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The Effect Of Current Ratio, Company Size, Return On Asset And Debt To Equity Ratio On Profit Growth On Consumer Goods Companies Listed On The Indonesia Stock Exchange 2018 – 2020

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ABSTRACT

This study analyzes the effect of CR, firm size, ROA, and DER on profit growth in IDX consumer product companies 2018-2020. This research is quantitative. The sampling approach was purposive sampling, using 34 consumer goods businesses listed on the Indonesia Stock Exchange in 2018-2020 multiplied by 3 years during the research period. Research using multiple linear regression shows that CR, company size, ROA, and DER have a simultaneous and substantial effect on profit growth in consumer product companies listed on the Indonesia Stock Exchange 2018 - 2020. CR has a small effect on profit growth in the consumer business. . listed on the IDX 2018 - 2020. Company size has no effect on profit growth in consumer goods companies listed on the IDX 2018-2020. ROA affects profit growth in the NYSE consumer goods business. Indonesia Stock Exchange 2018-20. DER has little effect on the consumer product business listed on the Indonesia Stock Exchange on 2018-2020 profit growth.

1. Introduction

IDX requires public companies to publish annual financial statements. Consumer goods companies are evolving to face tougher competition. During the Covid-19 epidemic, organizations must ensure business continuity to generate profit and revenue development and keep the company functioning smoothly. Annual profit is unknown. Profits fluctuate. Good profit growth reflects the financial health of the consumer goods business, which is driving sales. Profitable companies have multiple assets to create income.

CR measures profit growth factor. A low current ratio indicates the company lacks cash or other working capital to meet its requirements. Higher circulation makes short-term payments simpler. Long-term debt and persuade creditors to support the company to avoid financial problems. Profit growth is also influenced by company size. Size affects a firm's capacity to raise external financing for operations. Large companies will find it easier to get large loans to maintain their operations, increase productivity, and increase profitability.

Another measurement of profit growth drivers. take advantage of ROA. Return on assets shows the company is managing its assets profitably. Return on assets indicates the company's capacity to maximize return on assets. Debt to equity ratio also affects profit growth. This ratio describes how much the owner's capital can repay the loan. The debt to equity ratio of each company is different. Companies with predictable cash flows have higher ratios.

The table above shows the 2019 net profit at PT. Darya Varia Laboratoria Tbk. of Rp. 221,783,000,000, and the total debt is Rp. 523,881,000,000 while in 2020 the net profit was Rp. 162,072,000,000 and a total debt of Rp. 660,424,000,000. PT. Gudang Garam Tbk in 2019 had total assets of Rp. 78,647,274,000,000 and total equity of Rp. 50,930,758,000,000 while in 2020 the total assets owned are Rp. 78,191,409,000,000 and total equity of Rp. 58,522,468,000,000. PT. Indofood CBP Sukses Makmur Tbk in 2019 had a net profit of

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Rp. 5,360,029,000,000 and a total debt of Rp. 12,038,210,000,000 while in 2020 the net profit obtained was Rp. 7,418,574,000,000 and a total debt of Rp. 53,270,272,000,000.

From the above problems, the researcher is interested in the research title "The Influence of Current Ratio, Company Size, Return on Assets and Debt to Equity Ratio on Profit Growth in Consumer Goods Companies Listed on the Indonesia Stock Exchange in 2018 - 2020.

2. Method

2.1 Research Approach

This study uses a quantitative methodology based on secondary data in the form of financial reports issued by companies listed on the IDX and can be accessed through www.idx.co.id or the company's website.

2.2 Population and Sample

This research covers the consumer product business of the Indonesia Stock Exchange for the period 2018-2020. The data are quantitative. Purposeful sampling is used. Purposive sampling has special attention.

2.3 Data Collection Method

Documentation collects data. The documentation approach collects secondary data from the 2018-202 IDX consumer goods business annual financial reports

3. Results and Discussion

3.1 Normality Test

In this study, the normality test of the residuals can be seen below:

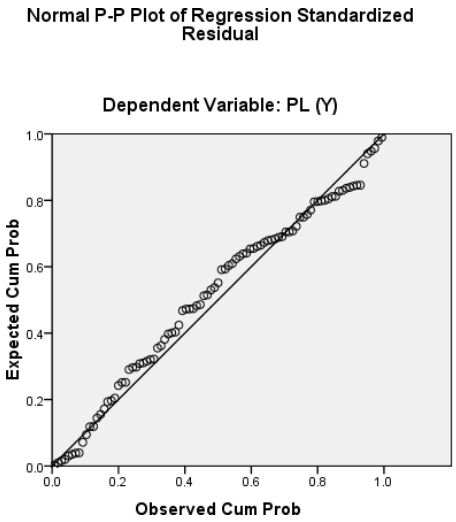

Figure 1 Normal Probability Plot of Regression

3.2 Multicollinearity Test

In this study, the symptoms of multicollinearity can be seen from the VIF value. Ghozali (2013) states that if the VIF value is > 10 then this is an indication of multicollinearity. The results of the multicollinearity test are presented in Table 1.

Table 1
Multicollinearity Test

Variabel Independen	VIF
CR (X1)	.664
LnTA (X2)	.705
ROA (X3)	.885
DER (X4)	.790

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Based on Table above, VIF CR 1,507, LnTA 1,418, ROA 1.13, and DER 1,266. All VIF values are 10, so multicollinearity is not possible.

3.3 Heteroscedasticity Test

To test whether there is heteroscedasticity or not can be seen below.

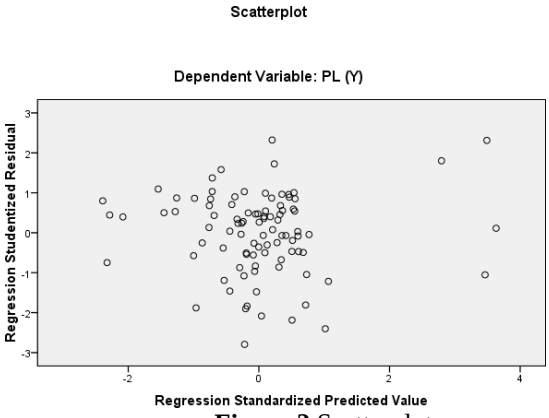

Figure 2 Scatterplot

Based on the figure below, does not show a pattern of dots above and below 0 on the Y axis, indicating heteroscedasticity.

3.4 Autocorrelation Test

To determine the autocorrelation test can be seen below:

Table 2
Durbin Watson Test

Model	Durbin-Watson
1	1.926

Based on the table above, Durbin-Watson test score of less than 1 or more than 3 indicates autocorrelation. The Durbin-Watson test is 1.926, according to Table III.4. Since 1 1,926 3 is between 1 and 3, the non-autocorrelation assumption is met. There are no autocorrelation symptoms

3.5 Multiple Analysis Regression Linear

To determine the multiple analysis regression linear can be seen in the table below:

Table 3
Multiple Analysis Regression Linear Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.452	1.117		.405	.687		
	CR (X1)	-.082	.052	-.194	-1.572	.119	.664	1.507
	LnTA (X2)	-.077	.045	-.206	-1.721	.089	.705	1.418
	ROA (X3)	1.548	.719	.230	2.153	.034	.885	1.130
	DER (X4)	-.258	.252	-.116	-1.022	.310	.790	1.266

$$Y = 0.452 - 0.082X1 - 0.077X2 + 1.548X3 - 0.258X4 + e$$

Based on the equation can be adjusted:

a. 0.452 is a constant. If CR, LnTA, ROA, and DER do not affect PL, then PL is equal to 0.452.
b. The negative regression coefficient of CR is -0.082. When CR increases by 1 unit, PL decreases by 0.082.
c. The negative regression coefficient of LnTA is -0.077. When LnTA increases by 1 unit, PL decreases

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d. -0.077.
e. The positive regression coefficient of ROA is 1.548. Then ROA grew by 1 unit and PL by 1,548.
f. The DER negative regression coefficient is -0.258. When DER increases by 1 unit, PL decreases by -0.258.

3.6 Hypothesis Test

In testing the hypothesis, the coefficient of determination analysis will be carried out, simultaneous effect testing (F test), and partial effect testing (t test). Statistical values of the coefficient of determination, F test, and t test.

Table 4
SimultaneouslyTest

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.375	4	4.844	2.695	.036
	Residual	158.159	88	1.797		
	Total	177.534	92			

Based on table above, F=2,695 and Sig.=0,000. CR, LnTA, ROA, and DER have a significant effect on PL if F = 2.695 > F table = 2.475 and Sig = 0.036 0.05.

Table 5
Partial Test

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1(Constant)	.452	1.117		.405	.687		
CR (X1)	-.082	.052	-.194	-1.572	.119	.664	1.507
LnTA (X2)	-.077	.045	-.206	-1.721	.089	.705	1.418
ROA (X3)	1.548	.719	.230	2.153	.034	.885	1.130
DER (X4)	-.258	.252	-.116	-1.022	.310	.790	1.266

The regression coefficient of CR is -0.082, which is negative. The calculated t value is -1.572, indicating that CR has a negative effect on PL.
1,987 < 1,572 < 1,987 And = 0.119 > 0.05
So CR doesn't affect PL. Thus, CR has a slightly detrimental impact on PL
It is known that the regression coefficient value of the LnTA variable is -0.077, which is negative. In this way it means that LnTA has a negative effect on PL. and the calculated t value = -1.721, that is
1,987 < 1,721 < 1,987 And = 0.089 > 0.05
So LnTA does not affect PL. LnTA has little detrimental effect on PL.
The positive regression coefficient of ROA is 1.548. In this approach, ROA has a favorable influence on PL
And > 2,153 > 1,987
= 0.034 < 0.05
So, ROA affects PL. So ROA has a positive effect on PL.

It is known that the regression coefficient value of the DER variable is -0.258, which is negative. DER has a negative impact on PL, and the t count is -1.022.
1.987 < 0.258 < 1.987 and = 0.310 > 0.05
So DER does not affect PL. DER has a negative impact on PL, but not much

TABLE 6
Coefficient Determination Test

	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	.452	1.117		.405	.687		
CR (X1)	-.082	.052	-.194	-1.572	.119	.664	1.507
LnTA (X2)	-.077	.045	-.206	-1.721	.089	.705	1.418
ROA (X3)	1.548	.719	.230	2.153	.034	.885	1.130
DER (X4)	-.258	.252	-.116	-1.022	.310	.790	1.266

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R-Square adalah 0,109 per Tabel III.8. CR, LnTA, ROA, dan DER dapat mempengaruhi PL sebesar 10,9%, sedangkan sisanya sebesar 89,1% ditentukan oleh variabel atau faktor lain.

4. Conclusion

The conclusions that researchers can draw from the results of this study are as follows: The regression coefficient of CR is negative, equal to -0.082. CR is detrimental to PL. The t statistic of CR is -1.572 and its Sig. is 0.119, so it has no significant impact on PL. CR has little detrimental effect on PL The negative LnTA regression coefficient is -0.077. LnTA is detrimental to PL. t LnTA statistic is -1,721 and its Sig. is 0.089, so it does not have a significant impact on PL. So LnTA has a slightly detrimental effect on PL. The positive ROA regression coefficient is 1.548. ROA helps OT. The ROA t statistic is 2.153 and its Sig. the value is 0.034, therefore it has a considerable influence on the PL. So ROA has a positive impact on PL. Negative DER regression coefficient is -0.258. DER is detrimental to PL. DER t statistic is - 1022 and Sig. is 0.310, then DER has no significant effect on PL. DER has little detrimental effect on PL. CR, LnTA, ROA, and DER all have an impact on PL. CR, LnTA, ROA, and DER impact on PL by 10.9%; Another 89.1% is explained by other variables or factors.

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