



The Effect Of Business Capital On Profits In The Source Of Income Business Of The Banana Garden Village Tapanuli Tengah Regency

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Abstrak: *This study aims to determine the effect of business capital on profits at Sumber Rezeki Business in Kebun Pisang Village, Central Tapanuli Regency. This study uses a quantitative approach with a causal-comparative research type. Data were obtained through documentation of financial reports for the 2020–2024 period. Data analysis was performed using simple linear regression. The results showed that business capital had a positive and significant effect on profits, with a t-value of 4.019 and a significance level of 0.028 (< 0.05). The resulting regression equation is $Y = 111,472.656 + 0.462X$. The Pearson correlation value of 0.918 indicates a very strong positive relationship, while the R-square value of 0.843 indicates that 84.3% of the profit variation can be explained by business capital. Thus, it can be concluded that business capital has a significant influence on increasing profits at Sumber Rezeki.*

Keywords: *Business Capital, Profit, Financial Reports*

INTRODUCTION

One example of an SME with great potential for growth is Sumber Rezeki in Kebun Pisang Village, Central Tapanuli Regency. This business has great potential to increase the income of the village community and serve as an example for other small and medium enterprises.

In developing its business, Sumber Rezeki faces several obstacles directly related to resource constraints, especially business capital. Business capital that is not managed properly can lead to a decline in profits and even losses. Capital is one of the main factors in supporting the smooth running of business activities, ranging from the provision of goods, equipment, raw materials, to daily operational costs.

Limited business capital is a major obstacle in the development of SMEs. SMEs often face difficulties in obtaining sufficient business capital to increase production and profits. Limited business capital can limit the ability of SMEs to improve product quality and increase competitiveness.

The effect of business capital on the profits of Usaha Sumber Rezeki also needs to be considered. Adequate business capital can help increase production and sales, thereby

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increasing profits. However, if business capital is not managed properly, the profits obtained may not meet expectations.

In recent years, Usaha Sumber Rezeki has experienced unstable profit fluctuations. In certain years, profits have increased significantly, but in other years, profits have declined. This shows that there are factors that affect the profits of Usaha Sumber Rezeki, one of which is business capital.

Business capital is one of the most important factors in developing a business. Business capital can be used to finance production, marketing, and business development activities. According to Khasmir (2016:250), business capital is something that is needed to finance company operations from its establishment to its operation. Capital consists of money and labor. This capital is the initial foundation on which the business will be built. This capital is usually obtained through own capital or by using external capital, such as from banks or non-bank institutions. With sufficient business capital, SMEs can increase their production and achieve higher profits.

Profit is the main objective of every business unit. In addition, obtaining maximum profit is the main objective of a business unit to achieve a high growth rate and ultimately maximize the value of the business unit. According to Sofyan Syafri Harahap (2015:263), profit is the excess of income over expenses during an accounting period.

Profit is an important indicator of business performance because it can be used as a source of funds for business development and increasing community income. In addition, the effect of business capital on profit is also very important to understand business development, such as how business capital can affect profit in SMEs and how SMEs can increase profit with limited business capital.

Based on this, research on the Influence of Business Capital on Profit in Sumber Rezeki Business in Kebun Pisang Village, Central Tapanuli Regency is very important to conduct. This research can help understand how business capital can affect business profit and provide recommendations to improve business performance. This research can contribute to local economic development and increase the income of the Kebun Pisang Village community.

Thus, research on the Effect of Business Capital on Profits in Sumber Rezeki can provide significant benefits for the business and other related parties. This research can also help identify effective business capital management strategies and increase profits, thereby improving business performance and community welfare.

The following is the Financial Report of Sumber Rezeki Business in Kebun Pisang Village, Central Tapanuli Regency.

Table 1. Data on the Development of Capital and Profit of the Sumber Rezeki Business in Kebun Pisang Village for the Period 2020–2024

Year	Capital	Sales	Expenses	Profit
2020	Rp. 172,121	Rp. 1,008,000	IDR 354,380	IDR 74,420
2021	IDR 709,518	IDR 1,584,000	IDR 366,900	IDR 637,397
2022	IDR 1,526,660	IDR 1,872,000	IDR 424,500	IDR 867,142

2023	IDR 1,428,000	IDR 1,650,000	IDR 405,400	IDR 668,600
2024	IDR 1,715,000	IDR 1,880,500	IDR 430,500	IDR 874,000
Amount	Rp.5,551,299	Rp. 7,994,500	Rp. 2,036,400	Rp.3,121,559
Average	Rp.1,110,260	IDR 1,598,900	IDR 407,280	Rp. 624,312

Source: Financial Data of Usaha Sumber Rezeki Desa Kebun Pisang for the period 2020 to 2024.

Based on Table 1, there is a trend of changes in capital and profit from year to year. In the period 2020 to 2022, the capital of Sumber Rezeki Desa Kebun Pisang showed a consistent increase, which was also followed by an increase in profit each year. However, in 2023, there was a decrease in capital compared to the previous year, which resulted in a decline in profit in that year. Nevertheless, in 2024, capital increased again, and along with that, the company's profit also increased. This shows the influence of business capital on profit.

Based on the above description, the researcher is interested in conducting research with the title "The Effect of Business Capital on Profit in the Sumber Rezeki Desa Kebun Pisang Business in Central Tapanuli Regency."

RESEARCH METHOD

This study uses a quantitative approach with a causal-comparative type (*causal-comparative research*). This study aims to determine the influence of business capital on profits in the Sumber Rezeki business in Kebun Pisang Village, Central Tapanuli Regency.

The type of data used in this study on the Effect of Business Capital on Profits in the Source of Income Business of Kebun Pisang Village, Tapanuli Tengah Regency is *documentary data*. Documentary data is data obtained from documents related to research, such as financial reports, production records, and other relevant documents (**Sugiyono, 2019:314**).

In this study, the data sources used are Primary Data Sources and Secondary Data Sources. This study uses a combination of primary and secondary data sources to obtain *comprehensive* information. Primary data sources were obtained through direct interviews with the owner or manager of Usaha Sumber Rezeki, as well as direct observation of the production and sales processes of bread and banana chips. Meanwhile, secondary data sources came from documents owned by Usaha Sumber Rezeki, such as financial reports and production records, as well as literature relevant to the research topic.

In data collection data to support research is planned using the following methods:

1. Documentation. Documentation is a method used to obtain data/information in the form of archives, documents in the form of numbers and images in the form of reports and information that can support research.
2. Interviews. Interviews are a data collection technique conducted by holding direct question and answer sessions with respondents and parties related to the issue being studied.

3. Observation. Observation is a method of data collection through observation of the daily activities of employees with the aim of identifying various information relevant to the research objectives.

The data analysis techniques in this study are adapted to quantitative research methods that emphasize hypothesis testing through statistical analysis. The data analysis techniques used in this study are: classical assumption test, determination test, simple linear regression test, and hypothesis test.

RESULTS AND DISCUSSION

RESULTS

Descriptive Statistics

The following is the financial report of Usaha Sumber Rezeki Desa Kebun Pisang, Tapanuli Tengah Regency, for the period 2020 to 2024, which will then be used as research material.

Table 2. Financial Report of the Sumber Rezeki Village Banana Plantation Business for the Period 2020 to 2024 (in thousands of rupiah)

Year	Capital	Profit
2020	Rp. 172,121	IDR 74,420
2021	IDR 709,518	IDR 637,397
2022	IDR 1,526,660	IDR 867,142
2023	IDR 1,428,000	IDR 668,600
2024	IDR 1,715,000	IDR 874,000
Total	IDR 5,551,299	Rp.3,121,559
Average	IDR 1,110,260	Rp. 624,312

Source: Financial Data of Sumber Rezeki Desa Kebun Pisang for the period 2020 to 2024. Based on the table above, the capital and profit of the Sumber Rezeki Desa Kebun Pisang business for the period 2020 to 2024 fluctuated from year to year. However, in general, it showed an upward trend. The business capital, which was initially Rp. 172,121 in 2020, continued to increase to reach Rp. 1,715,000 in 2024, with an average of Rp. 1,110,260 per year. Meanwhile, business profits, which were initially only IDR 74,420 in 2020, also increased significantly to IDR 874,000 in 2024, with an average of IDR 624,312 per year.

Data Normality Test

Table 3. One-Sample Kolmogorov-Smirnov Test
Unstandardized Residual

N		5
Normal Parameters ^{a,b}	Mean	.000000
	Std. Deviation	129120.17816602
Most Extreme Differences	Absolute	.191
	Positive	.191

	Negative	-.184
Test Statistic		.191
Asymp. Sig. (2-tailed)		.200 ^{c,d}

- Test distribution is Normal.
- Calculated from data.
- Lilliefors Significance Correction.
- This is a lower bound of the true significance.

Source: Research Results, 2025 (Processed Data)

Based on the output results above, the *Asymp. Sig. (2-tailed)* value is 0.200, which is greater than the standard significance value $\alpha = 0.05$. This indicates that there is no significant difference between the residual distribution and the normal distribution. Thus, it can be concluded that the residuals are normally distributed, and the assumption of normality is satisfied in the regression model.

Determination Coefficient Test

The Coefficient of Determination (*R-Square*) serves to see the extent to which the independent variables can explain the dependent variable.

Table 4. Model Summary^b

Model	R	R Square	Adjusted R-Square	Standard Error of the Estimate	Durbin-Watson
1	.918 ^a	.843	.791	149,095.139	2,239

a. Predictors: (Constant), Business Capital

b. Dependent Variable: Profit

Source: Research Results, 2025 (Processed Data)

Based on the *Model Summary* table output, the correlation coefficient (R) value obtained is 0.918, which indicates that the relationship between business capital and profit is very strong. The R Square value of 0.843 means that 84.3% of the variation in profit can be explained by the business capital variable, while the remaining 15.7% is influenced by other factors not included in the research model.

Multiple Linear Regression Analysis

Table 5. Simple Linear Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients ^a		t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta				Tolerance	VIF
1 (Constant)	111,472.656	143,961.656			.774	.495		
Business Capital	.462	.115	.918		4,019	.028	1,000	1,000

a. Dependent Variable: Profit

Source: Research Results, 2025 (Processed Data)

From the table above, using SPSS Version 26, the simple linear regression equation obtained is:

$$\alpha = 111.472,656$$

$$b = 0.462X$$

Using the formula: $Y = a + bX + e$

Therefore, the simple linear regression equation for one predictor (Profit) is: $Y = 111.472,656 + 0.462X$

From this, it can be assumed that the constant value of 111,472.656 indicates that if the business capital is zero, the business profit is estimated to remain at 111,472.656 (in thousands of rupiah). The business capital regression coefficient of 0.462 indicates that every increase in business capital of 1,000 rupiah will increase business profit by 462 rupiah. The t-value of 4.019 with a significance of 0.028 (< 0.05) indicates that business capital has a positive and significant effect on business profit. Thus, this regression model is suitable for explaining the relationship between business capital and business profit.

Hypothesis Testing

Table 6. T Test Results

Model	Unstandardized Coefficients		Coefficients ^a		t	Sig.	Collinearity Statistics	
	B	Std. Error	Standardized Coefficients	Beta			Tolerance	VIF
1	(Constant)	111,472.656	143,961.656		.774	.495		
	Business Capital	.462	.115	.918	4,019	.028	1,000	1,000

a. Dependent Variable: Profit

Source: Research Results, 2025 (Processed Data)

Based on Table 6, the effect of Business Capital (X) on Profit (Y) is known:

a) Formulating H0 and Ha:

H0: Business Capital does not have a significant effect on Profit

Ha: Business Capital has a significant effect on Profit

b) Determining the level of significance (α): A significance level of $\alpha = 0.05$ (5%) is used.

c) Testing Criteria

- If the significance value (Sig.) $< \alpha$ (0.05), then H0 is rejected and Ha is accepted.
- If the significance value (Sig.) $> \alpha$ (0.05), then H0 is accepted and Ha is rejected.

d) Calculation of t value

Based on the *Coefficients* table output, the calculated t-value is 4.019 with a significance level (Sig.) of 0.028. To determine the t-table value, the degree of freedom (df) = 5 - 1 - 1 = 3 is used, with a significance level (α) of 0.05, resulting in a t-table value of 3.182. Because the t-value (4.019) $>$ t-table (3.182) and the Sig. (0.008) $<$ α (0.05), the decision made is to reject H0 and accept Ha. Thus, it can be concluded that the Business Capital variable has a significant effect on Profit partially.

DISCUSSION

The results of the study prove that Business Capital has a positive and significant effect on Profit, as shown by the t-value of 4.019 with a significance of 0.028. This finding is in line with the research by Muliansyah et al. (2024) and Muhammad Reza Fachrullozki (2021) which also found that business capital has a positive and significant effect on business profit. This similarity reinforces the view that an increase in capital can improve production capacity, which ultimately leads to an increase in profit. However, these findings differ from Rahmatia et al. (2019) who suggested that capital might have an indirect effect through turnover.

The simple linear regression equation formed is $Y=111.472,656 + 0.462X$, which means that if Business Capital increases by one unit, Profit will increase by 0.462, assuming other variables remain constant. The correlation test results show a Pearson correlation value of 0.918 with a significance value of 0.014. Because the significance value is < 0.05 and the correlation value is close to 1, it can be concluded that there is a very strong and significant positive relationship between Business Capital and Profit. The coefficient of determination shows an *R Square* value of 0.843, which means that 84.3% of the variation in Profit can be explained by Business Capital.

The results of the study indicate that Business Capital has a positive and significant effect on Profit in the Small and Medium Industries of Sumber Rezeki Desa Kebun Pisang, Central Tapanuli Regency. This finding is in line with the research by Muliansyah et al. (2024) entitled "*The Effect of Business Capital Perception, Working Hours, and Sales on Business Profit in Palu City Forest Stalls,*" which also found that business capital has a positive and significant effect on business profit. This similarity in results reinforces the view that an increase in capital can improve production capacity and service quality, which ultimately leads to an increase in profit.

The results of this study are also in line with the findings of Muhammad Reza Fachrullozki (2021) in his study entitled "*The Effect of Business Capital and Sales on Business Profits of Wholesale Stores in Jati District, Kudus Regency.*" In his study, business capital was proven to have a positive and significant effect on profits, so that the greater the business capital owned, the greater the potential for profit increase.

However, these findings differ from those of R. Rahmatia, M. Madris, and Sri Undai Nurbayani (2019) in their study titled "*The Effect of Business Capital, Labor, and Business Duration on Micro Business Profit in Palopo City, South Sulawesi Province.*" That study showed that business capital does not directly have a significant effect on profit, but it has a positive indirect effect through business turnover and labor costs. This difference in results may be due to business characteristics, location, and the mediating variables used, as this study did not include mediating variables such as turnover or labor costs.

CONCLUSION

Based on the results of the study on the Effect of Business Capital on Profit in Sumber Rezeki Village, Kebun Pisang, Central Tapanuli Regency in the previous chapter, the following conclusions were obtained: The Simple Linear Regression Analysis equation

obtained was $Y=111.472.656 + 0.462X$. This shows a positive relationship between Business Capital and Profit. The Analysis of the Coefficient of Determination shows that the R Square value of 0.843 indicates that 84.3% of the variation in Profit can be explained by Business Capital, while the rest is influenced by other factors outside the model. The t-test results show that Business Capital has a positive and significant effect on Business Profit, because the t-value is greater than the t-table value and the significance value is less than 0.05. Considering that the aspect of "understanding of the work system" is still in the moderate category, management is advised to conduct intensive training or refresher workshops on the specific features of the MIS used, so that there is no longer a gap between the sophistication of the system and the operational capabilities of employees.

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