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EFFECTS OF CR, DAR, TAT AND ROA ON CONSUMER INDUSTRY GROWTH AND CORPORATE PROFITS

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Abstract

This study aims to determine the impact of the variables current ratio, debt ratio, total asset turnover and ROA on profit growth. The object of this study was 53 companies selected according to the purposive sampling method with certain criteria, amounting to 25 companies. The type of data used in this study is quantitative data. The data source in this study is secondary data. Data collection techniques were performed using linear analytical data analysis and documentation techniques. The research results partly show that current ratio has a negative and significant impact on profit growth, while debt ratio, total asset turnover and ROA do not have a significant impact on growth. profit. The research results also show that the current ratio, debt ratio, total asset turnover and ROA are related to earnings growth.

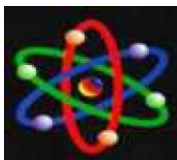
Keywords: Current ratio, Debt To Asset Ratio, Profit Growth, ROA, Total Asset Turnover

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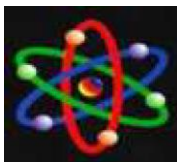
INTRODUCTION

Capital market is defined as an activity or facility that includes some financial portfolio that is more than one year old and can also be traded in the form of money or in the form of equity. Profits are often used as a measure of a company's achievements, so that profits can be used as a basis for making investment decisions and forecasting future profit growth. Profit growth is the percentage increase in profit achieved by a company. Good changes in earnings indicate that the company is in good financial health, which will eventually increase the company's value. The current ratio shows how well current assets are able to pay current liabilities. The higher the ratio of current assets to current liabilities, the better able a company is to cover its short-term liabilities, so that the company can operate as optimally as possible. The low current ratio may be due to liquidation issues within the company. On the other hand, a liquidity ratio that is too high is also not a good thing because it shows that there is a lot of unused capital, which can ultimately reduce the company's capabilities. Total debt will be a problem for companies in the future, this can of course affect the company's funding structure. The existence of current debt greatly influences the company's working capital availability. The higher the amount of current debt can of course increase the company's total debt and can further increase the company's total debt and can further increase the debt to asset ratio, so that more of the company's assets will be spent on debt.

At the DVLA company, sales increased by 0.18% but this was not followed by net profit which decreased by 60.46%, so it was indicated that there was a problem between sales and net profit. At the DLTA company in 2016-2017 total assets decreased by 12% but this was not followed by net profit which increased by 9.92%, so it is indicated that there is a problem between total assets and net profit. Based on several previously existing limitations, the researcher will examine further the "Influence of Current Ratio (CR), Debt To Asset Ratio (DAR), Total Asset Turnover (TATO) and ROA on Profit Growth in Companies.

According to Kasmir (2016: 134)," a high ratio value indicates that the company's current assets are able to meet its short-term obligations. However, when the current ratio value is higher, there is a possibility that there will be excess current assets which will have an adverse effect on the company's profitability. According to Mamduh (2016: 75), "in general, current assets produce lower returns compared to fixed assets. The Influence of Debt To Asset Ratio on Profit Growth. According to Syamsuddin (2015: 54), "the higher the debt to asset ratio, the greater the amount of loan capital used to generate profits for the company, the greater this ratio, the greater the leverage of a company. According to Herry (2017:299), "if the debt to asset ratio is high then this will of course reduce the company's ability to obtain additional loans from creditors because it is feared that the company will not be able to pay off its debts with the total





assets it owns. A small ratio indicates that little of the company's assets are financed by debt. According to Herry (2017: 311), "low total asset turnover means that the company has a level of excess total assets that have not been utilized optimally to create sales.". According to Syamsuddin (2015: 62), "the higher the total asset turnover ratio means the more efficient the use of total assets in generating sales. Total asset turnover is important for creditors and company owners, but it will be more important for company management, because this will show whether or not the use of all assets in the company is efficient. The Influence of ROA on Profit Growth. According to Kasmir (2015:237), "the greater the company's ROA, the greater the company's position and the better the company's position in terms of asset use. Therefore, for management or other parties, high profitability is more important. rather than big profits. According to Munawir (2016: 89)," the higher the return on assets, the higher the profit growth.

METHOD

The population is the entire research subject. From the definition of population above, the population of this research is 25 companies in the manufacturing sector of the consumer goods industry listed on the Indonesian Stock Exchange for the 2015-2019 period. Determination of the sample for this research was carried out through purposive sampling, that is, a sampling technique using a criterion. Manufacturing Companies in the Consumer Goods Industry Sector registered on the IDX for the 2015-2019 period. Manufacturing

Companies in the Consumer Goods Industry Sector that publish their financial reports for the 2015-2019 period. Manufacturing Companies in the Consumer Goods Industry Sector that earned profits for the 2015-2019 period.

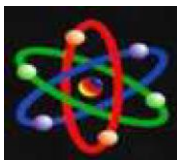
No	Criteria	Amount
1.	Company Manufacture Sector Industry Goods Consumption Period 2015-2019.	53
2.	Company Manufacture Sector Industry Goods Consumption Which No publish report his finances Period 2015-2019.	(15)
3.	Company Manufacture Sector Industry Goods Consumption Which experience loss Period 2015-2019.	(13)
	Amount Sample Company	25
	Total Sample (5 x25)	125

Table 1. Study Sample

RESULTS

The samples used in this research were 25 samples in five periods year dam total sample observation a number 125 sample company in company manufacture sector industry goods consumption Which Already registered in BEI on year 2015-2019. According to Harmono (2015), current ratio that is A skill Which There is in company in order to be able to pay off a number of existing short-term debts in general, namely debt period in short not enough from One year.





	N	Minimum	Maximum	Mean	Std. Deviation
CR	125	,38138	9.27653	2.8091779	1.98294170
DAR	125	,07074	1.76941	,4183792	,27255392
TATTOO	125	,00058	8.57891	1.3571941	,94918194
ROA	125	,00053	1.27541	,1447041	,17440154
Profit Growth	125	-,83306	7.02047	,3474948	1.02782748
Valid N (listwise)	125				

Table 2. Descriptive Statistics

The current ratio has a minimum value of 0.38138 obtained by PT PCAR, Tbk and a maximum value of 9.27653 obtained by PT SIDO, Tbk with an average value of 2.8091779 and a standard deviation value of 1.98294170. The debt to asset to ratio has a minimum value of 0.07074 at PT SIDO, Tbk and a maximum value of 1.76941 at PT CINT, Tbk with an average value of 0.4183792 and a standard deviation value of 0.27255392. Total asset turnover has a minimum value of 0.00058 at PT DLTAi, Tbk and a maximum value of 8.57891 at PT MERKi, Tbk with an average value of 1.3571941 and a standard deviation of 0.94918194.

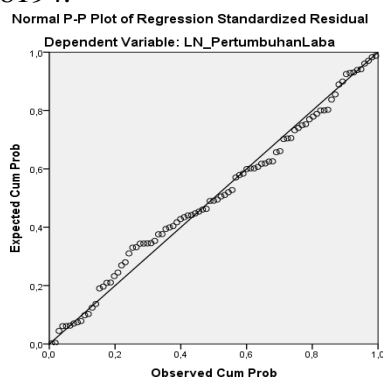


Figure 1. P-P Plot Graph

ROA has a minimum value of 0.00053 at PT SKBMi, Tbk and a maximum value of 1.27541 at PT MERK, Tbk with an average value of 0.1447041 and a standard deviation of 0.17440154. The share price has a minimum value of -0.83306 at PT SKBM, Tbk and a maximum value of 7.02047 at PT CLEO, Tbk with an average value of 0.3474948 and a standard deviation of 1.02782748.

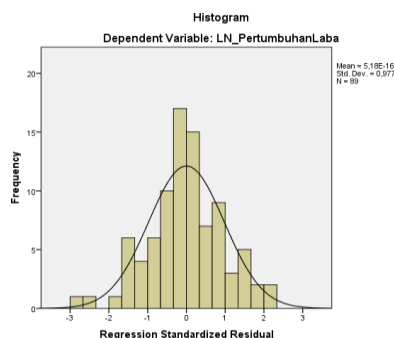


Figure 2. Test Normality Histograms

From the P-Plot graph, it shows that the points spread close to the diagonal line, so it can be concluded that the data is normally distributed. The non-parametric one sample Kolmogorov-Smirnov Test (KS) statistic was used to test normality in the research. If the significant value is >0.05 then the data is normally distributed. If the significant value is <0.05 then the data is not normally distributed.



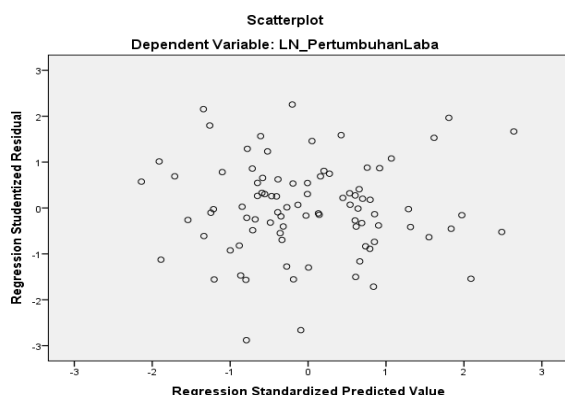
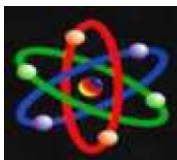


Figure 3. Test Heteroscedasticity

Test glejser on state that mark variable current ratio , DAR, TATO and ROA has a significant value > 0.05 , which means that in this test the data is valid distribute normal and heteroscedasticity does not occur.

Model	Unstandardized Coefficients	
	B	Std. Error
(Constant)	-1,841	,508
LN_CR	-,841	,412
LN_DAR	-,418	,482
LN_TATTOO	-,107	,132
LN_ROA	-,192	,124

Table 3. Equality Analysis regression Linear Multiple

The debt to asset ratio regression unit value of -0.418 indicates that every decrease debt to asset ratio 1%, then profit growth (Y) will decrease by -0, 418units. The total asset turnover regression unit value of -0.107 states that every a decrease of 1%, then profit growth (Y) will experience a decrease of -0.107 units. Mark unit regression ROA as big as -0.192 state that every decline 1%,

so profit growth (Y) will experience decline as big as -0.192 units.

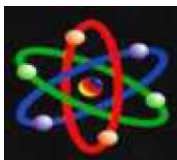
CONCLUSION

This research is in line with research conducted by (Malinda, et al, 2016) who stated that TATO had no significant effect on profit growth. According to Syamsuddin (2013:62), the higher the Total Asset Turnover ratio means the more efficient the use of overall assets in generating sales.

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