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Analysis of sales return and economic order quantity to assess turn of goods inventory

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Abstract: *Significant developments in the manufacturing and household consumption industries form the background of this study. Analyzing the impact of sales return, EOQ (Economic Order Quantity) on the turnover of goods is the aim of this study. This study takes the sample of PT Informa Furnishing - Kota Kasablanka Mall, through financial statement data and related reports from 2015 to 2018, as well as interviews with company management. The results of this study illustrate that sales return also affects inventory turnover, Economic Order Quantity can also affect inventory turnover through the accuracy of the number of purchases of goods. Thus the management needs to maintain the quality of goods so that sales return can be minimized and must maintain the ideal amount of purchase of goods so that inventory is well maintained, and inventory turnover runs quickly.*

Keywords: *Sales returns, EOQ (Economic Order Quantity), and Inventory Turnover*

1. Introduction

Currently, the economic development in Indonesia is developing quite well along with the growth of infrastructure. One of the economic sectors experiencing good growth is the manufacturing industry. In addition to a growing business climate, a large population is also a driving factor for the development of the manufacturing industry in Indonesia.

Manufacturing companies see this as a profitable opportunity in the future. Of course, this must be prepared properly, in terms of planning and systems. The manufacturing industry produces products whose output will be valued by consumers who use them. Of course the production has several aspects that must be fulfilled, namely production planning, production control, and production supervision.

In the course of production carried out by the company, many failures occur in the production of goods because they are not in accordance with the company's operational standards. Moreover, the goods that have failed production can enter the inventory of goods to be

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sold. This certainly poses a risk that occurs because it has the possibility of being sold to consumers, resulting in complaints about the goods.

The phenomenon that occurs in Information Furnishing in a week can occur up to 3 times the return of goods. Of course this can result in consumers feeling disadvantaged because the item is damaged or defective by the vendor from the warehouse. This results in consumers being disappointed and feeling aggrieved for what they receive. In addition to consumers, companies are also disadvantaged because they have to incur additional costs in this case the company has to take the goods it wants to return to the consumer's house and have to send new goods to consumers. (Source: Head Receiving, Zaliya, 08 October 2019)

Almost all trading companies require inventory in carrying out their operational activities. Considering that inventory will incur costs, the thing that must be considered by company management is in what amount the inventory must be available so that it can meet consumer demand, but not until there is an excess of inventory (over stock) so that efforts to get optimal profit can be achieved. The existence of ordering costs, transportation costs and storage costs associated with inventories owned by the company, management must be able to think tactically to minimize these costs.

In an effort to meet customer demand, the company needs to provide a number of merchandise inventory. In a trading company, there is usually only one inventory, namely the inventory of merchandise. This inventory becomes inventory of goods that are always in a state of rotation, through the process of repurchasing transactions and then the goods are resold, there is no further processing of these goods by the company.

Companies that are still relatively small generally have not experienced complex problems in handling inventory, usually the frequency of their purchases and sales is still relatively small and transactions can run quickly so it does not require a large amount of inventory. Usually inventory problems can start to arise when the company starts to grow over time. These merchandise inventory issues can be so significant that they require special attention at the larger merchandising level.

It is known that problems will also arise if there is excess inventory, because the funds tied up in inventory should be able to be invested elsewhere. Excess inventory is also associated with high carrying costs for storing goods and also the risk of goods becoming obsolete or even the risk of goods being damaged.

Inventory problems are becoming increasingly complex with the existence of merchandise that is returned by consumers because it is not in accordance with specifications, defects, damaged in the ordering process and others. Merchandise returned (sales returns) must be handled wisely, because if the problem of returning goods (sales returns) is not responded to properly by the company then consumers will complain and it is possible that they will stop being customers, so that it will potentially reduce the number of sales in the future come.

Therefore, it is necessary to have a separate policy to treat sales returns on their records and price policies. Without a merchandise inventory return system, the company will experience obstacles in carrying out its business activities, such as errors in having too many stocks of goods

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that are not sold, goods with physical defects, incorrectly sent goods that do not match the purchase order, the goods sent do not match the quality. If a return is not made, it will hinder the sale of goods that have just arrived from the warehouse. Excess delivery of goods at the time of delivery so that it can harm the company, and as a result the company will experience "Over Stock" (excess stock of merchandise inventory). With a sales return, the customer will no longer be disappointed with the goods he received from the seller.

The speed in selling inventory by the company is an important assessment of the company's performance. Inventory turnover is also one of the components in the calculation of overall asset turnover (return of assets). The rate of return obtained by the company on its assets is a measure of how the company's ability to sell its inventory. Calculating inventory turnover can be done by dividing the total sales obtained divided by the average inventory in the company.

In inventory management or inventory management there is an economic order level (EOQ) model. In EOQ (Economic Order Quantity) the inventory must be in an ideal position, so the process of purchasing the goods must also be correct, this can be known through the economic order formula. So that the inventory position owned by the company is not too small and not too much, because both of these conditions have a risk, meaning that the number of orders made by the company will affect inventory.

Thus, it is important for the company's management to have a sales return policy and to purchase the right amount of goods, so that the inventory value is optimal, not excessive but not too short.

2. Theoritical Review and Method

Sales is the main activity of income from the company, so the activity of selling goods and services must be managed properly by the company, because it will be detrimental to the company if it is not managed properly. This can happen because the sales target expected by the company is not achieved, resulting in reduced revenue. Henry Simamora (2000:24) explains that income is common in companies and is a gross value of goods and services charged to buyers. Meanwhile, according to Chairul Marom (2000:28) income is defined as the sale of merchandise which is the main business of the company which is carried out on an ongoing basis.

Meanwhile, according to Johnson Alvonco (2014: 235) sales are an activity aimed at finding buyers, influencing, and providing instructions so that buyers are willing to adjust their needs to the products offered by the company, and enter into agreements on prices that are beneficial for both parties. From some of the definitions above, we can conclude that a sale is an agreement between a seller and a buyer, where the seller offers a product or service with the buyer providing a certain amount of money as a medium of exchange for the product in accordance with the agreed price.

According to Kotler and Armstrong (2012:230) a product as anything that can be offered to a market for attention, acquisition, use or consumption and that might satisfy a want or need. It can be interpreted that the product is everything that is offered to the market in order to get

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attention, be purchased, used and can meet the wants and needs of buyers. Mullins, Orville, Larreche, Boyd (2005:422) are of the view that if the company wants to maintain its competitive advantage, the company must understand what dimensions are used by buyers to differentiate our products from competitors' products.

Every trading and manufacturing company always requires inventory, the management of companies will be faced with unexpected risks if the company does not have inventory, for example, the company at any time cannot meet the needs of customers who require a requested product or service. This can happen because these items are not always available at all times in every company, which means the company will lose the opportunity to profit from sales that should be obtained. The trade inventory is so important that it becomes the main element of working capital and is an asset that is always in a constant state of rotation and is always changing.

According to Handoko (2000:333) Inventory is everything or company resources that are stored in anticipation of meeting demand. According to Sumayang (2003: 197) inventory is material storage which can be in the form of raw materials, semi-finished goods or finished goods. Thus for the company inventory is an investment in a certain form.

Haming and Nurnajamuddin (2007:4) state that inventory can be interpreted as a company resource that can be held and maintained in order to support the smooth production process. According to Freddy Rangkuti (2004: 16) the costs related to an inventory that must be considered by the company include the cost of storing goods, the cost of ordering goods, the cost of preparation, and the opportunity cost of running out or shortage of goods.

Michell Suharli (2006:303) explains that inventory turnover is a calculation of how many times a certain amount of inventory is sold or replaced with new inventory for one year, and can provide some measurements of liquidity and the company's ability to convert its merchandise inventory into money appropriately. Meanwhile, Susan Irawati (2006:56) explains that inventory turnover is a ratio used to measure the effectiveness of a company's capital capability embedded in trading inventory that rotates in a certain period and estimates for the existence of over stock.

According to the above understanding, it can be concluded that inventory turnover is a measure of how often inventory of merchandise sold in one period is calculated from the cost of goods sold divided by the average inventory. The greater the inventory turnover rate, the better because the company is very efficient in providing its inventory.

Munawir (2004:75) explained that the increase in inventory turnover could be caused by an increase in sales and a decrease in the average inventory of goods, followed by a decrease in sales in larger quantities, a decrease in sales followed by a decrease in the average inventory of goods in a larger amount, an increase in sales. but the average inventory remains, and the average inventory decreases while sales are constant.

According to Wibowo and Abubakar (2005:172) inventory turnover has a ratio to measure several times the average turnover of goods sold in one year. Thus the inventory turnover is the comparison between the cost of goods sold to the average inventory. One of the

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indicators is that the higher the inventory turnover, the better the liquidity of the inventory. Inventory turnover is formulated as follows:

$$\text{Inventory Turnover} = \frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$$

Meanwhile, according to Hery (2015: 183) the calculation of the inventory turnover ratio and the average length of merchandise inventory stored in the warehouse are as follows:

$$\text{Inventory Turnover Ratio} = \frac{\text{Cost of Goods Sold}}{(\text{Beginning Inventory} + \text{Ending Inventory})}$$

This ratio can be used to measure how far the company's efficiency in managing and selling its inventory. According to Holy Icun Yunarto (2006:220) sales return is the receipt of goods by the seller from the buyer, either because the goods are not in accordance with what the buyer wants or because the goods sent are damaged. Meanwhile, according to Sumarso (2009:41) sales returns are merchandise sold but returned by customers due to damage or for other reasons, and customers can also be given a discount (Sales Allowance).

From the above understanding it can be concluded that sales returns are cancellations of purchases or returns of merchandise that has been purchased by the customer because the merchandise is damaged, physically disabled or for other reasons which results in the buyer having to accept the replacement of the goods or the buyer is given a reduction in the price of the goods. the. With the sales return, the value of receivables on the buyer is corrected or reduced.

There are several ways to control the amount of inventory, one of which is through Economic Order Quantity (EOQ). Heizer and Render (2010: 92) explain that EOQ is an inventory control technique that minimizes the total cost of ordering and storage activities. As for Nafarin (2004:84) explains that the quality of the purchase of merchandise can be obtained with minimal costs or is often said to be the optimal number of purchases. Slamet (2007:70) explains that EOQ can be interpreted as the quantity of an item that can be obtained through a number of purchases that incur minimal costs but do not lead to a shortage or excess of goods in the warehouse.

According to Prawirosentono Suyadi (2005:93) the amount of inventory is not too much and too little because both contain risks. Considering that the amount of inventory is affected by the number of orders, it means that an economical inventory occurs if the number of orders made is also economically (economically Order Quantity) or EOQ. Meanwhile, according to Mochammad Fattah (2017: 91) Economic Order Quantity (EOQ) is the number of product orders for inventory that produces minimum costs because of the meeting between ordering costs and storage costs. This method was first developed by Ford Harris and R.H Wilson in 1915.

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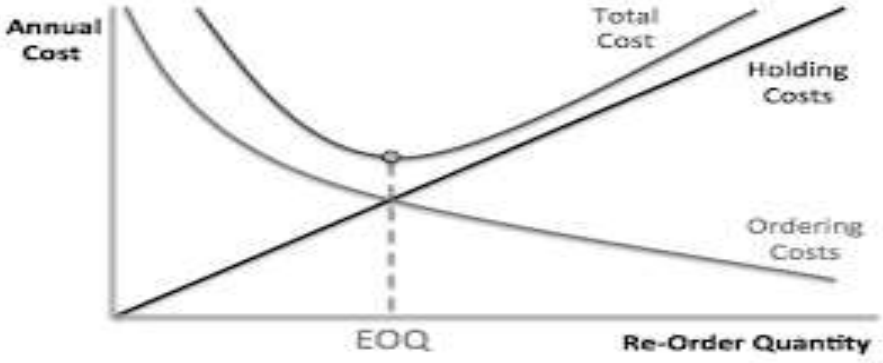

Picture 1. Economic Order Quantity

Procurement of inventory by the company is very important for the smooth production process. To get the optimal amount of purchase each time you order with a minimal cost, according to M Syamsul Ma'arif (2003: 283) it can be formulated as follows:

$$\text{Economic Order Quantity} = \sqrt{\frac{2(D.0)}{(H.C)}}$$

Description :
D : The amount (in units) needed during a certain period.
O : The cost of ordering every time you order
H : Purchase price per unit paid
C : The cost of storage and warehouse maintenance is stated in Percentage.

There is quite a lot of discussion about the analysis of sales returns and economic order quantity in order to calculate inventory turnover. However, in the discussion there are many differences between one researcher with another researcher. In a study conducted by Gede Agus Darmawan (2015) concluded that the total cost of inventory using the EOQ method was Rp. 527,266,71. This amount is smaller than the total cost of inventory that must be incurred by the company in the same period which reached Rp.1,059,102.

Research conducted by Yuliana, Topowijono, Sudjana (2016) with the title Application of the EOQ Model in Order to Minimize Raw Material Inventory Costs. From this researcher, it is known that the results of the EOQ calculation in 2015 were Rp. 32,687,501 with 20 purchases in one year. Another study conducted by Vikki Yudhi Hapsari (2013) showed that the optimal quantity of raw material purchases in 2012 was 563 sacks, the economical reorder time (ROP) was 148.62 sacks and the safety stock was 31.62 sacks. The total cost of inventories issued by the company in 2012 was Rp. 8,877,174.61 while the total cost of inventory if the company applies a probabilistic EOQ is Rp. 8,333,062.79. The difference in costs that will occur is RP. 544.111.82 or 6.3% of the total inventory cost.

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In contrast to previous research, this study will examine the analysis of sales returns and economic order quantity in order to assess inventory turnover. The differences between previous research and this research are: first, the research variables used are sales returns, economic order quantity. Second, the place of research is Informa Furnishing Mall Kota Kasablanka. Thus the research entitled "Analysis of Sales Returns and Eqonomic Order Quantity to Calculate Inventory Turnover" is a research that has never been done before.

According to Sugiono (2009: 51) the hypothesis is a temporary answer to a problem or research question which is the main reference for developing research designs. The hypotheses put forward by the researchers are as follows:

1. Sales return has a significant role in inventory turnover at PT Informa Furnishing Mall Kota Kasablanka.
2. Economy order quantity has a significant role in Inventory Turnover at PT Informa Furnishing Mall Kota Kasablanka.
3. Sales return and economic order quantity have a significant role in inventory turnover at PT Informa Furnishing Mall Kota Kasablanka.

This research is a type of qualitative research, namely through research procedures that are descriptive and tend to analyze the samples taken. Generally, this method is analyzed using descriptive or explanatory statistics. According to Moleong (2005:6) qualitative research is research that intends to understand phenomena about what is experienced by research subjects such as behavior, perceptions, motivations, actions descriptively in the form of words and language, in a special natural context and by utilizing various natural methods. As for Nazir (2013: 54) explains descriptive method is a method in researching a group of people, objects, a system of conditions, a system of thought, or a class of events. The purpose of this research is to make a description, picture, or painting in a systematic, factual and accurate way to recognize the facts and the relationship between the phenomena being investigated.

Descriptive research is research that seeks to describe and interpret something, for example existing conditions or relationships, developing opinions, ongoing processes, consequences or effects that occur, or about ongoing trends. This study describes the impact of sales return and economic order quantity (EOQ) on inventory turnover at PT Informa Furnishing - Mall Kota Kasablanka

To obtain the necessary data, the researchers did several things, namely:

1. Field research

   Field researchers are research conducted by searching for data and obtaining primary data in the form of processed data from PT Informa Furnishing Mall Kota Kasablanka.
2. Interview

   Researchers also conduct direct interviews with several parties or parts of the company related to the research object taken.
3. Literature Research

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Library research is a research conducted to obtain the required secondary data. Researchers make every effort to collect information that is relevant to the topic or problem that will be or is being studied. This information can be obtained from scientific books, research reports, scientific essays, and other written and printed sources. Literature research is carried out by reading and reviewing literature related to research.

The data analyzed in this study are company data related to sales returns, economic order quantity and inventory data for a period of 4 years (2015-2018).

Sales Return

Sumarso (2009:41) states that sales returns are merchandise sold which may be returned by the customer due to damage or other reasons, the customer is given a discount (Sales Allowance). According to the above understanding, it can be concluded that sales returns are cancellations or returns of goods made by customers because the goods are damaged, defective or for other reasons, resulting in the buyer receiving a replacement of goods or a reduction in price.

***Economic Order Quantity* (EOQ)**

One method to control inventory is the Economic Order Quantity (EOQ). Heizer and Render (2010: 92) explain that EOQ is an inventory control technique that minimizes the total cost of ordering and storage. From the above understanding, it can be concluded that economic order quantity is a technique for controlling inventory to find out the minimum inventory limit.

Inventory Turnover

According to Michell Suharli (2006:303) inventory turnover is to determine the number of times inventory is sold or replaced with new inventory during one year, and provides several measurements of liquidity and the ability of a company to convert its inventory into money appropriately. From the above understanding it can be concluded that inventory turnover is to determine how many times the inventory is sold in a certain period.

The sample taken in this study is PT Informa Furnishing Mall Kota Kasablanka. while the object of research is sales return data, eqonomic order quantity and inventory data for Informa Furnishing Mall Kota Kasablanka for the period 2015 - 2018

3. Results and Discussion

The history of Kawan Lama began in 1955 when the late Mr. Wong Jin established a simple 2x3 meter tool shop in the Glodok area, Jakarta. In 1980, the second generation of the Wong Jin family formalized their business under the name "PT Kawan Lama Sejahtera". The years 1982-1990 was an era of massive expansion by developing distribution networks to various regions in Indonesia. Several subsidiaries were established to specialize in supplying and serving the specific needs of the market. The shop has also moved to a convenient four-floor shopping center in Glodok Jaya, with the concept of one stop shopping. A number of Kawan Lama subsidiaries were established, including "Ace Hardware Indonesia", "Informa Furnishings" (formerly "Index Furnishings"), "Indokompresgma", "Global Tools Indonesia", "Kawan Lama Multiweldindo", "Millerweldindo", "Toys Kingdom ", "Chatime", and "Kawan Lama Internusa".

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In 2014 with the large number of customer requests, a shop was made at the Kota Kasablanka Mall to make it easier for customers to shop at Informa Furnishing.

Interview

Based on in-depth interviews conducted by researchers with informants about how the influence of sales returns and economic order quantity on inventory turnover. From some who have been interviewed by the researcher, the results are almost similar between one answer and another from each informant.

From interviews conducted by researchers with Mr. Agung as a Store Manager, he said that the number of sales returns each month can be said to be 1% of the transactions that take place. There are several reasons for the occurrence of sales returns, namely the first does not match the item or you could say replace the item with something else. Second, because the goods do not match the size of the customer's house. The third is due to defects in the installation process or delivery of goods to the customer's house. Fourth is late delivery.

Meanwhile, returned goods can be resold depending on the condition of the goods. If the item is still good it will be resold. And if the goods are not good, they will be submitted to the head office for a discount. Ideally for goods that are not selling well (slow moving) it is 25% and goods that are selling well (fast moving) are 50% depending on the running of the available models. Returned goods can result in over stock (excess goods) for furniture because it is very annoying. If the customer makes a return, the goods will return to the store and will definitely be displayed and will result in a double display (there are two of the same goods).

Meanwhile, the steps taken by the management to maintain the optimal level of inventory in the store are by utilizing the autorep system (automatic system) with the aim of refreshing (playing) items that are empty or out of stock in the store.

Mr. Ramdhani (Duty Manager) in an interview with the researcher, said that in a month there are at least 45 sales returns made. Because the first one does not match the item or you could say replace the item with something else. Second, because the goods do not match the size of the customer's house. Third, due to defects during installation or delivery of goods to customers' homes. fourth because of late delivery, and most of the returns occur because they are damaged and not in accordance with the wishes of the customer.

While goods that have been returned can be resold in 2 stages, namely the stage from the warehouse and the stage from the store. In terms of inventory, 90% of it is ideal for fast moving and 10% for slow moving depending on the target store. Returns can result in over stock depending on the space area of the display and if that happens, the steps taken are submitting the store to the buyer for the item to apply for a discount to sell. In a day there is at least one fleet that comes and is charged a fee per fleet of around Rp. 250,000.

Thus, management maintains the level of inventory in the store so that it is always optimal, remains the reference for commodity sales analysis, and sees which commodity has the greatest achievement. To make big sales. and always keep the variant so that it can be sold well. vacancies of goods when receiving requests often occur and to minimize this by monitoring

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inventory and giving time duration to the customer. Management maintains a balance of inventories from the resultant sales return and high demand, namely the first goods are adjusted to the customer's wishes. second, the goods must be available when the demand for goods is high which depends on the situation.

In an interview with Ms. Nia as a staff in the Administration, she explained that there are several reasons why customers make the first return that does not match the item or replace it with another item. While the second there is no confirmation to the customer so that the delivery of the goods is delayed and causes a sales return. And thirdly, there is damage to the goods due to vendor error or defects in travel and installation. If there is over stock, what is usually done by the administration is by coordinating with the manager or duty for further processing. For vacancies, goods often occur and usually the thing to do is contact other stores to ask for goods that match customer orders. For the fleet that comes to the store, you could say almost every day goods come.

Ms. Zaliya as the receiving staff (blue team) said that if there was a return, the item could be resold depending on the condition of the item. If the item is still good, it is usually resold. And if the goods are not good, a write off (WO) will be submitted or the destruction of the goods. There are several reasons why customers make returns, the first one does not match the item or replaces another item. the second is due to defects during installation or delivery of goods to the customer's house, and this is the case where most returns occur due to damage or defects. If there is over stock, usually what the blue team does is to coordinate with the manager or duty for further processing. For vacancies, items often occur and usually the thing to do is contact another store to ask for items that match the customer's order.

Documentation

Based on the documents obtained by the researchers regarding how to analyze sales returns and economic order quantity in order to calculate inventory turnover, the data obtained by researchers are as follows:

a. Sales Return

The following is sales return data for the 2015-2018 period, as follows:

Table 1. *Sales Return*

Year	Unit	Mark (Rp)
2015	1.017	915.070.493
2016	1.000	629.027.560
2017	1.796	1.471.240.934
2018	1.534	709.047.196

Source: Research data processing

b. Eqonomic Order Quantity

The following is sales return data for the 2015-2018 period, as follows

The EOQ (Economic Order Quantity) method is used to find the economic quantity for each order so as to minimize ordering costs and storage costs.

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Table 2. Ordering goods

Year	Mark EOQ	Ordering goods
2015	20.348	20.781
2016	25.975	32.004
2017	23.684	25.168
2018	23.704	27.162

Source: Research data processing

c. Inventory turnover

The following is inventory data for the 2015-2018 period, as follows:

Table 3. Inventory turnover

Year	Turnover (Times)
2015	980
2016	984
2017	891
2018	1.063

Source: Research data processing

Research Results Analysis

From the results of the study of existing data on the company and the results of interviews with several parties, ranging from the manager level to the staff of the inventory section that has been carried out by researchers. So the researcher can provide an analysis related to the impact of sales return and economic order quantity on Inventory Turnover, which is described as follows.

Sales Return Analysis in Inventory Turnover

Sales return is a separate problem for every company, apart from being a form of failed sales transactions, sales returns will also increase inventory. On the other hand, the addition of inventory due to this sales return, in addition to increasing the area of warehouse needs, is also sometimes in the form of low or abnormal quality goods so that it will reduce the inventory value from what it should be or from its acquisition value.

Based on the data obtained, in 2015 the sales return was 1,017 units or Rp. 915,070,493, while the inventory turnover that occurred in that year was 980 times. In 2016 the sales return decreased and inventory turnover increased to 984. In 2017 the sales return increased again drastically to 1,796 units or Rp. 1,471,240,934, this resulted in a decrease in the inventory turnover rate to 891 times. Meanwhile, in 2018 the sales return decreased to 1,534 units or Rp. The increase in inventory turnover was due to an increase in sales obtained by the company, so that many inventories of goods were sold, on the other hand the sales return in that year decreased.

From this explanation, it can be said that sales return is closely related to the inventory contained in Informa Furniture. Sales return can affect the value of inventory in the company. Physically or the quality of the goods will decrease if the sales returns that occur are not processed properly and quickly. This means that the goods are in stock in large quantities but the

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quality of the goods is not in optimal condition because not all of the goods can be resold so that later it will affect the incoming inventory turnover and result in slow moving or over stock at Informa Furnishing Mall Kota Kasablanka.

In addition, goods that come out as a result of sales returns can also affect the level of sales so that sales will decrease because goods that should be sold normally, but are sold at discount prices and goods that come in due to sales returns can also cause an increase in stock and will result in overstock. stock if the item is not immediately taken the next step.

EOQ (Economic Order Quantity) Analysis in Inventory Turnover

Inventory control analysis that will be explained here is the economic order level. The inventory control model used is the inventory model with the EOQ (Economic Order Quantity) method. Through the EOQ method, it can be obtained the level of ordering economic goods that can minimize the cost of ordering and storing inventory. By controlling inventory using the EOQ method, it is also hoped that optimal inventory levels can be obtained.

Based on the EOQ calculation, it can be concluded that in 2015 the ideal number of inventory orders was 20,348 units, but the number of inventory orders made by Informa Furnishing was 20,781 units, it can be said that the orders made by Informa Furnishing actually occurred in excess of the ideal amount. Meanwhile, for the following years, the number of inventory orders made by the company also seems to be experiencing an excess when compared to the EOQ value. This can be explained as follows, in 2016 the EOQ value was obtained at 25,975 units, but the number of orders made by the company in that year was 32,004 units. In 2017 and 2018 the EOQ values were 23,684 units and 23,704 units, respectively, while the number of inventory orders made by the company was 25,168 units and 27,162 units, respectively.

From the explanation above, it can be concluded that in ordering goods, the company has ordered in quantities greater than the EOQ value for each year. Whereas the use of calculating the number of orders for goods with the EOQ method will be more effective than using the calculations previously carried out by Information Furnishing. The number of orders for supplies that are economical or ideal greatly affects the amount of inventory in the Informa Furnishing Mall Kota Kasablanka. Indirectly, the number of economical orders (according to EOQ) will affect the amount of inventory turnover if the level of sales is constant, i.e. because the amount of inventory is ideal (no excess and no shortage) then the turnover of incoming and outgoing goods is correct. On the other hand, the inaccuracy of the number of orders for goods will have an impact on the amount of inventory in the store being excessive.

Analysis of Sales Return and Economic Order Quantity in Inventory Turnover

Based on the data obtained in 2015 it can be concluded that the sales return has a direct effect on the inventory value, which will automatically affect the inventory turnover. Therefore, sales returns and the number of inventory orders made must be right so that the amount of inventory will be maintained, so that inventory turnover will also be well maintained. If

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inventory orders are made according to the company's inventory requirements, the ideal inventory turnover point will be achieved.

Judging from the existing data and the results of the interview, it can be concluded that there is a close relationship between sales return and EOQ which will affect inventory turnover. If the sales return is higher, ideally the number of inventory orders made by the company will decrease, because the sales return will have an impact on increasing the amount of inventory, moreover, sales return goods cannot necessarily be resold to consumers if they are damaged goods.

This will certainly affect the value of the inventory which will automatically increase to a large size, thus affecting the inventory turnover. However, if the receipt of goods from the sales return is accompanied by the number of orders made by the company in an economical or ideal amount (EOQ), then the value of the existing inventory will be proportional to the need or amount of sales. If this can be applied by the company, the inventory turnover that occurs in the company will be optimal.

4. Conclusion

After The results of this study indicate that:

1. Sales return has a role in inventory turnover. The number of sales returns will cause inventory to increase, resulting in the length of the process of selling goods. Then the sales return will greatly affect the inventory turnover. The higher the sales return, the slower the inventory turnover, and vice versa, the lower the sales return, the better the inventory turnover.
2. Eqonomic Order Quantity can play a role in the high and low inventory turnover. If every order made by the company is in accordance with the EOQ (Economic Order Quantity), then the inventory turnover becomes optimal.
3. Sales return and EOQ (Economic Order Quantity) have a close relationship with inventory turnover, namely where the number of sales returns and the number of orders made by the company will have a direct impact on the inventory value. The value of the existing inventory will increase in terms of quantity, but will decrease in terms of quality, because not all of the sales return items are still in good condition which of course takes time to determine whether the item can be repaired or not so that it will add to the existing inventory stock.

With a balance between the number of sales returns and the number of orders for goods made by the company, the amount of inventory does not become over stock or lack of inventory, where this can affect inventory turnover. Management must pay attention to inventory stock in order to maintain it so that there is no over stock or stock shortage, which in the end will achieve good inventory management.

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