EFFECT OF ASSET TANGIBILITY ON CASH HOLDINGS WITH GROWTH OPPORTUNITY AS MODERATE VARIABLE (EMPIRICAL STUDY ON PROPERTY AND REAL ESTATE COMPANIES LISTED ON INDONESIA STOCK EXCHANGE)

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ABSTRACT
This study aims to determine the effect of asset tangibility on cash holdings and the effect of growth opportunity on the relationship between asset tangibility to cash holdings. The population in this study are property and real estate companies listed on the Indonesia Stock Exchange during the period 2015-2018. Using the purposive sampling method, 37 companies were complying with criteria as samples. This study used secondary data from the Indonesia Stock Exchange website. Using IBM SPSS 23 data processing application, Moderated regression analysis (MRA) was used as an analytical method. This study indicates that: (1) Asset tangibility has a significant negative effect on cash holdings. It showed by the value of regression coefficient $\beta_1$ is -0.00002771 with a significance level ($\rho$-value) of 0.001 where the value is below the significance level of 0.05 (0.001 < 0.05). (2) Growth opportunity as a moderating cannot moderate the effect of asset tangibility on cash holdings. The level of significance ($\rho$-value) of the growth opportunity and MRA variables, which are 0.206 and 0.823, where the value is more than 0.05 significance level.

Keywords: Asset tangibility, Cash holdings, Growth opportunity, Trade-Off Theory
INTRODUCTION

The global economic crisis of 2008, which began with the United States economic crisis, affected other countries, including Indonesia. The condition of exchanges and financial markets in 2008 globally has been under severe pressure due to the losses incurred in the housing market (subprime mortgages) that impacted the financial sector of the United States. The incident changed the Company's view of the importance of maintaining liquidity, especially property and real estate sector companies. Companies engaged in the property sector should pay close attention to liquidity or the need to fund their operations, as they tend to store assets in the form of fixed assets such as land and buildings that make companies vulnerable to liquidity crises. This is because fixed assets do need time and costs to be converted into cash, so if the Company needs sudden funds that cannot be sufficient by the company's cash balance, the Company will have difficulty fulfilling the cash shortage.

To maintain the Company's liquidity, it takes an effort to minimize risk and maintain liquidity by managing the level of cash owned by the Company, one of which is by maintaining the level of cash holdings. Cash holdings are cash available or held by the Company. Cash has a very important role for the Company, especially in financing the operational activities of a company. In its management, cash holdings must have an optimal level that certainly differs between companies. The optimal rate is the level of cash holdings that are not too large and not too small. Cash holdings that are too small make the Company faced with liquidity difficulties, while if too large results in inefficiencies because the idle cash should be invested in more profitable financial instruments.

Swanson (2006) stated that the purpose of a company to have cash holdings is to pay debts, finance investment opportunities, and reserve assets if the Company is experiencing unstable conditions. Do not let any of these goals not be achieved in the management of cash holdings, as is the case with PT Bakrieland Development Tbk. (ELTY). ELT in 2013 was sued for bankruptcy by the Bank of New York Mellon London branch related to the debt of the Company's subsidiary, BLD Investment Pte Ltd, amounting to Rp 1.55 trillion. Besides, similar cases occurred at PT Menara Karsa Mandiri (MKM) in 2015. MKM as the Buah Batu Park apartment developer, Bandung, West Java, was mandated by the Central Jakarta District Court (PN Central Jakarta) because it proved negligent in implementing the agreement with its creditors. Lastly, it is the case that befell the Meikarta megaproject. On May 24, 2018, Meikarta developer PT Mahkota Sentosa Utama (MSU), a subsidiary of PT Lippo Cikarang Tbk (LPCK), was sued for bankruptcy by two vendors in connection with the delay in debt repayment obligations.

In obtaining debt, creditors usually ask for collateral in the form of tangible assets to prevent the occurrence of bad credit risk. This is because the prospect of repayment can be obtained by evaluating the quality and nature of the guarantee (Picker, 1992). A company's tangible assets that can be considered to represent collateral are referred to as asset tangibility (Padron et al., 2005). Berger and Udell (1990) stated that collateral plays an important role in bank lending in the United States, as evidenced by the fact in the field that about 70% of loans to industries in the United States use collateral. Black et al. (1996) found that 85% of loans to MSMEs in the UK comply with the guarantee terms.
Therefore, asset tangibility has an important role in the Company because it affects the level of debt earned. With a large asset tangibility, access to corporate credit becomes easier, so that the Company does not need to hold much cash in the Company, in other word is the cash holdings owned by the Company can be lower because it can maximize cash from external funding through debt by utilizing asset tangibility as collateral.

In Lei et al.’s (2018) research in the United States, it was shown that there is a negative relationship between asset tangibility and cash holdings. Research conducted by Dittmar (2008), in the last 25 years, namely in 1980-2005, cash holdings companies in the United States increased from 10% to 23%. This is supported by Research lei et al. (2018), in the last three decades namely in 1950-2014, showing that the Company’s cash holdings in the United States increased from 20% to 25%, followed by a decrease in asset tangibility from 43% to 27%.

![Figure 1. Average Cash Holding and Asset tangibility (United States Company; 1950-2014)](image)

Meanwhile, in Indonesia, in the last four years (2015-2018), the average cash holdings of companies in the property and real estate sectors have fluctuated. Based on the data, it can be known that Indonesia and the United States have different trends in cash holdings and asset tangibility but still have the same relationship, which is a negative relationship. The negative relationship between cash holdings and asset tangibility can be detrimental because the amount of credit obtained depends on the amount of assets tangibility owned, while currently, many companies have low tangible assets. Based on the explanation, the negative relationship between asset tangibility and cash holdings should be reduced.
EFFECT OF ASSET TANGIBILITY ON CASH HOLDINGS WITH GROWTH OPPORTUNITY AS MODERATE VARIABLE

The difference in trends between Indonesia and the United States is thought to occur due to the growth rate of companies that differ between Indonesia and the United States. In Indonesia, the higher the company's growth opportunity, the greater the amount of cash to be held (Jinkar, 2013). Companies with high growth opportunities tend to have large investment opportunities, meaning companies have many profitable investment projects (Rianawati and Setiawan, 2015). This is by the following the motive of speculation in cash holdings states that the Company withholds cash to meet various profitable investment needs. Thus, companies with high investment opportunities hold large amounts of cash to finance the investment opportunity and sell it when the price rises.

Growth opportunity is used as a moderation variable because it can theoretically decrease the sensitivity of asset tangibility to cash holdings. Several studies related to cash holdings stated a positive relationship between growth opportunity and the Company's cash holdings policy (Jinkar, 2013; William and Fauzi, 2013; Marfuah and Zulhilmi, 2015). The positive influence is thought to weaken the negative relationship between asset tangibility and cash holdings. Thus, it can reduce the dependence between cash policy and investment policy on asset tangibility.

This study refers to a research model conducted by Lei et al. (2018) with some differences. Lei et al. (2018) use asset tangibility as a factor influencing cash holdings. The differences between this study and previous Research are:

1. Variable Moderation, Financial development becomes a growth opportunity because financial development is a country-level variable, so it cannot be used in Research only done in one country.
2. Proxy of independent variables, namely asset tangibility using fixed assets divided by Total assets only, because most Research in Indonesia related to asset tangibility using the proxy.
3. Samples and research site, research Lei et al. (2018) took samples from The Compustat North America and Compustat Global Fundamental database, which covers 45 countries, both developed economies and developing economies, while this study took samples of property and real estate companies listed on the Indonesia Stock Exchange in 2015-2018, where there are several problems in the property and real estate sector.

Trade-off theory states that companies set their optimal cash rates by comparing

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**Figure 2. Average Cash holdings and Asset tangibility of Property and Real Estate Sector Companies in Indonesia 2015-2018**

The table below shows the average cash holdings and asset tangibility for the years 2015 to 2018:

<table>
<thead>
<tr>
<th>Year</th>
<th>Asset Tangibility</th>
<th>Cash Holdings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0.0953</td>
<td>0.10482</td>
</tr>
<tr>
<td>2016</td>
<td>0.09223</td>
<td>0.10092</td>
</tr>
<tr>
<td>2017</td>
<td>0.09304</td>
<td>0.07765</td>
</tr>
<tr>
<td>2018</td>
<td>0.0914</td>
<td>0.09444</td>
</tr>
</tbody>
</table>

---
marginal benefits with the marginal costs of holding liquid assets (Al-Najjar and Belghitar, 2011; Martinez-Sola et al., 2013). In a similar opinion put forward by Dittmar et al. (2003), they argue that in theory, trade-off companies maximize their values taking into account the marginal costs and marginal benefits of holding cash. Thus, the trade-off theory is a situation where one has to decide on two or more things, sacrificing/losing an aspect for some reason to acquire other aspects with different qualities. Cash-related trade-off theory states that the Company's cash holdings are managed to consider the limitations between costs and benefits obtained in holding cash.

The Trade-off theory will explain how collateral effect in the form of asset tangibility can affect cash holdings by considering costs and benefits to create optimal cash holdings. Based on this trade-off theory, the optimal point is when the marginal value of the benefit exceeds the marginal value of cost from a certain level of cash holdings.

According to Gill and Shah (2012), cash holdings are defined as cash in the Company or available for investment in physical assets and distributed to investors. Cash holdings are seen as cash and cash equivalents that can be easily converted into cash. Cash holdings can be used to purchase shares, distribute them to shareholders in the form of dividends, make investments for the Company, or store them for the Company's benefit. It is the financial manager who plays a role in determining the company's optimal level of cash holdings. When there is cash inflow, a manager may decide to distribute it to shareholders in the form of dividends or perhaps keep it to meet the Company's future investment needs.

Asset tangibility is a tangible asset owned by the Company or physically present and is not intended to be sold as part of the Company's operations (Harahap, 2002). Brigham and Houston (2007) state that asset tangibility is a company asset that can be used as collateral for creditors and provide security if the credit-financed business fails or for other reasons for which the debtor cannot pay off his credit. In other words, asset tangibility is a tangible asset owned by the Company and can be used as collateral for a debt.

The company's growth opportunity or growth opportunity can be defined as an investment opportunity of the Company that can increase the value of the Company in the future (Rianawati and Setiawan, 2015). Kasmir (2016) said that growth opportunity is a ratio that describes the Company's ability to maintain its economic position during economic growth and business sector; the faster the growth of the Company, the greater the need for funds for expansion financing. Companies with high growth opportunities have more cash, as their costs are higher if their financial condition deteriorates (Ahrends et al., 2018).

According to Riyanto (2001), the size of the Company describes the size of a company indicated by the total assets, the number of sales, the average sales, and the average total assets. Saddour (2006) states that there is a negative relationship between cash holdings and the company's size. Drobetz and Grüninger (2007) and Ogundipe et al. (2012) also found a negative relationship between the size of the Company and cash holdings. This happens because the larger the size of the Company, the easier access to external funding so that companies do not have to collect large amounts of cash. Based on the trade-off theory, the Company's size has an inverse relationship with cash holdings because large companies tend to invest in growth opportunities that are different from
hoarding them.

Capital expenditure is periodic expenditures made in the framework of the formation of new capital that adds to fixed assets that provide benefits more than one period, including expenses for maintenance costs that are of a nature to maintain or increase the useful life, increase capacity and quality of assets (Keown et al., 2011). The existence of Capital Expenditure in the Company will affect the size of Cash holdings. According to (Bates et al., 2009), capital expenditure is the cost of creating assets to be collateralized to increase debt and reduce cash holdings. Sutrisno and Gumanti’s Research (2016) found that Capital Expenditure negatively affects Cash holdings. The same results were also found in the Research of Enyew (2016) and Yanti et al. (2019), which stated a negative influence of Capital Expenditure on Cash holdings.

Several researchers have carried out the development of hypotheses related to several factors associated with cash holdings. The results of the study on several researchers will be used as reference and comparison materials in this study, among others are as follows:

RESEARCH METHODS

This study was conducted on the property and real estate sector companies listed on the Indonesia Stock Exchange (IDX). The population in this study amounted to 48 property and real estate companies. By using the purposive sampling method obtained 37 companies that are included in the testing criteria. The type of Research used in this Research is quantitative Research. This study uses moderated regression analysis (MRA) using SPSS (Statistical Package for Social Science) version 23.

The measurement of the variables in the study are:

Cash holdings are measured using the formula:

\[
Cash\ holdings = \frac{Cash\ and\ Cash\ Equivalents}{Total\ Assets - Cash\ and\ Cash\ Equivalents}
\]

(Dittmar et al., 2003; Lei et al., 2018)

Asset tangibility is measured using the formula:

\[
Asset\ tangibility = \frac{Fixed\ Assets}{Total\ Assets}
\]

(Ezeoha, 2008; Jayanti, 2011; Sofia et al., 2018)

Growth opportunity is measured using the formula:

\[
Growth\ opportunity = \frac{Sales_t - Sales_{t-1}}{Sales_{t-1}}
\]

(William dan Fauzi, 2013; Rianawati dan Setiawan, 2015)

The company size is measured using the natural logarithmic formula of Total Assets:

\[
SIZE = \ln(\text{Total Assets})
\]

(Gill and Shah, 2012)

Capital Expenditure is measured using the formula:

\[
CAPEX = \frac{Fixed\ Assets_t - Fixed\ Assets_{t-1}}{Total\ Assets}
\]

(Bates et al., 2009; Jinkar, 2013)
RESULTS AND DISCUSSION

From table 1, it can be seen that the variable asset tangibility (AT) has an average value of 0.0929 which means the average asset tangibility in this study is 9.29%. Agung Podomoro Land Tbk owned the minimum value of 0.00015 or 0.015% in 2015. While the maximum value of 0.704 or 70.4% owned by Roda Vivatex Tbk in 2015.

Variable cash holdings (CH) have an average value of 0.0944. This shows that the average property and real estate company in Indonesia has cash and cash equivalents of 9.44% of total assets outside the cash and cash equivalents. Megapolitan Developments Tbk owned the minimum value of 0.0001062 or 0.0106% in 2015. In comparison, the maximum value of 0.6545 or 65.45% is owned by City Retail Developments Tbk in 2018.

Variable growth opportunity (GO) has an average value of 0.0221. This shows that the average growth opportunity of property and real estate companies in Indonesia, as seen from sales growth, is 2.21%. Fortune Mate Indonesia Tbk owned the minimum value of -0.912 or 91.2% in 2017. In comparison, the maximum value of 1,155 or 115.5% is owned by Sentul City Tbk in 2016.

The company size variable (SIZE) has an average value of 23.8068. This shows that the average size of property and real estate companies in Indonesia, as seen from the natural logarithm of total assets, is quite large. Metro Realty Tbk owned the minimum value of 11.39 in 2015. In comparison, Bumi Serpong Damai Tbk owned the maximum value of 31.58 in 2018.

Variable capital expenditure (CAPEX) has an average value of 0.0221. This represents an average capital expenditure of property and real estate companies in Indonesia of 2.21%. The minimum value of -0.28711 is owned by Bhuwanatala Indah Permai Tbk in 2017. In comparison, Duta Anggada Realty Tbk owned the maximum value of 0.5507 in 2016.

Table 1. Descriptive Statistics

<table>
<thead>
<tr>
<th>Variabel</th>
<th>N</th>
<th>Min</th>
<th>Max</th>
<th>Sum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT</td>
<td>148</td>
<td>0,0001473</td>
<td>0,70443</td>
<td>13,763018</td>
<td>0,09299336</td>
<td>0,13388963</td>
</tr>
<tr>
<td>CH</td>
<td>148</td>
<td>0,0001062</td>
<td>0,654512</td>
<td>13,979755</td>
<td>0,0944578</td>
<td>0,10796871</td>
</tr>
<tr>
<td>GO</td>
<td>148</td>
<td>-0,912302</td>
<td>1,155364</td>
<td>3,2700855</td>
<td>0,02209517</td>
<td>0,3082368</td>
</tr>
<tr>
<td>SIZE</td>
<td>148</td>
<td>11,39</td>
<td>31,58</td>
<td>3523,41</td>
<td>23,8068</td>
<td>5,93527</td>
</tr>
<tr>
<td>CAPEX</td>
<td>148</td>
<td>-0,28711</td>
<td>0,550692</td>
<td>3,2743104</td>
<td>0,02212372</td>
<td>0,07727876</td>
</tr>
</tbody>
</table>

Valid N 148

Source: Processed secondary data, 2020

The F statistical test shows whether all independent variables included in the model have a mutual influence on dependent variables. Statistical test criteria F is done by comparing significance values with alpha values of 0.05. If the sig value > 0.05, then Ho is accepted and Ha is rejected, but if the sig < 0.05, then Ho is rejected, and Ha is accepted (Ghozali, 2016).
Table 2. F Statistical Test (Model 1)

<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>0.007</td>
<td>3</td>
<td>0.002</td>
<td>4.827</td>
<td>0.005</td>
</tr>
</tbody>
</table>

a. Dependent Variable: CH
b. Predictors: (Constant), AT, SIZE, CAPEX

Source: Processed secondary data, 2020

Based on table 2, the value of F-calculate is 4.827 > F-table is 2.67. It can then be concluded that independent variables AT, SIZE, and CAPEX simultaneously affect cash holdings dependent variables. Whereas if the significance value < alpha 0.05 indicates that independent variables simultaneously affect dependent variables. Based on table IV.8, it is known that the sig value 0.005 <0.05, it can be concluded that independent variable asset tangibility simultaneously affects cash holdings. These results show that model 1 is in a good category and passed the goodness of fit test.

While the model goodness test from the research data on model 2 can be seen in the following table:

Table 3. F Statistical Test (Model 2)

<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>0.008</td>
<td>5</td>
<td>0.002</td>
<td>3.39</td>
<td>0.011b</td>
</tr>
</tbody>
</table>

a. Dependent Variable: CH
b. Predictors: (Constant), AT, GO, MRA, SIZE, CAPEX

Source: Processed secondary data, 2020

Based on table 3, known F-calculate value of 3.39 > F-table 2.28. Then it can be concluded that independent variables AT, GO, moderation, SIZE, and CAPEX simultaneously affect the dependent variables of cash holdings.

Whereas if the significance value < alpha 0.05 indicates that independent variables simultaneously affect dependent variables. Based on table IV.9, it is known that the sig value 0.000 <0.05, it can be concluded that the variables of independent asset tangibility, growth opportunity, and moderation simultaneously affect cash holdings. These results show that model 2 is in a good category and passed the goodness of fit test.

The coefficient of determination (Adj R²) essentially measures how far the model can describe variations dependent variables. The coefficient of determination is between zero and one (Ghozali, 2016). This test aims to determine the best level of accuracy in a regression analysis. In table IV.10, which is the result of statistic calculation, adj R Square value is obtained as follows:

Table 4. Coefficient of Determination Test (Model 1)
EFFECT OF ASSET TANGIBILITY ON CASH HOLDINGS WITH GROWTH OPPORTUNITY AS MODERATE 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>.489a</td>
<td>0.239</td>
<td>0.19</td>
<td>0.02203092</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), CAPEX, AT, SIZE
b. Dependent Variable: CH

Source: Processed secondary data, 2020

Based on table 4, it is seen from the test results that the value of adjusted R square in model 1 of this study is 0.19 or 19%. This means that the independent variables in this study were able to explain their effect on dependent variables by 19%; the rest were influenced by other variables not studied in this research model.

While the coefficient of determination test from the research data model 2 can be seen in Table 5 below:

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. The error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.527a</td>
<td>0.278</td>
<td>0.196</td>
<td>0.021945908</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), AT, GO, MRA, SIZE, CAPEX
b. Dependent Variable: CH

Source: Processed secondary data, 2020

Based on table 5, it is seen from the test results that the adjusted R square value of this research model is 0.196 or 19.6%. This means that the independent variables in this study were able to explain their effect on dependent variables by 19.6%; the rest were influenced by other variables not studied in this research model.

Based on the classic assumption tests that have been conducted, it can be known that the data in this study are normalized, and there is no multicollinearity, autocorrelation, and heteroskedasticity. Besides, the model in this study is also worth testing because it has passed the goodness of fit test. Therefore, the available data is eligible for regression.

Multiple regression analysis is used to predict the value of the regression coefficient on each variable in the research model. Besides, multiple regression analysis is also used to determine the significance value of each research variable to be the basis for testing hypotheses in this study.

Model 1 in this study is an equation of variable asset tangibility (independent variable), cash holdings (dependent variable), company size, and capital expenditure (control variable). The results of multiple regression analysis on model 1 can be seen in the following table:

<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>
</tbody>
</table>

Table 6. Multiple Regression Analysis
Model 1:
\[ CH = \alpha + \beta_1 AT + \beta_2 SIZE + \beta_3 CAPEX + e \]

The research hypothesis suggests that asset tangibility negatively affects cash holdings. Based on the regression results in Table 6 (Model 1) above, it appears that asset tangibility has a significant negative effect on cash holdings. This is indicated by the magnitude of the \( \beta_1 \) variable regression coefficient of -0.00002771 with a significance level (\( \rho \)-value) of 0.001 which is below the significance of 0.05.

The regression equation shows that the coefficient value of the constant is 0.082; this can be interpreted if the asset tangibility is constant, then the value of the dependent variable, in this case, is cash holdings to 0.082. Meanwhile, the coefficient of regression of asset tangibility is -0.00002771, which means, if the asset tangibility increases by one unit, then the value of cash holdings will decrease by -0.00002771 units. This regression equation shows that the value of the regression coefficient of asset tangibility has a negative influence of -0.00002771 on the Company's cash holdings. With the increasing asset tangibility owned by the Company, the cash held by the Company is decreasing.

Thus, the results of this statistical analysis prove that there is a negative influence of asset tangibility on cash holdings. This means that hypothesis 1 (H1) cannot be rejected. The Company's variable measure control testing of cash holdings showed no significant influence. This was seen in tests with all samples showing a company size regression coefficient of -0.001 with a significant rate of 0.054 > 0.05. Based on these results, it can be concluded that the Company's size has no significant effect on cash holdings.

The study also used variable capital expenditure (CAPEX) control over cash holdings. The testing of CAPEX control variables on cash holdings indicates no significant impact. This was seen in testing with all samples showing the CAPEX regression coefficient was 0.003 with a significant rate of 0.113> 0.05. Based on these results, it can be concluded that CAPEX has no significant effect on cash holdings.

While the analysis of multiple linear regression in model 2 in this study is an equation of variable asset tangibility (independent variable), cash holdings (dependent variable), growth opportunity (moderation variable), company size, and capital expenditure (control variable), the results of the moderated regression analysis (MRA) test on model 2 can be seen in the following table:

<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>
</tbody>
</table>
The research hypothesis suggests that growth opportunity could weaken the relationship between asset tangibility and cash holdings. Based on the regression results in table 7 (Model 2) above, it appears that there is a significant influence between asset tangibility and cash holdings. This is indicated by the magnitude of the regression coefficient of variable $\beta_1$ of -0.00002696 with a significance level ($\rho$-value) of 0.001, which is below the significance of 0.05. The results of model 2 still support the results of hypothesis 1, which states that asset tangibility negatively affects cash holdings.

Besides, the test results of moderation variables, namely growth opportunity, show no significant growth opportunity influence as a moderation variable on cash holdings. This can be seen from the significance ($\rho$-value) of the growth opportunity and MRA variables of 0.206 and 0.823, where the value is greater than the significance level of 0.05. Thus, the results of this statistical analysis explain that growth opportunity cannot strengthen or weaken the relationship between asset tangibility and cash holdings. Therefore, hypothesis 2 (H2) that suspects growth opportunity can weaken the relationship between asset tangibility and cash holdings is rejected.

The Company's variable size control testing of cash holdings showed significant influence. This was seen in tests with all samples showing a company-size regression coefficient of -0.001 with a significant rate of 0.046 < 0.05. Based on these results, it can be concluded that the Company's size has a significant effect on cash holdings. This study also used capital expenditure control variables (CAPEX) against cash holdings. Testing of CAPEX control variables against cash holdings showed no significant influence. Based on these results, it can be concluded that CAPEX has no significant effect on cash holdings.

The purpose of this test is to find out if there is an influence of asset tangibility on cash holdings. The first hypothesis states that asset tangibility negatively affects cash holdings. After calculations using SPSS 23.0 for windows, we obtained a value of B coefficient of regression of -0.00002771, which indicates that the influence of asset tangibility on cash holdings is negative, and the value of significance is 0.001. So Ho was rejected, and Ha was accepted because of the significant value of <0.05 (0.001 < 0.05). Therefore, it can be concluded that asset tangibility negatively affects cash holdings, so the first hypothesis in this study cannot be rejected.

This result explains that the higher the asset tangibility owned by the Company, the lower the cash holdings owned by the Company, and vice versa. The results of this study
support a trade-off theory that explains that companies set their optimal cash rates by comparing marginal benefits with the marginal costs of holding liquid assets (Al-Najjar and Belghitar, 2011; Martinez-Sola et al. 2013). The Company will always consider the cost and benefits in making a funding decision. When a company has high tangible assets that can be used as collateral in external funding, the Company does not hold the Company's cash too high, because when the Company needs money, the Company can rely on external funding with the Company's assets collateral. The results of this study are also in line with the results of Research conducted by Islam (2012), Jinkar (2013), Lei et al. (2018), which found that asset tangibility negatively affects the Company's cash holdings.

The purpose of this test is to find out if growth opportunity can moderate the relationship between asset tangibility and cash holdings. This Research suggests that growth opportunity can weaken the relationship between asset tangibility to cash holdings. Theoretically, the Company's growth opportunities, which are illustrated by the magnitude of the sales growth rate over a period, will increase the amount of cash held by the Company. This happens because companies with a high level of growth opportunity tend to store large amounts of cash (Jinkar, 2013).

The moderated regression analysis (MRA) test results prove that variable growth opportunities cannot moderate the relationship between asset tangibility to cash holdings. This can be proven based on MRA tests that have been conducted in this study showed that the significance of growth opportunity as a moderation variable is 0.823. Thus Ho was accepted, and Ha was rejected due to a significance value of >0.05 (0.823 > 0.05). Therefore, it can be concluded that the moderation variable, namely growth opportunity, has no significant influence in moderating the relationship between asset tangibility and cash holdings, so the second hypothesis in this study was rejected.

So, no matter how big the company's growth opportunity will not affect the relationship between tangibility assets and cash holdings. The effect of growth opportunity as a moderating variable in this study is that many property and real estate companies whose growth opportunities are high but asset tangibility are still small.

CONCLUSIONS

This study aims to test the influence of asset tangibility on cash holdings with growth opportunity as a moderation variable. The population for this study is property and real estate companies listed on the Indonesia Stock Exchange with a research period from 2015 to 2018. A sample of 37 company annual reports was obtained over a 4-year research period, resulting in 148 report data being analyzed in this study.

Based on the data processing conducted, the results of testing variable asset tangibility with cash holdings show that variable asset tangibility has a significant negative effect on cash holdings. Thus it can be concluded that hypothesis 1 (H1) in this study cannot be rejected. Based on the data processing conducted, the results of testing variable asset tangibility against cash holdings with growth opportunity as a moderation variable show that the variable growth opportunity has no significant effect on the relationship between asset tangibility and cash holdings. Then it can be concluded that hypothesis 2 (H2) in this study was rejected.

This study has limitations in conducting Research. In this study, some property and
real estate companies still publish incomplete annual reports or have not published them at all. Second, there are many presentations of financial statements to property and real estate companies registered in IDX for 2015-2018. This causes inconsistent data, so sometimes repeated presentations that have a very large difference make the data an outlier. This study only uses one independent variable that affects cash holdings, namely asset tangibility, with an adjusted value of R2 of 0.196 or 19.6%. This means that the independent variables in this study were only able to explain their effect on dependent variables by 19.6%; the rest were influenced by other variables not studied in this research model. This is because the average number of assets tangibility of property and real estate sector companies in 2015-2018 is only around 9% of total assets. By using the theory of trade-off with a relatively small and stagnant number of assets in the period, companies should reserve more of their cash to avoid liquidity difficulties during the period.

The study suggests possibilities for future Research. Research on cash holdings to provide more quality research results. First, Company is expected to publish the annual report in full and on time. This is so that more samples of companies are studied and not eliminated due to purposive sampling so that the results of the study will be stronger. Second, the research period used in this study is four years, of which the amount is relatively short. The next study is expected to use a relatively longer period so that the analysis will be clearer and more detailed. Besides, testing on different corporate sectors is also possible as companies engaged in the technology sector or start-ups have more intangible assets than tangible assets. So it can be known how asset tangibility affects cash holdings, whether it still has a negative influence, or different, because of the different asset conditions.

Moreover, third, the next study, it is recommended to add variables that can give a better influence on cash holdings. Several other variables can affect cash holdings. The use of other theories is also possible in subsequent Research.

REFERENCES


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