INFLUENCE CURRENT RATIO, PRICE EARNINGS RATIO, RETURN ON EQUITY, DEBT TO EQUITY RATIO, NET PROFIT MARGIN AND TOTAL ASSETS TURNOVER AGAINST COMPANY SIZE

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Abstract

The aim of this research is to determine the influence of independent variablesCurrent Ratio (CR), Price Earning Ratio (PER), Return On Equity (ROE), Debt to Equity Ratio (DER), Net Profit margins, Total Assets Turnovers (TATTOO) to variables Company Size depends on companies operating in the field food and drink Which registered in BEI 2018-2020. The test results are only the Debt to Equity Ratio variable influential in a way Partial And significant to size company whereas variables Current Ratio, Price Earning Ratio, Return on Equity, Net Profit Margin and Total Asset Turnover has no partial and insignificant influence on size company on food And drink Which registered in BEI 2018-2020, while simultaneously Current Ratio, Price Earning Ratio, Return on Equity, Debt to Equity Ratio, Net Profit Margin, Total Asset Turnover have an influence and are significant to size company on company food And drink Which registeredon BEI 2018-2020.

Keywords: Current Ratio (CR), Price Earning Ratio (PER), Return On Equity (ROE), Debt to Equity Ratio (DER.), Net Profit Margin (NPM), Total Asset Turnover (TATO),Size Company (Firm Size)

INTRODUCTION

Industrial developments in Indonesia are competing to increase economic growth, causing competition between companies to become increasingly fierce. Every company has the goal of generating long-lasting profits, because there is very tight competition, many companies are experiencing losses because they are unable to manage their finances well, especially during the current pandemic.

With the pandemic and fighting in the food and beverage industry, company management is taking advantage of this situation to improve its best performance, which attracts investors to invest. One of the industries that is an investment option available on the Indonesian Stock Exchange is the food and beverage industry. This food and beverage company is one that has the opportunity to develop. The food and beverage industry is one of the pillars of industry throughout Indonesia. Even after becoming a basic need for Indonesian people, the need for food and drink continues to increase along with the increase in the country's population. Current Ratio (CR) is used to evaluate a business's ability to pay short-term debt using its current assets, Price Earning Ratio (PER) is used to show the amount of profit in rupiah that investors are willing to pay for their shares, or PER is the price for profit in rupiah . Return On Equity (ROE) is a ratio that calculates the net profit after tax from own capital, Debt to Equity Ratio (DER) is a ratio used to determine how much capital is used to guarantee debt. After calculating total costs and income taxes, the profit is called Net Profit Margin. Total Assets Turnover (TATO) is used to show the level of asset turnover based on the number of sales. Investors can use this financial ratio to determine the company's financial position.

RESEARCH METHODS

This research uses an associative approach. According to Sugiyono (2018:63) Associative research aims to get ideas about whether or not there is a significant relationship between two or more research variables.However, based on the data used, this research is categorized as quantitative research. Where, according to Sinambela, 2020 Quantitative research produces structured data using numbers. The food and beverage subsector listed on the Indonesia Stock Exchange (BEI) is the subject of this empirical research in the 2018 – 2020 period and by collecting financial report data available via the official. The sample is a representation of the population to be studied. (Arikunto, 2019:109). The method used to determine the sample for this research is proportional sampling. The purpose of using proportional sampling is to obtain samples that meet the specified criteria.

RESULT AND DISCUSSION

	N	Minimum	Maximum	Mean	Std. Deviation
CR (X1)	38	1.07	13.27	3.4429	2.96473
PER (X2)	38	4.61	53.87	23.5239	12.86006
ROE (X3)	38	.05	.24	.1368	.05458
DER (X4)	38	.13	1.26	.5439	.33074
NPM (X5)	38	.02	.23	.0916	.05016
TATO (X6)	38	.45	3.10	1.1471	.56716
Ukuran Perusahaan (Y)	38	27.36	32.73	29.0824	1.58291
Valid N (listwise)	38				

Sumber : Data Pengolahan SPSS 26 (2023)

Figure 1. Descriptive Statistics

The food and beverage industry is part of the sector of manufacturing companies that convert basic raw materials or semi-finished materials into products that are ready for consumption by customers. This research examines the food and beverage manufacturing industry listed on the IDX in the 2018-2020 period. The data used is secondary data taken from the Indonesia Stock Exchange (BEI) website.
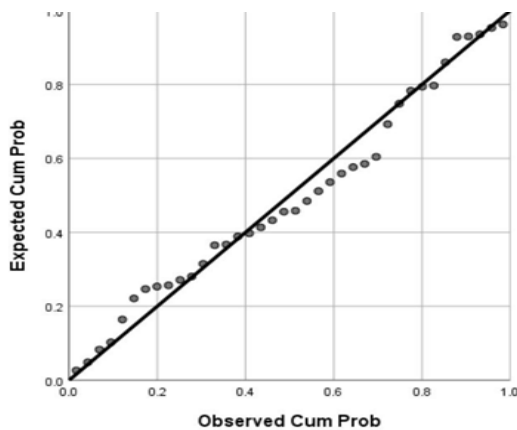

Figure 2. P Plot

In the picture above, it can be concluded that the points are scattered around the diagonal line and in the direction of the diagonal line. As can be seen in the image above, it can be concluded that the curve line is shaped like a bell, which means the residual data is normal.

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		38
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.20967775
Most Extreme Differences	Absolute	.097
	Positive	.097
	Negative	-.077
Test Statistic		.097
Asymp. Sig. (2-tailed)		.200[c,d]

Figure 3. One Sample Kolmogorov Test

Based on the table above, a significance value of 0.200>0.05 is found, so it can be concluded that the residuals are actually normally distributed. The absence of heteroscedasticity is a good regression model. The Scatterplot pattern and Glejser Test can be used to predict whether there is heteroscedasticity in a model. Based on the Scatterplot table above, it is known that the points in the image are scattered above and below the number 0, the points in the image do not gather and the distribution does not have a pattern. So the conclusion is that heteroscedasticity does not occur. Not having autocorrelation is a good example of regression. The autocorrelation test can use Watson's durbin with the formula that if the value of du < d < 4-du then no autocorrelation occurs.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.645[a]	.416	.303	1.32157	1.957

Sumber : Data Pengolahan SPSS 26 (2023)

Figure 4. Autocorrelation test

From the results of the table above, the Model Summary above can be seen that the value of d = 1.957. In this test, the value of du= 1.8641 and 4-du =4- 1.8641= 2.1359. Therefore, it can be concluded that 1.8641<1.957<2.1359 does not have autocorrelation.

The regression equation for the influence of Current Ratio, Price Earning Ratio, Return On Equity, Debt To Equity Ratio, Net Profit Margin, and Total Asset Turnover on Company Size in food and beverage companies listed on the IDX for the 2018- 2020 period.

Company Size = 28,412 + 0.026 CR– 0.016 PER + 6,201 ROE + 2,512 DER – 3,199 NPM – 0.843 TATO.

The multiple linear regression coefficients and equations are:

- The constant value (a) of 28,412 shows that if the regression variable is maintained constant, company size will increase by 28,412 during the 2018-2020 period.
- The regression coefficient for the Current Ratio (b1) variable is 0.026 units. This shows that a one unit increase in the Current Ratio causes an increase in Company Size in food and beverage.
- The regression coefficient for the Price Earning Ratio (b2) variable is - 0.016 units. This shows that a one unit increase in the Price Earning Ratio causes a decrease in Company Size in food and beverage companies listed on the IDX 2018-2020 by 0.016 units.
- The regression coefficient for the Retrun On Equity (b3) variable is 6,201 units. This shows that a one unit increase in Return on Equity causes an increase in company size in food and beverage companies listed on the IDX for the 2018-2020 period by 6,201 units.
- The regression coefficient for the Total Asset Turn Over (b6) variable is - 0.843 units. This shows that a one unit increase in Total Asset Turn Over causes a decrease in Company Size in food and beverage companies listed on

the IDX for the 2018-2020 period by 0.843 units

The t calculated value of Debt to Equity Ratio obtained is 2.426 while the t table value is 2.040. So the conclusion is that the calculated t exceeds the t table 2.426>2.040, with a significant figure of 0.021 or more or less than 0.05 . This proves that the Debt to Equity Ratio partially and significantly influences company size in food and beverage companies listed on the IDX for the 2018-2020 period. In line with previous research by Siti (2019) and Suyono et al (2021) , which said that DER has a positive and significant effect on company size. And the research results obtained have a significant and negative influence on company size. This means that investors consider DER for company size when investing. Where the large level of total liabilities in food and beverage companies can affect the size of the company. The calculated t value of Net Profit Margin obtained is-0.340 while the t table value is 2.040. So the conclusion is that the t count exceeds the t table -0.340. it shows that Net Profit Margin has no effect on profit growth which affects company size. It was explained that identifying the NPM value measure does not encourage investors to invest in food and beverage companies and cannot be used to measure company size.

CONCLUSION

The results of the partial Current Ratio test, obtained a calculated t value of 0.263 < t table 2.040 or a significant value of 0.794 > 0.05 so it can be concluded that there is no partial and insignificant

influence on company size in food and beverage companies listed on the 2018 BEI -2020. 2. The results of the partial Price Earning Ratio test, obtained a calculated t value of - 0.853 < t table 2.040 or a significant value of 0.400 > 0.05 so it can be concluded that there is no partial and insignificant influence on company size in food and beverage companies registered in BEI 2018-2020.

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