (Banyumas) was credited with helping their employees, small traders and farmers from moneylenders suction through cooperatives. The cooperative movement is expanding together with the emergence of a national movement
against colonialism. Establishment of Boedi Oetomo, in the year 1908 tried to promote cooperative household (consumer cooperatives). Islamic States in 1913 to help promote cooperative with the help of capital and founded the Cooperative Stores. In 1927, the cooperative effort was continued by Indonesische Study Club which later became the United Nations Indonesia (PBI) in Surabaya. Indonesian National Party (PNI) in the congress in Jakarta trying to inflame the spirit of cooperation so that the congress is often called "cooperative congress." (Article business, Oct 2009).

Cooperative movement during the Dutch colonial rule may not run smoothly. The Dutch government is always trying to block it, either direct or indirectly. In addition, public awareness of cooperatives is very low due to the suffering experienced during colonial rule. (Business Community, Blog)

At the time of independence, the Indonesian nation after independence, the government and the people immediately reorganize economic life. In accordance with the demands of the 1945 Constitution article 33, “the Indonesian economy must be based on the principle of kinship.” Thus, the presence and role of cooperatives in the national economy of Indonesia have a strong constitutional basis. Cooperatives no longer as a reaction to the suffering caused by colonialism, the cooperative became a concerted effort to improve and enhance the living standard that is based on the principle of kinship to the present. It is quite in accordance with the characteristics of the Indonesian nation, namely mutual assistance. (Business Article, Oct 2009)

Cooperative has the objective to promote the welfare of members in particular and society that obtained by the division of Time Results of Operations (SHU) to its members and participate to build the order of the national economy in order to create an advanced society, just, and prosperous society based on Pancasila and the Constitution of 1945. With this cooperative goal is to distinguish cooperative and other business entities. In general, other business entities has purpose to obtain the maximum benefit.
Based on the definition of cooperative history can expressed as follows:

1. International Cooperative Alliance (ICA) to formulate the sense of cooperatives on the basis of five fundamental principles (Abrahamsen, 1976.3) as follows:
   a. Voluntary membership without restrictions as to race, political views and religious beliefs;
   b. Democratic Control;
   c. Limited interest or no interest on shares of stock; earnings to belong to members and method of distribution to be decided by them;
   d. Education of members, Advisors, employees and the public at large;
   e. Cooperation Among cooperatives on local, national and international levels.

2. According to (Hanel, 1985.29) viewed as a cooperative organization that has four main elements, namely:
   a. Individual are united in a group by at least one common interest or goal (Cooperative Group);
   b. The individual members of the cooperative group intend to purpose through joint actions and mutual support, among other, the goal of Improving on their economic and social situation (Self - Help of the Cooperative Group);
   c. The use as an instrument for that purpose a jointly owned and maintained enterprise (Cooperative Enterprise);
   d. The cooperative enterprise is charged with the performance of the (formal) promotes the goal or task to the members of the cooperative group. They through offering goods and services directly and Standard and Poor, Which the members on their individual need for economics, i.e. on their household (Charge or Principle of Member Promotion)
3. Definition according P.J.V. Dooren:

There is no single definition (for cooperative) which is generally accepted, but the common principle is that cooperative union is an association of members, either personal or corporate, which have voluntarily come together in pursuit of a common economic objective.

4. According to Moh. Hatta (Mr. Coop Indonesia)

Cooperative is a joint effort to improve the lot of subsistence economy based on mutual help. The spirit of helping is driven by the desire to provide services to friends based on 'one for all and all for one'.

5. Definition of Indonesian cooperatives, based on Law No.25 Year 1992 is a business entity consisting of a cooperative or a legal entity, with bases its activities on the principle of cooperatives as well as a popular economic movement, which is based on the principle of kinship.

At its core is a form of cooperative organization that aims to foster, help and bersukarela to help each other and can improve the economic community. "Every organization is called cooperative if legally declared as a cooperative, if it can be monitored regularly and if you can follow the cooperative principles". (Munkner, 1985.18).

2.2. Benefits of Cooperation

Here are some of the benefits of cooperatives:

1. Meet the needs of its members with a relatively cheap price.
2. Makes it easy for members to obtain business capital
3. Providing benefits for members through Time Results of Operations (SHU)
4. Developing a cooperative member effort
5. Abolish the practice of moneylenders.

2.3. **Sources of Capital Cooperative**

Cooperative capital needed to finance the business and cooperative organizations. The capital for the cooperative composed of its own capital and loan capital based on UU N0.25/1992 pasal 41, Bab VII tentang perkoperasian.

**2.3.1 Own Capital**

1. Deposit of Principal (*simpanan pokok*) is the amount of money that must be paid by members to the cooperative at the time of admission to become a member. Deposits can not be taken back to the principal during the relevant still be a member of the cooperative. Deposit principal amount is equal to each member.

2. Compulsory saving (*simpanan wajib*) is a certain amount of deposits that must be paid by members to the cooperative within a certain time and opportunity, for example every month with the same amount of deposits for each month. Deposits shall not be taken back during the corresponding still be a member of the cooperative.

3. Reserve fund (*dana cadangan*) is an amount of money earned from the provision balance of the business, which was intended for its own capital accumulation, the distribution to the members who came out of the membership of cooperatives and cooperatives to cover losses if necessary.

4. Grant (*hibah*) is a sum of money or capital goods that can be assessed with the money received from other parties who are grant/gift and not binding.
2.3.2 Capital loans

1. Members and prospective members is loans from members or prospective members of the cooperatives concerned.
2. Other cooperative / members who constituted with the agreement of cooperation among cooperatives.
3. Bank or other financial institutions are loans from bank or other financial institutions made in accordance with applicable laws and regulations.
4. Issuance of bonds and other debt are proceeds from the issuance of bonds and other under the provisions of applicable legislation.
5. Other legitimate sources are loans obtained from non-members without bidding carried out in general.
Figure 2.1
Mechanism of Capital Cooperative

Sources: Koperasi Teori dan Praktik Text Book

This cooperative capital needed to finance the business and cooperative organizations. Capital cooperative effort consisted of working capital and capital investment.

1. Working capital is the amount of money that embedded in the company's current assets or used to finance short-term operations of the company. By looking at the balance sheet, working capital is current assets minus current liabilities. Current assets are the property companies in the longest period a year can be liquidate into cash such as short-term deposits, accounts receivable, inventory, and cash.
2. Capital investment is the amount of money invested or used for procurement of operational facilities of a company, which is not easily redeemable (unliquid) such as land, machinery, buildings, office equipment etc.

In the case of cooperative mechanisms in the Indonesian capital, it is no less important is the division of SHU to members. SHU division cannot be separated from the basic philosophy of cooperatives, where the principles of justice become the most important thing to be implemented in the life of cooperatives. SHU cooperative is the difference of all income or total revenue (TR) with a total cost (TC) in one year.

Definition SHU according UU No. 25 / 1992, tentang Perkoperasian, Bab IX, pasal 45 are:

1. SHU cooperative is cooperative income earned in one year less the cost, depreciation, taxes and other obligations included in the financial year concerned.
2. SHU after deducting the reserve fund, distributed to members of comparable services performed by individual effort - each member with the cooperative, and used for educational purposes cooperatives and cooperatives, in accordance with the decision of the Meeting of Members.
3. The amount of accumulation capital reserve fund established in the meeting of members.

Based on the above understanding SHU then the amount received by each member will vary, depending on the amount of participation in capital and revenue transactions on the formation of cooperative members. That is, the greater the transaction (operating and capital) with members of the cooperative, the greater the SHU will be accepted.
2.3.3. **SHU division cooperative principle:**

1. **SHU is divided is sourced from members**

   SHU is distributed to members are sourced from members themselves. While the SHU is not derived from transactions with members basically are not shared to the members, but rather serve as a reserve cooperative.

2. **SHU is a member of the capital and transaction services business that made its own members.**

   SHU received by each member is basically an incentive of capital invested and of the transactions done with the cooperative.

3. **Distribution SHU of members conduct in a transparent**

   The process of calculation and the amount per member SHU which is divided to the members shall be announced in a transparent manner, so that every member can easily calculate quantitatively how much participation to the cooperative.

4. **SHU members are paid in cash**

   SHU per member should be given in cash because the cooperative effort to prove himself as a healthy body to members and community business partners.

2.4. **The elements of cooperative organizations**

Elements of cooperative organizations generally consist of: 1). Members of the support group, 2). those who have the same interests or the interests of integration is more directed towards economic interests, 3). Members who are willing to work
and self-motivated, 4). Common goals set and agreed together and managed collectively. (Sukamdiyo, 1996: 10)

2.5. Principles of Cooperation

According to Sriyanto in 2008, the principles of Cooperation are mutual assistance and help each other.

1. Mutual Assistance

According to Mubyarto, Mutual Assistance is a joint activity to achieve common goals

2. Help each other

According to Mubyarto, please-help, or aids help, demonstrate the achievement of individual objectives.

Then the mutual assistance and helping further the social aims, rather than economic aims.

According to Law No. 25 year 1992, Article 5 mentioned the cooperative principles, namely:

a. Membership is voluntary and open.
b. Conducted by the Democratic Management
c. SHU division conducted a fair and proportional to the size of their business services of each member (these members share in the cooperatives).
d. Provision of fringe benefits is limited to the capital.
e. Independence.
f. Cooperative education
g. Cooperation among cooperatives
2.6. Differences between Cooperatives with other Financial Institutions.

The differences between Cooperative with other Financial Institutions are:

1. Cooperative ownership is open to anyone. Cooperative not private, business, individuals or certain groups which is very different from the Rural Bank.

2. Cooperative was established only for the economic empowerment of society that all financial and organizational management aims for the welfare of members and the community. (Ekonomi Koperasi Text Book by Prof. Dr. Tiktik Sartika Partomo, M.S.)

2.7. Types of Cooperative

According to Law No.25 concerning Cooperatives Th.1992 Chapter II, Article 3 Cooperatives have various types in accordance with the objectives, the following types of cooperatives:

1. Consumer Cooperative

Consumer cooperative is a cooperative effort to meet the everyday needs of cooperative members. Goods sold in cooperatives have slammed cheaper elsewhere, because the co-operative aims for the welfare of its members.
2. Producer cooperative

Producer cooperative is helping supply of raw materials, production equipment supply, and its members provide products and then sold or marketed through cooperatives.

3. Service cooperative

Service cooperative is providing financial services in the form of loans to its members. Of interest is pegged to be more lace to borrow money from other places.

4. Credit savings cooperative

Credit saving cooperative is cooperative efforts to receive deposits and provide loans to its members that require the lowest possible interest rates.

From each of the above types of cooperatives, the cooperative has the benefit that can felt by the members or the community.

In under SFAS No. 27, 1999, paragraph 80, expressly stated that:

The direct economic benefits for the members are the benefits of price, the price of goods and services (in the purchase and sale) and the price of money (interest money in savings and loans). Inside purchases (Consumer Cooperatives), the price advantage of the difference between the price at the cooperative at a price outside the cooperative. Cooperatives should at cheaper prices than the price outside the cooperative, known as the efficiency benefits of the purchase. In the marketing / sales (producer cooperatives or marketing cooperatives), the price advantage of price difference between the price paid by non-cooperative to the members.

Cooperatives should have a higher price than the price of non-cooperative, called the benefits of sales effectiveness. In the case of savings and loans:

1. Interest savings received from outside the cooperative members, called the effectiveness of saving benefits.
2. Mortgage interest paid to cooperative members is less than the mortgage interest outside the cooperative, called the withdrawal of the efficiency benefits of credit.

3. Another benefit for example in the form of credit transaction costs are cheap, easy credit terms and others.

From the types and the benefits of cooperatives above, one of cooperatives that can assist and guide the community as well as gradually escape from poverty is the credit savings cooperatives. In the activities only credit cooperatives engaged in savings and loans. Cooperative capital sources are not much different from other cooperatives. Capital that has been collected and then distributed or loaned back to the members. With the loan capital members can develop their business. Besides that, members can use those funds to meet the needs of family life. For people who are not registered as a member is not allowed to borrow at these credit cooperatives.

Credit cooperatives are not directly a part of the micro credit movement, which in accordance with its history. The role of cooperatives in the micro communities was providing by micro credit. Micro-community can access to capital acquisition as one path to success. MSME success comes from their own efforts. Therefore, they need capital or micro-credit.

Micro-credit has two sides. The first side in terms of social justice which means that the targeting of low income people who do not have access to bank loans is given priority to developing economic activities. The second side is the micro institutions that became the only guarantee for the continuity of services provided to people who do not have anything. (Primiana, Ina, 2009)

All obstacles and ease of micro-credit concept is a fusion of two social and financial dimensions. According most people are two things, which contradict each other. Micro-credit co-operatives differ from other forms of credit provision. Micro-credit cooperatives are not based on the amount of property owned by prospective borrowers. This is in accordance with the etymological meaning of
the word credit means trust. So this credit is based on the borrower's ability to gain confidence in their welfare. Ability of the borrower, but also based on an evaluation of the ability of its customers. Micro credit is generally directed to new target is people - the poor and those who refused by other financial institutions.

Small businesses in Indonesia have a broad scope covering all sectors of economic activity. Definition of small according to Law no. 9 / 1995 on small business is a business unit that is not a branch of big business and had sales below Rp.1 Billion a year and assets outside of the land and buildings under the USD.200 million. While the definition of medium businesses by Presidential Instruction No. 11/1999, which classifies the medium only based on criteria of assets outside the land and buildings between Rp.200 million up to Rp.10 billion.

Small and medium businesses have a major role in the Indonesian economy. Existence of small businesses in our country is represented almost all business units in various sectors of the economy it is very huge amount. Until now, small businesses represent approximately 99.85% of the total number of existing business units, while medium businesses amounted to 0.14%, then the large business is only 0.01% (BPS, 1999). Thus, the economy of Indonesia when viewed from the subject business is a people's economy that consists of small businesses across various sectors, especially agriculture and trade as well as services and manufacturing industries.

Viewed from a small business state occupies a strategic position because it accounts for more than 88% employment. Position is very important to ensure macroeconomic stability. In times of crisis, small and medium enterprises still considered able to survive, because it depends on financing through bank credit. In times of crisis, although many small and medium enterprises in difficulty, still quite a lot also experiencing growth. However in 2000, according to the approximate position of small business re-BPS is threatened because of the resurgence of big business even though slowly. This requires care full is really to avoid confusion in the future. One effort to do seriously is to focus investment, at least his government encouragement of investment high enough components in
the sector - the sectors directly related to the increase in value added for small business. Related sectors such as trade, plantations, fisheries, and processing industries whose activities linked closely with the creation of initial power for people's economic business.
CHAPTER III

METHODOLOGY

3.1. Research Method

In this study, the research wants to measure the effect of two independent variables, there are saving, and loan toward profit. In creating the thesis, the researcher used quantitative research as statistic method and the data is numerical. Quantitative research on the other hand uses numbers to prove or disprove a notion or hypothesis. Quantitative research uses data that are structure in the form of numbers or that can immediately transported into numbers (Ross, 1999)

3.2. Research Instruments

3.2.1 Data Collection Method

The researcher being use is secondary data. The data that has been obtain direct permission from the owner of the cooperative in Cakung. Thus, the research got the data legally. The data used are saving which means the voluntary savings are based on cooperative capital mechanism. In this research, the value of savings ia taken only some percent of the number of cooperative capital. Loan is a sum of money given to the cooperative members to start or increase her capital. Thus, the profit gained used for a reserve fund or as an addition to the funds to be given to members.

The researcher used the following instrument to complete the study:

1. SPSS

SPSS (Statistical Package for the Social Science) is software used for statistical purpose. SPSS is a software that serves to analyze data, perform
statistical calculations both parametric and non parametric. (Ghozali, 2001:14). It makes easier the researcher calculation data and statistical analysis can done easily by this software.

2. Literature Study

The researcher reading and collect information as much as possible from books, internet, journal about related study.

3. Data provided by Credit Saving Cooperative in Cakung

The researcher is help by Wira Karya Jaya Cooperative, Cakung with the data they provided to the researcher. Cooperative provides the monthly data and the data cover period January 2007 – December 2009 so, the amounts of data are 36 months.

3.2.2 Data Analysis Method

The analysis of data the researcher used Multi regression Analysis. Multi regression analysis is a statistical technique that predicts values of one variable on the basis of two or more other variables.

The purpose of multi regression analysis is to fulfill the regression model which most suitable to draw relevant factors which correlates with the dependent variable. In this research, multi regression analysis model used to:

- Prediction

Multi regression analysis used to predict dependent variable using the information in independent variables. In this case, multi regression analysis used to predict profit in cooperative contain in the independent variables, which are: saving and loan.
• Estimation

Multi regression analysis used to quantify the relationship of independent variables with dependent variable.

The selection of multi regression analysis as research method caused of this method has several advantages, which are:

1. Used to identify the independent variables that have relationship with dependent variable, as the result, the factors that have significant relationship with dependent variable are detected.
2. Used to identify the dominant variables that have relationship with dependent variable with considering Beta value (Standardize Regression Coefficient).

3.2.3 Research Model

\[ \ln P = \alpha + \alpha_1 \ln \text{Saving} + \alpha_2 \ln \text{Loan} + e \]

Whereas:
\[
\begin{align*}
\ln P & = \text{Dependent variable of profit} \\
\ln \text{Saving} & = \text{Independent variable of saving} \\
\ln \text{Loan} & = \text{Independent variable of loan} \\
e & = \text{Error}
\end{align*}
\]

3.3. Classical Assumption Test

The classical assumption test is needed in order to show the validity and free from bias relationship. Regression model consist of normality test, autocorrelation test, heteroscedasticity test and multicollinearity test will apply in testing the reliability and validity of the assumptions.
3.3.1 Normality Test

Normality test is the first classic assumption test using the SPSS application for evaluating data are normally distributed or not. An assessment of the normality of data is a prerequisite for many statistical tests as normal data is an underlying assumption in parametric testing. There are two main methods of assessing normality: graphically and numerically. The result can see in the graph of Normal P – P Plot of Regression Standardized Residual. The data will be analyze as normal if the actual data plotting is located close to diagonal line, it means that the data is normally distributed and if the actual plotting is located spread far from the diagonal line or do not follow directions diagonal line, it means the data is not normally distributed or nearly normal.
3.3.2 Autocorrelation Test

Autocorrelation is the basic assumptions of the regression model. Autocorrelation is a statistical test that determines whether a random number generator is producing independent random numbers in a sequence ([www.aritzhaupt.com](http://www.aritzhaupt.com)). The autocorrelation can be tested using Durbin – Watson table. Durbin – Watson test is guidance on numbers to detect the autocorrelation between the variables in the current period and the period before used. In Durbin – Watson to know the data valid when the range between -2 and +2 then the result are not correlated or in other word is valid.

<table>
<thead>
<tr>
<th>Durbin – Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>.733</td>
</tr>
</tbody>
</table>

3.3.3 Heteroscedasticity Test

Heteroscedasticity is used to seen inequality the variance of the residual one population to another population. There is the another regression classic assumption of regression model is that the disturbance variance is constant, homogeneous, across observations. The consequence of heteroscedastic is the F test and T test will be inaccurate and fail to reject the null hypothesis (Foster, 1998). A good regression model is not incurred heteroscedacity. Model occurred if plot is spread over and under the number 0 on the Y – axis it does not happen heteroscedasticity.
3.3.4 Multicollinearity Test

Both VIF and tolerance are showing the relation between one independent variable and other independent variable. The normal tolerance level is around 1 and VIF level above 1. If the result shows that the tolerance is around 1 and the VIF is above 1, it can be concluded that there is no multicollinearity problem in this model.

<table>
<thead>
<tr>
<th>Model</th>
<th>Collinearity Statistics</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
<td>VIF</td>
</tr>
<tr>
<td>Saving</td>
<td>.934</td>
<td>1.071</td>
</tr>
<tr>
<td>Loan</td>
<td>.934</td>
<td>1.071</td>
</tr>
</tbody>
</table>
3.4 Model Interpretation

3.4.1 Model Summary

The regression model for this research is: InL = α + α1 ln Saving + α2 ln Loan + e. The researcher want to know the influence of saving and loan toward profit by using SPSS program. Based on the result, R value is 0.549 means that there is strong relationship between the dependent variable to independent variable.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.549a</td>
<td>.301</td>
<td>.259</td>
<td>.1508455</td>
</tr>
</tbody>
</table>

*a. Predictors: (Constant), Saving, loan
b. Dependent Variable: Profit

3.4.2 F Test

F test is used to see whether the set of independent variables in a multiple regression model can influence dependent variable collectively (Business Statistic, 2004:146). To accept or refuse the hypothesis, it depends on the value of th significance. If the significant F is less than alpha (α), which has been decided to be 0.05, thus the H1 is accepted. It means simultaneously all independent variables influence significantly toward dependent variable. In the contrary, if the significant F is more than α is 0.05 thus H0 is accepted, means simultaneously all independent variables have no significant influence toward dependent variable.

To know the F test result, the researcher used ANOVA table. The significant level F for given hypothesis is shown from the value of Sig. F.
### 3.4.3. T Test

A method for determining the contribution of an independent variable is called T-test (Mark et al, 2005:148). T test use of independent variables that effectively reduce the error in predicting the value of a dependent variable is the purpose of the researcher by comparing value of significant T (Sig. T) each independent variable with significant standard α = 0.05

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>10.396</td>
<td>2.606</td>
<td>3.989</td>
</tr>
<tr>
<td></td>
<td>Saving</td>
<td>.241</td>
<td>.066</td>
<td>.515</td>
</tr>
<tr>
<td></td>
<td>Loan</td>
<td>.179</td>
<td>.098</td>
<td>.275</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Profit
3.5. Limitations

During the research process, there are some problems that faced by researcher in progress of completing this thesis.

- Data incompleteness

The study used data from Credit Saving Cooperative period January 2007 – December 2009. The data could not be easily to get because difficulty in getting approval from cooperative to provide their financial reports. After getting permission to search the necessary data, but has several different forms of report than usually. For example: in this cooperative voluntary savings data call as saving and compulsory savings has same value each month but in acceptance has different data each month. Then, this data can not be used.

- Difficulty in completing the assumption of multiple regression model

There are some assumptions that should be completed in order to ensure the validity the regression model. Each variable that used for analyzed should pass some test, there are Linearity, normality, collinearity and autocorrelation test. In processing data, some of the variables had not passed one of the test. Thus, the researcher transform the data into pure data (ln). Ln is natural logarithm to the base of the natural value of e = 2.71828. Ln is used to free variable whose value is high. Variable is converted to a natural number for normally distributed data.
CHAPTER IV

ANALYSIS OF DATA AND INTERPRETATIONS OF RESULTS

4.1. Population Data

As described previously, the researcher gets secondary data which is given directly by Credit Saving Cooperative. The data cover period January 2007 – December 2009, all the data had analyzed in the same period with monthly basis.

Table 4.1 Population Data

<table>
<thead>
<tr>
<th>No.</th>
<th>Variables</th>
<th>Period</th>
<th>Basis</th>
<th>Observation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Saving</td>
<td>January 2007 – December 2009</td>
<td>Monthly</td>
<td>36</td>
</tr>
</tbody>
</table>

4.2. Statistic Descriptive Research Variables

Table 4.2

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>1.86E+05</td>
<td>.1752434</td>
<td>36</td>
</tr>
<tr>
<td>Saving</td>
<td>1.90E+05</td>
<td>.4010150</td>
<td>36</td>
</tr>
<tr>
<td>Loan</td>
<td>2.03E+05</td>
<td>.2697205</td>
<td>36</td>
</tr>
</tbody>
</table>

From the descriptive statistic above, information about the independent and dependent variables can be described as the followings:

a. Profit, as dependent variable has mean of 1.8600E1 with standard deviation of 0.1752434 from 36 data derived.
b. Saving, as independent variable has mean of 1.8999E1 with standard deviation of 0.4010150 from 36 data derived.

c. Loan, as independent variable has mean 2.0321E1 with standard deviation of 0.2697205 from 36 data derived.

4.3 Classical Assumption Test Result

4.3.1 Normality Test

As shown on the normal P – P Plot of Regression seen spread of points around the diagonal line and follow the direction of the diagonal line. Then, means the data in regression model fulfills assumption normality and proper to use to predict profit.

![Normal P-P Plot of Regression Standardized Residual](image)

**Figure 4.1 Normality Test**
4.3.2 Autocorrelation Test

Autocorrelation test is the basic assumptions of the regression model. The result as show in Durbin Watson is 0.733. It means the regression model is valid because range of tolerance between -2 and +2 to be no correlation.

Table 4.3

<table>
<thead>
<tr>
<th>Autocorrelation Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Durbin – Watson</td>
</tr>
<tr>
<td>.733</td>
</tr>
</tbody>
</table>

4.3.3 Heteroscedascity Test

From the figure above, see the spread points randomly. Point spread in both above and below the numbers 0. This regression is valid because does not occur heteroscedascity.
4.3.4 Multicollinearity Test

Table 4.4
Multicollinearity Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficients</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>Saving</td>
<td>.934</td>
</tr>
<tr>
<td></td>
<td>Loan</td>
<td>.934</td>
</tr>
</tbody>
</table>

\[a\] Dependent Variable: Profit

In coefficients table there are two variables independent, number of VIF was around number 1 and number of Tolerance closed to number 1, then based on the regression model above, the result is no multicollinearity problem in this model.

4.4 Model Interpretation

4.4.1 Model Summary

To know the influence saving and loan toward profit, can seen in estimation model summary, especially in R value as follow:

Table 4.5
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.549a</td>
<td>.301</td>
<td>.259</td>
<td>.1508455</td>
</tr>
</tbody>
</table>

\[a\] Predictors: (Constant), Saving, Loan

b. Dependent Variable: Profit

Based on table 4.5 above R value is 0.549 means that there is strong relationship between the dependent variable and independent variable. The
independent variables able to explain the profit in cooperative by 30.1%, the rest explained by other factors that are not mentioned in this research.

4.4.2 F Test

To see the correlation variable saving and loan toward profit, as shown in the table ANOVA. F test shown the significant rate is 0.003, so the regression model able to used.

| Table 4.6 |
| ANOVA of Research Variables |

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>.324</td>
<td>2</td>
<td>.162</td>
<td>7.119</td>
<td>.003</td>
</tr>
<tr>
<td>Residual</td>
<td>.751</td>
<td>33</td>
<td>.023</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1.075</td>
<td>35</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Saving, Loan  
b. Dependent Variable: Profit
4.4.3 T Test

Table 4.7
Regression Result of Research Variable

<table>
<thead>
<tr>
<th>Coefficients(^a)</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>Model (Constant)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>10.396</td>
<td>2.606</td>
</tr>
<tr>
<td>Saving</td>
<td>.241</td>
<td>.066</td>
</tr>
<tr>
<td>Loan</td>
<td>.179</td>
<td>.098</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Profit

From the table 4.7 above, it can be seen that saving as independent variables have significant value below 0.05 to profit. Based on the result, that kind of relationship as formula:

\[
\text{Profit} = 10.396 + 0.241 \text{ saving} + 0.179 \text{ loan}
\]

The equation can be interpreted as follow:

a. If there are no saving and loan, the number of profit in cooperative is 10.396%.

b. If saving increase 1% will increase the profit 0.241%, with the assumption there is no loan occurred.

c. If loan increase 1% will increase the profit 0.179%, with the assumption there is no saving occurred.
4.5. **Interpretation of Results**

Analysis can be made after several tests are implied. The analysis is about the description of results of the data being analyzed in order to analyze and answer the statement of problems. The statement of problem analyzed by multiple regression. There are the analysis problem for this research:

In this research, the loan is a core activity in cooperative credit saving. This value is the productive value in saving credit cooperative. In the fact, loan donate a lot of advantages to cooperatives through loans transactions.

Profit on saving credit cooperative called operations as well as time result (SHU). SHU is a difference of costs between the incomes earned in business management. Income derived from service cooperatives and community members. Example: sales of goods / services production members, lending to members. SHU division will be distributed to members who provide active participation in cooperative efforts. Active members will get SHU greater than the passive members the greater the services of the cooperative members to the formation of cooperative income referred to in Article 15 paragraph (2) of Law no. 25/1992 soon is based on the contribution of cooperatives to the income of the cooperative.

Thus, savings are part of the type of deposits contained in the cooperative. Each member is obliged to contribute capital to the cooperative. According to article 41 paragraph 2 states savings and compulsory savings are capital contributions from members and to enhance cooperative capabilities. If the capital contributions from members of the sustainable, will increase the capital of cooperatives and cooperatives can effectively be used by up to a certain condition can also be achieved cooperative service capacity exceeds the needs of service for all members of the cooperative.

Actually, the value of savings in this research is directly proportional to the profit. So, if the savings to increase the profit will rise not far from the value
of savings. Savings deposited by members of the cooperative will use the cooperative to serve member. Members are the owners of cooperatives as well as financiers and customers, if a member requires the provision of high interest rates on invested capital to the cooperative, then it will burden itself, because the capital interest will become a burden for cooperative services to members. Thus, the purpose of cooperatives to improve the efficiency in achieving common economic interests will not be achieved.

Cooperative seeks to promote the welfare of members in particular and society in general, and helped build the national economy structure, in order to create an advanced society, fair and prosperous society based on Pancasila and the Constitution of 1945.

In the Statement of Financial Accounting Standard (PSAK) No. 27 (Revised 1998), stated that the main characteristic that distinguishes cooperative with other business entities, namely the cooperative members have a dual identity. Double-identity means the members of the cooperative identity as the owner and user of cooperative services. Generally, cooperatives are controlled jointly by all members, in which every member has equal voting rights in every decision taken by the cooperative.

Basically, in practice of credit savings cooperatives, the good cooperative process is characterized by whether qualified or not the process of saving and borrowing of its members. Credit savings cooperative is cooperative efforts to receive deposits and provide loans to its members that require the lowest possible interest rates. It means that the cooperative uses the deposit by its members in order to provide the loans to other members. The quality of the process itself measured by the balance between the saving and loan. To sustain the profitability, the loan should not over the saving. The saving should be prioritized than loan.
4.5.1. Simulation

The coefficient is able to interpret as:

Table 4.8

<table>
<thead>
<tr>
<th>Changes in saving</th>
<th>Changes in loan</th>
<th>Changes in Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>10.396%</td>
</tr>
<tr>
<td>1 %</td>
<td>1 %</td>
<td>0.42 %</td>
</tr>
<tr>
<td>2 %</td>
<td>2 %</td>
<td>0.84 %</td>
</tr>
<tr>
<td>10 %</td>
<td>5 %</td>
<td>3.3050 %</td>
</tr>
<tr>
<td>5 %</td>
<td>10 %</td>
<td>2.9950 %</td>
</tr>
</tbody>
</table>

The saving coefficient equals to 0.241, which means, if saving increase 1% will increase the profit 0.241%. Meanwhile, the loan coefficient equal to 0.179, which means if loan increase 1% will increase the profit 0.179%. therefore we may conclude that saving has significance greater than loan, so saving should be more prioritized by the cooperative in order to make the balanced in process.
CHAPTER V
CONCLUSION AND RECOMMENDATION

5.1 Conclusion

Increasing economic people in Indonesia has a lot of problem especially in low economic people area to another. The skills and behavior of the lower economic people have a lot of difference. Sometimes they have to face a lot of problems and difficulties when they have to get some money in the critical time.

This researcher has successfully delivered a solution. The conclusions of this research are saving and loan has significant relationship with profit. Saving which represent voluntary saving in cooperative, loans that represent funds channeled to members of cooperative and profit of cooperative the period January 2007 – December 2009.

The results that this research got are:

1. If there are no saving and loan, the number of profit in cooperative is 10.396%,
2. If saving increase 1% will increase the profit 0.241%, with the assumption there is no loan occurred.
3. If loan increase 1% will increase the profit 0.179%, with the assumption there is no saving occurred.

5.2 Recommendation

After doing the research, the researcher has some recommendations that can be used as consideration for the next researcher about Credit Savings Cooperative.

Based on the result of the analysis statement of problem, it is a signal for people which is outside of cooperative members to see the cooperative sector as
financial sector. The cooperative will expected to lend some funds to people who has not capital effort that can increase their social welfare.

Actually there are other factors has not been added into this research by the researcher. For next similar study, to add more factors outside saving, loan, and profit such as obligatory deposit, reserve fund, NPL, number of borrower so on and so forth. Because the three variables (saving, loan and profit) used is not a pattent variable for the further research and compare the data with more than one cooperative to be more relevant. As a result the result will be more accurate.
<table>
<thead>
<tr>
<th>Bulan/Tahun</th>
<th>Tabungan</th>
<th>Pinjaman</th>
<th>Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-07</td>
<td>120.000.000</td>
<td>660.000.000</td>
<td>115.000.000</td>
</tr>
<tr>
<td>Feb-07</td>
<td>100.000.000</td>
<td>730.000.000</td>
<td>100.000.000</td>
</tr>
<tr>
<td>Mar-07</td>
<td>110.000.000</td>
<td>890.000.000</td>
<td>115.000.000</td>
</tr>
<tr>
<td>Apr-07</td>
<td>120.000.000</td>
<td>630.000.000</td>
<td>100.000.000</td>
</tr>
<tr>
<td>Mei-07</td>
<td>130.000.000</td>
<td>790.000.000</td>
<td>110.000.000</td>
</tr>
<tr>
<td>Jun-07</td>
<td>130.000.000</td>
<td>770.000.000</td>
<td>100.000.000</td>
</tr>
<tr>
<td>Jul-07</td>
<td>130.000.000</td>
<td>750.000.000</td>
<td>110.000.000</td>
</tr>
<tr>
<td>Agust-07</td>
<td>130.000.000</td>
<td>700.000.000</td>
<td>110.000.000</td>
</tr>
<tr>
<td>Sep-07</td>
<td>120.000.000</td>
<td>710.000.000</td>
<td>100.000.000</td>
</tr>
<tr>
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### Correlations

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**. Correlation is significant at the 0.01 level (2-tailed).

### Variables Entered/Removed

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\(^a\) All requested variables entered.

\(^b\) Dependent Variable: profit

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\(^a\) Predictors: (Constant), loan, saving

\(^b\) Dependent Variable: profit

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a. Predictors: (Constant), loan, saving

b. Dependent Variable: profit

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a. Dependent Variable: profit

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a. Dependent Variable: profit
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a. Dependent Variable: profit

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a. Dependent Variable: profit

Histogram

Dependent Variable: profit

Mean = 6.22E-15
Std. Dev. = 0.971
N = 36
LIST OF REFERENCES

A. BOOKS


**B. Internet**

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http://pengaruhkoperasidiindonesiaWartaWarga.com  
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http://library.thinkquest.org/C004323/low/macro4.html

**C. Working Paper**