CHAPTER II

LITERATURE REVIEW

.Previous Research 2.1

As material to complete the references in this study, the authors describe some of the results of previous studies, including the following:

1. Research conducted by (Mohd. Nawi Purba1, Erika Kristiany Br. Sinurat2, Ahmad Djailani3, Winda Farera4, 2020)with the title The Effect of Current Ratio, Return on Assets, Total Asset Turnover and Sales Growth on Capital Structure in Manufacturing Company "Faculty of Economics, University of Prima Indonesia, Medan, Indonesia of Economics and Business, Universities Pendidikan Ganesha. All rights reserved. “The study was conducted to determine how much effect the Current Ratio, Return on Assets, Total Asset Turnover and Sales Growth have on the Capital Structure of manufacturing companies listed on the IDX from 2016 to 2018.The study was conducted to analyze the effect of current ratio (CR), debt to equity ratio (DER), and return on equity ratio (ROE) on dividend payout ratio (DPR) in the consumer goods industry sector listed in Indonesia Stock Exchange period of 2012-2017. The population of this study was 144 companies with a sample of these companies, namely 73.The sample in this study was The population in this research is consumer goods industry sector listed on the Indonesia Stock Exchange amounted to 40 companies and the research sample is 13 companies. The data analysis method used in this study is panel data regression analysis with the help of software Reviews 9.0 and SPSS. The results showed that partially Current Ratio has a negative and significant effect on Capital Structure, Return on Asset did not have a significant effect on Capital Structure, and Total Asset Turn Over has no significant effect on Capital Structure, and Sales Growth has no significant effect on Capital Structure in manufacturing companies listed on the Indonesia Stock Exchange. Simultaneously Current Ratio, Return on Asset, Total Asset Turn Over and Sales Growth together have a significant effect on the capital structure of companies listed on the Indonesia Stock Exchange. The results showed that result of the research got the value of adjusted R-Square equal to 62.64%. It indicated that return on equity has a significant negative effect on dividend payout ratio with a regression coefficient equal to -1.070932. However, the result of the current ratio has an insignificant negative effect on the dividend payout ratio with a regression coefficient of -2.462612 and the debt to equity ratio has an insignificant positive effect on the dividend payout ratio with a regression coefficient of 0.012540

2. Research conducted by (Wikan Budi Utami, 2019) with the title Analysis of Current Ratio Changes Effect, Asset Ratio Debt, Total Asset Turnover, Return On Asset, And Price Earnings Ratio In Predicting growth Income By Considering Corporate Size In The Company Joined In Lq45 Index Year 2013 -2016 "Faculty of Economics, Business and Accounting, STIE-AAS Surakarta " The study was conducted to determine the effect of the partially and simultaneously of the Current Ratio (CR), Debt Asset Ratio (DAR), Total Asset Turnover (TATO), Return On Assets (ROA), and Price Earnings Ratio (PER) in predicting profit growth by considering firm size at company incorporated in LQ45 index year 2013 -2016 with company size as control a variable. Examine the effect of changes in Current Ratio, Debt Asset Ratio, Total Asset Turnover, Return On Asset, and Price Earnings Ratio simultaneously to the variable of profit growth with firm size as control variable. The

population used for this research is all companies incorporated in LQ45 period 2013-2016 years listed on Indonesia Stock Exchange (BEI). This research method is using multiple regression analysis which is used to know the influence of independent variable to the dependent variable together and partially, From result of t test is known that change of Total Assets Turn Over and change of Return On Assets partially have significant effect to profit growth (EAT) .Variable change of Current Ratio (CR), change of Debt Asset Ratio (DAR), Price Earnings Ratio (PER) partially no significant effect on profit growth variable with firm size as control variable. From result of F test, it is known that Current Ratio (CR) change, Debt Asset Ratio (DAR) change, Total Asset Turnover (TATO), Return On Asset (ROA) change, Price Earnings Ratio (PER) stimulant significant effect on profit growth variable at go public company listed in index LQ 45 in Indonesia with company size) as control variable.

3. Research conducted by (Asmaul Husna, Ibnu Satri, 2019) with the title Effects of Return on Asset, Debt to Asset Ratio, Current Ratio, Firm Size, and Dividend Payout Ratio on Firm Value "Faculty of Economics and Financial, Universities Persada Indonesia YAI, " The study was conducted to The purpose of the research is to determine the effect of return on assets, debt to asset ratio (DAR), current ratio (CR), firm size, and dividend payout ratio (DPR) to the firm value of manufacturing companies listed in Indonesia Stock Exchange for the period 2013-2016, The population was 138 manufacturing companies listed on the Indonesia Stock Exchange for the period 2013-2016. The method of determining the sample was purposive sampling the data were secondary data which included independent variables namely ROA, DAR, CR, firm size, and DPR and a dependent variable that was the firm value of manufacturing companies listed on the Indonesia Stock Exchange for the period 2013-2016, the data were secondary data which included independent variables namely ROA, DAR, CR, firm size, and DPR and a dependent variable that was the firm value of manufacturing companies listed on the Indonesia Stock Exchange for the period 2013-2016, The results of this study support (Thakur and Workman, 2016) research arguing that return on asset has a significant effect on firm value (PBV). The results of the research found that the DAR value was t count 0.193 greater than t table 1.98081 and the Sig value was 0.847 >0.05. This showed that the debt to asset ratio does not have an influence on the firm value. This was probably caused by high debt. The results of this study support the research conducted by found that DAR has no significant effect on firm value (PBV).

4. Research conducted by (Adibah Yahya and Saepul Hidayat, 2020) with the title The Influence of Current Ratio, Total Debt to Total Assets, Total Assets Turn Over, and Return on Assets on Earnings Persistence in Automotive Companies "Faculty of Accounting Auditing and Business Universities Pelita Bangsa and Universities Pelita Bangsa " The study was conducted to determine the effect of the variable Current Ratio, Total Debt to Total Assets, Total Assets Turnover, Return on Assets, on earnings persistence. The population data used in this study are automotive companies listed on the Indonesia Stock Exchange in the period 2014 - 2018. As for the sample of this research obtained from the financial statements of automotive companies listed on the Indonesia Stock Exchange in the period 2014 – 2018 This study used secondary data, namely the annual financial statements of automotive companies listed on the Indonesia Stock Exchange from 2014-2018. The data source is the financial ratios of automotive companies listed on the IDX. The results showed that partial earnings persistence expressed in financial ratios consisting of the Return on Assets (ROA) significantly affect earnings persistence, while the Current Ratio (CR), Total Debt to Total Asset (TDTA) and Total Asset variables and Total

Assets Turnover (TATO) has no significant effect on earnings persistence. Results of the simultaneous test, financial ratios consisting of CR, TDTA, TATO, and ROA had no significant effect on earnings persistence. R Square value of 0.076 can be interpreted that CR, TDTA, TATO, and ROA of 7.6% while the remaining 82.4% is influenced by other variables not examined.

5. Research conducted by (Muhamad Badru Zaman, 2021) with the title Influence of Debt To Total Asset Ratio (DAR) Current Ratio (CR) and Total Asset Turnover (TATO) on Return On Asset (ROA) and Its Impact on Stock Prices on Mining Companies on the Indonesia Stock Exchange in 2008-2017 "Faculty of Industrial engineering & management research, Universities Pamulang " The study was conducted to determine the effect of Debt To Total Asset Ratio (DAR) Current Ratio (CR) and Total Asset Turnover (TATO) on Return On Asset (ROA) and Its Impact on Stock Prices on Mining Companies on the Indonesia Stock Exchange in 2008-2017.The population data collection was carried out by taking secondary data in the form of 8 companies' financial statements for the period 2008 - 2017 where financial statements were made panel data and processed with software Views 9.0.The analytical method used is an associative descriptive analysis. Data analysis includes data feasibility tests, regression analysis, and hypothesis testing partially and simultaneously .The results of this study indicate that (1) the effect of Debt To Asset Ratio (DAR) on Return On Assets (ROA) has a positive insignificant effect, (2) the effect of Current Ratio (DER) on Return On Assets (ROA) has a significant positive effect, (3) the effect of Total Asset Turnover (TATO) on Return On Assets (ROA) has a positive insignificant effect (4) the influence of Debt To Asset Ratio (DAR), Current Ratio (CR) and Total Asset Turnover (TATO) simultaneously to Return On Assets (ROA) probe 0.00000 and F-Statistic 11.82037 have a significant positive effect (5) the effect of Return On Assets (ROA) on Stock Prices has a positive and insignificant effect.

6. Research conducted by (Steven, 2021) with the title The Influence of Current Ratio, Total Asset Turnover, And Debt to Asset Ratio on Profitability on Manufacturing Companies Listed in Indonesia Stock Exchange Period 2015-2019 "Faculty of Economics and Business University of North Sumatra Medan. The study was conducted to analyze the influence of current ratio, total asset turnover and debt to asset ratio of manufacturing companies. This research is classified as causal research, which used population data from 178 manufacturing companies listed in Indonesia Stock Exchange in the period 2015-2019. This research is classified as causal research, which used population data from 178 manufacturing companies listed in Indonesia Stock Exchange in the period 2 the sampling method used in this research is stratified random sampling and obtained data that pass the test as many as 123 companies sampled and 594 number of observations.015-2019. The data used are the financial statements of each sample company, published through the site www.idx.co.id. The result indicate that current ratio has positive influence and significant on profitability, total asset turnover has positive influence and significant on profitability, debt to asset ratio has negative influence and significant on profitability, and current ratio, total asset turnover, and debt to asset ratio simultaneously significant on profitability.

7. Research conducted by (ROYDA, 2019) with the Title The Effect Of WCTA, DER, TATO And NPM On Profit Growth In Manufacturing Companies I Indonesia Stock Exchange "Faculty of Tridinanti University of Palembang**.** The study was conducted to the profit growth of a company may increase for the current year but can also decline for the following year. Because profit growth cannot be ascertained, it is necessary to have an analysis to predict profit growth rates. This study aims to determine the effect of financial ratios on profit growth

simultaneously and partially. The research population is manufacturing companies listed on the Indonesia Stock Exchange from 2016-2017. The sample selection used a purposive sampling method so that a sample of 38 companies was obtained in 2016-2017. Hypothesis testing of this study was carried out using the method of multiple linear regression analysis. The following can be seen data from the average profit growth, average WCTA, average DER, average TAT, average NPM in the period 2016-2017 The results of the simultaneous study (f test) state that Working Capital to Total Assets (WCTA), Debt to Equity Ratio (DER), Total Asset Turnover (TAT), and Net Profit Margin (NPM) have a jointly significant effect on earnings growth. While the results of the study partially (t test) states that WCTA has a significant effect on Profit Growth, DER does not have a significant effect on Profit Growth, TAT does not have a significant effect on Profit Growth, and NPM does not significantly influence Profit Growth. For further research it is recommended to add other variables that might predict earnings growth more precisely, such as Current Ratio, Debt Ratio, and Inventory Turnover and so on.

8. Research conducted by (Melia Trie Utami, Gusganda Suria Manda, 2021) with the title Effect of Working Capital to Total Assets (WCTA), Current Ratio (CR), and Total Assets Turnover (TATO) on Profitability "Faculty of Faculty of Singaperbangsa Karawang University. The study was conducted to examine and analyze the effect of Working Capital to Total Assets (WCTA), Current Ratio (CR), and Total Assets Turnover (TATO) on Profitability with the Return on Assets (ROA) proxy on cigarette sub sector companies listed on the Indonesia Stock Exchange (IDX) quarterly in 2014-2019, both partially and simultaneously.

The research method used is descriptive verification with quantitative approaches. The sample in this study used purposive sampling and 34 companies.

Multiple linear regression analysis. The results showed that the Working Capital to Total Assets (WCTA Current Ratio (CR), and Total Assets Turnover (TATO) simultaneously had a significant effect on the Return on Assets (ROA) profitability. Partially Working Capital To Total Assets (WCTA has a significant negative effect on Return on Assets (ROA) profitability, Current Ratio (CR) has no effect on Return on Assets (ROA) Profitability, and Total Assets Turnover (TATO) has a significant positive effect on Return on Profitability Assets (ROA). The coefficient of determination obtained by 0.429 means that only 42.9% Profitability Return on Assets (ROA) is influenced by Working Capital to Total Assets (WCTA) Current Ratio (CR), and Total Assets Turnover (TATO) and the rest 57.1 % is influenced by other variables.

9. Research conducted by (Mrs. Intan Purba, Abdullah Sani Sitorus, Anita Rinanda,, 2020) with the title The Effect Of Working Capital To Total Asset (WCTA), Current Ratio (Cr) And Debt To Equity Ratio (Der) On Profitability In Manufacturing Companies In Multi-Industrial Sector Listed On The Indonesia Stock Exchange For The 2014-2017 Period . "Faculty of Prima Indonesia University of Economics. The study was conducted to The purpose of this study was to examine the variables of working capital to total assets, current ratio and debt to equity ratio on profitability in various industrial sector manufacturing companies listed on the Indonesian stock exchange for the period 2014-2017 which were carried out either simultaneously or partially. The population that can be taken in this study is 43 manufacturing companies in the various industrial sectors which have been listed on the Indonesian stock exchange. The sample obtained from the observations becomes 13 data which is

multiplied by the year of observation during 2014-2017 to 52 samples of observation data which were selected through purposive sampling technique However, simultaneously or together the three independent variables following WCTA, CR and DER have a significant effect on profitability. By showing the results of the analysis shows that the value of the coefficient of determination is 34% while 66% is explained by other independent variables.

10. Research conducted by (Randa Mohammed Shams Addin Al-Mawsheki, Norzalina Binti Ahmad , Norhafiza Binti Nordin, 2019) with the title The Effects of Efficient Working Capital to Total Assets and Working Capital Policies on Firm Performance: Evidence from Malaysian Manufacturing Firms "Faculty OF School of Economics, Finance and Banking, University Utara Malaysia (UUM), Malaysia." The study was conducted to achieve this aim, this study conducted a panel regression analysis of 959 observations for manufacturing firms in Malaysia from 2010 to 2016. Figure 1 illustrates the framework of this study .Figure the population of this study was all manufacturing firms listed on the Main Market of Bursa Malaysia. The data was collected for the period from 2010 to 2016 from annual reports of the firms, Thomson Reuters and DataStream. This study excluded firms that had missing data during the period of study. Additionally, this study excluded firms that had engaged in mergers and acquisitions or firms established after 2010. The final sample was 137 firms that had complete data for all variables during the period from 2010 until 2016.The purpose of descriptive statistical analysis was to describe the raw data in an easily and interpretable form. The results obtained from this study are the Current Ratio which has a significant effect on Return on Assets, Debt to Equity Ratio has a not significant negative effect on Return on Assets, and Total Asset has a significant positive effect on Return on Asset.

Table 1 Previous Research on International Journals

No	Title of research	Goal of research	Unit of analysis	Variable and data analysis	Result of research
1	The Effect of Current Ratio, Return on Assets, Total Asset Turnover and Sales Growth on Capital Structure in Manufacturing Company (Mohd. Nawi Purba, Erika Kristiany Br. Sinurat, Ahmad Djailani, Winda Farera, 2020) International Journal of Social Science and Business 2020 P-ISSN : 2614-6533 E-ISSN : 2549-6409	To determine how much effect the Current Ratio, Return on Assets, Total Asset Turnover and Sales Growth have on the Capital Structure of manufacturing companies listed on the IDX from 2016 to 2018.	The population of this study was 144 companies with a sample of these companies, namely 73.	X1Current Ratio, X2: Return on Assets, X3: Total Asset Turnover X4 Sales Growth Y: Capital Structure Multiple linear analysis method.	The results showed that partially Current Ratio has a negative and significant effect on Capital Structure, Return on Asset did not have a significant effect on Capital Structure, and

					Total Asset Turn Over has no significant effect on Capital Structure, and Sales Growth has no significant effect on Capital Structure in manufacturing companies listed on the Indonesia Stock Exchange. Simultaneously Current Ratio, Return on Asset, Total Asset Turn Over and Sales Growth together have a significant effect on the capital structure of companies listed on the Indonesia Stock Exchange.
2	The Effect Of Current Ratio, Debt To Assets Ratio And Working Capital Turnover On Return On Assets In	Knowing the effect of the Current Ratio, Debt to Assets	The population in this study is all plastic and packaging	X1: CURRENT RATIO	The results showed that the independent

	Plastic Companies And Packing Listed On Indonesia Stock Exchange (Dedek Kurniawan Gultom, Bahril Datuk, Mei Indriani, 2021) International Journal of Educational Reviewed ,law and social sciences 2021 E-ISSN: 2808-487X	Ratio and Working Capital Turnover on Return On Assets in plastic and packaging companies listed on the Indonesia Stock Exchange.	company listed on the Indonesia Stock Exchange while the sample that meets the criteria for sampling observations carried out for seven years and as many as six years plastic and packaging company listed on the Indonesia Stock Exchange. The population used in this study were all plastic and packaging companies listed on the Indonesia Stock Exchange in 2014-2020, totaling 16 companies.	X2: DEBT TO ASSETS RATIO X3: WORKING CAPITAL TURNOVER Y: RETURN ON ASSSETS multiple linear regression analysis	variables in this study had a simultaneous effect on Return On Assets. While the partial test proves the Current Ratio variable has a significant effect on Return On Assets, while partially proves the Debt to Assets Ratio variable and Working Capital Turnover does not have a positive effect on Return On Assets in plastic and packaging companies listed on the Indonesia Stock Exchange.
3	Analysis of Current Ratio Changes Effect, Asset Ratio Debt, Total Asset Turnover, Return On Asset, And Price Earnings Ratio In Predicting growth Income By Considering Corporate Size	determine the effect of the partially and simultaneously of the Current Ratio (CR), Debt Asset Ratio	Analysis of Current Ratio Changes Effect, Asset Ratio Debt, Total Asset Turnover, Return On Asset, And	determine the effect of the partially and simultaneously of the Current Ratio (CR), Debt Asset Ratio (DAR),	Analysis of Current Ratio Changes Effect, Asset Ratio Debt, Total Asset Turnover,

	In The Company Joined In Lq45 Index Year 2013 -2016 (Wikan Budi Utami, 2019) International Journal of Economics, Business and Accounting Research 2019 ISSN: 2614-1280,	(DAR), Total Asset Turnover (TATO), Return On Assets (ROA), and Price Earnings Ratio (PER) in predicting profit growth by considering firm size at company incorporated in LQ45 index year 2013 -2016 with company size as control a variable. examine the effect of changes in Current Ratio, Debt Asset Ratio, Total Asset Turnover, Return On Asset, and Price Earnings Ratio simultaneously to the variable of profit growth with firm size as control variable	Price Earnings Ratio In Predicting growth Income By Considering Corporate Size In The Company Joined In Lq45 Index Year 2013 -2016 (Wikan Budi Utami, 2019) International Journal of Economics, Business and Accounting Research 2019 ISSN: 2614-1280,	Total Asset Turnover (TATO), Return On Assets (ROA), and Price Earnings Ratio (PER) in predicting profit growth by considering firm size at company incorporated in LQ45 index year 2013 -2016 with company size as control a variable. examine the effect of changes in Current Ratio, Debt Asset Ratio, Total Asset Turnover, Return On Asset, and Price Earnings Ratio simultaneously to the variable of profit growth with firm size as control variable	Return On Asset, And Price Earnings Ratio In Predicting growth Income By Considering Corporate Size In The Company Joined In Lq45 Index Year 2013 -2016 (Wikan Budi Utami, 2019) International Journal of Economics, Business and Accounting Research 2019 ISSN: 2614-1280,
4	The Effects of Efficient Working Capital To Total Assets and Working Capital Policies on Firm Performance: Evidence from Malaysian Manufacturing Firms. (Randa Mohammed Shams	To achieve this aim, this study conducted a panel regression analysis of 959 observations for manufacturing firms in	The population of this study was all manufacturing firms listed on the Main Market of Bursa Malaysia. The data was	The Effects of Efficient Working Capital To Total Assets and Working Capital Policies on Firm Performance: Evidence from	To achieve this aim, this study conducted a panel regression analysis of 959 observations for

	Addin Al-Mawsheki, Norzalina Binti Ahmad , Norhafiza Binti Nordin, 2019) International Journal of Academic Research in Accounting, 2019 E-ISSN: 2225-8329, P-ISSN: 2308-0337	Malaysia from 2010 to 2016. Figure 1 illustrates the framework of this study. *Figure*	collected for the period from 2010 to 2016 from annual reports of the firms, Thomson Reuters and DataStream. This study excluded firms that had missing data during the period of study. Additionally, this study excluded firms that had engaged in mergers and acquisitions or firms established after 2010. The final sample was 137 firms that had complete data for all variables during the period from 2010 until 2016.	Malaysian Manufacturing Firms. (Randa Mohammed Shams Addin Al-Mawsheki, Norzalina Binti Ahmad , Norhafiza Binti Nordin, 2019) International Journal of Academic Research in Accounting, 2019 E-ISSN: 2225-8329, P-ISSN: 2308-0337	manufacturing firms in Malaysia from 2010 to 2016. Figure 1 illustrates the framework of this study. *Figure*
5	Effects Of Current Ratio And Debt-To-Equity Ratio On Return On Asset And Return On Equity (Lusy, Y. Budi Hermanto, Thyophoida W.S. Panjaitan, Maria Widyastuti, 2019) international Journal of Business and Management Invention 2019	to examine the effects of current ratio and debt-to-equity ratio on return on asset and return on equity for companies of the food and noodle sub-sector .	The population in this research is A total of 10 companies listed on the Indonesia Stock Exchange (ISX) was sampled from 2014 to 2017.	X1: Current Ratio X2: Debt-To-Equity Ratio Y1: Return On Asset Y2: Return On Equity	Results showed that current ratio and debt-to-equity ratio had a significant effect on return on equity and return on asset. Results of the

	ISSN (Online): 2319 – 8028, ISSN (Print): 2319 – 801X			Data were processed using the multiple linear regression analysis with SPSS 24.	regression coefficient analysis showed that current ratio and debt-to-equity ratio accounted for 14.9% of ROA, while the remaining 85.1% was explained by other variables, as indicated by the coefficient determinants. The regression coefficient analysis for ROE showed that 61.4% was explained by other variables not studied in this research. Results of the F-test showed a significance value of 0.019 < 0.05 for ROA and 0.000 < 0.05 for ROE, meaning that both the current ratio and debt-to-equity ratio had a

					significant effect on ROA and ROE in food and beverage industry companies listed in Indonesia Stock Exchange.
6	Effects of Return on Asset, Debt to Asset Ratio, Current Ratio, Firm Size, and Dividend Payout Ratio on Firm Value (Asmaul Husna, Ibnu Satri, 2019) International Journal of Economics and Financial Issues2019 ISSN: 2146-4138	The purpose of the research is to determine the effect of return on assets, debt to asset ratio (DAR), current ratio (CR), firm size, and dividend payout ratio (DPR) to the firm value of manufacturing companies listed in Indonesia Stock Exchange for the period 2013-2016.	The population was 138 manufacturing companies listed on the Indonesia Stock Exchange for the period 2013-2016. The method of determining the sample was purposive sampling.	X1: Return on Asset X2: Debt to Asset Ratio X3: , Current Ratio, X4: Firm Size X5: Dividend Payout Ratio Y: Firm Value a multiple regression analysis.	The results of this study support (Thakur and Workman, 2016) research arguing that return on asset has a significant effect on firm value (PBV). The results of the research found that the DAR value was t count 0.193 greater than t table 1.98081 and the Sig value was 0.847 >0.05. This showed that the debt to asset ratio does not have an influence on

					the firm value. This was probably caused by high debt. The results of this study support the research conducted by found that DAR has no significant effect on firm value (PBV).
7	The Effect of Current Ratio and Debt to Asset Ratio on Net Profit Margin and Stock Prices: A Study of Basic Industry and Chemicals Companies. (Sudirman, Muhammad Wahyuddin Abdullah, Muhammad Obie, 2020) International Journal of Scientific Research in Science and Technology 2020 Online ISSN: 2395-602X	The effect of current ratio and debt to asset ratio on net profit margin and stock prices of the sector basic industry and chemicals companies listed on the Indonesia Stock Exchange in the period 2015-2019.	Secondary data obtained from the basic industry sector financial statements of 60 companies. The company's performance in this sector is considered quite well when seen from the movement of the index value in the last five years.	X1: Current Ratio X2: Debt to Asset Y1 :Net Profit Margin Y2: Stock Prices In analyzing data, it was used path analysis .	The results of the trial found that Growth rate of sales is able to mediate Influence of investment and firm performance.
8	The Effect Of Current Ratio, Debt To EquityAnd Sales Growth Towards Return On Asset At Consumer Good Companies Listed In Stock Exchange.	this research is to establish and evaluate the impact of profitability on consumer goods firms listed on	The population used in this analysis is the consumer goods firms listed on the Indonesian Stock	X1: Current Ratio X2: DEBT TO EQUITY Y : SALES	The results of this study are intended for consumers, businesses, scholars, people and

	(Hantono , 2020) International Journal of Engineering Science Technologies 2020 ISSN: 2456-8651	the stock exchange in the Period from 2012 to 2016.	Exchange for the period 2012-2016, with a total of 40 businesses.	GROWTH Y : RETURN ON ASSET The details included in this analysis the methodological method consists of a descriptive statistical association. Correlational analytical approach is assumed to be relevant to this research since the aim of this research is to include an example of the variable stock market being studied	potential research as follows: 1) To Investor On the basis of the study, it is advised that details on the business profile be sought in anticipation so that they might check out the basis of the financial performance before purchasing. This detail can be conveniently accessed from the www.idx.co.id website. 2) To companies The test outcome should be seen as supplementary details for businesses to find out regarding CR, DER and SG in the initiative of ROA. 3) To

					academics The findings of this research may have an effect on the creation of economics, notably in accounting. 4) To future research Additional variables may be introduced to establish additional hypotheses.
9	Effects of Return on Asset, Return On Equity, Earning Per Share on Corporate Value. (Rosikah, Dwi Kartika Prananingrum, Dzulfikri Azis Muthalib, Muh. Irfandy Azis, Miswar Rohansyah, 2019) The International Journal of Engineering and Science (IJES) 2019 ISSN (e): 2319 – 1813 ISSN (p): 23-19 – 1805	the Return on Assets to firm value, 2) identify and analyze the influence of Return on Equity to firm value, 3) identify and analyze the influence of Earning Per Share on firm value. 4) Identify and analyze the effect of ROA, ROE, EPS simultaneously on firm value.	The population in this study were 114 companies listed on the Indonesia Stock Exchange (BEI) in 2006-2010. While the selection of samples was done by using purposive sampling method with the purpose of obtaining representative samples in accordance with specified criteria, Based on the mentioned criteria then the	X1: Return on Asset X2 Return On Equity X3: Earning Per Share Y: Corporate Value Primary data were processed using multiple regression analysis to measure the effect of independent variables consisting of:	These results indicate that; if there is no ROA, ROE increased and EPS decrease, the corporate value is 1.23 or there is a chance of growth by 23%. But if there is 1% increase of ROA then there will be increased corporate value by 0.49. Likewise, also if there is 1% decrease of

			amount of the final sample had complete data in this study a total of 32 companies.	ROA, ROE, EPS indicator of the value of the firm with Tobin's Q.	ROA then the corporate value will decrease by 0.49. If there is 1% increase of ROE then the corporate value will increase by 0.09. Conversely, if there is 1% decrease of ROE then the corporate value will decrease by 0.09. Whereas if there is decreased EPS by 1 million rupiah per share then the corporate value will decrease by 0.07%.
10	Influence Analysis of Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Debt To Equity Ratio (DER), and current ratio (CR), Against Corporate Profit Growth In Automotive In Indonesia Stock Exchange (Mohd. Heikal Muammar Khaddafi,Ainatul Ummah, 2019)	This research to analyze the effect of Return On Asset, Return On Equity, Net Profit Margin, Debt To Equity Ratio and Current Ratio toward growth income either simultaneously or partially on	Population to be studied in this research is all the automotive companies listed in Indonesia Stock Exchange during the period 2008 to 2012, amounting to 12 companies. The selection of samples was	X1: Return on Assets (ROA), X2: Return on Equity (ROE X3: Net Profit Margin (NPM) X4: Debt To Equity Ratio (DER) X5: current ratio (CR),	Results (Partial Test) To determine the effect of independent variables on the dependent variable can be partially seen from the results of the t test. The following

	International Journal of Academic Research in Business and Social Sciences 2019 ISSN: 2222-6990	automotive companies that were listed in Indonesia stock exchange. Independent variables used in this research were Return On Asset, Return On Equity, Net Profit Margin, Debt To Equity Ratio and Current Ratio and dependent variable in this research was growth income.	determined by using a purposive sampling method in order to obtain a representative sample that is representative of the data to be examined in accordance	X6: Corporate Profit Growth Multiple linear regression and classical assumption test.	description of the results of the t test (partial) to determine the effect of independent variables on the dependent variable partially. The results are consistent with previous research conducted by which resulted in that there is a significant and positive effect between return on assets with income growth. The results of this study also supports the theory, (2001:231).

Table 2 Previous Research on National Journals

No	Title of research	Goal of research	Unit of analysis	Variable and data analysis	Result of research
1	The Influence of Current Ratio, Total Debt to Total Assets, Total Assets Turn Over, and Return on Assets on Earnings	Determine the effect of the variable Current Ratio, Total Debt to Total	The population data used in this study are Automotive companies listed	X1: : Current Ratio X2: Total Debt to Total Assets X3Total Assets Turn	The results showed that partial earnings persistence expressed in

	Persistence in Automotive Companies. (Adibah Yahya and Saepul Hidayat, 2020) Journal of Accounting Auditing and Business2020 ISSN: 2614-3844	Assets, Total Assets Turnover, Return on Assets, on earnings persistence.	on the Indonesia Stock Exchange in the period 2014 - 2018. As for the sample of this research obtained from the financial statements of automotive companies listed on the Indonesia Stock Exchange in the period 2014 – 2018 16 companies	Over X3: Return on Assets Y: Earnings Persistence Multiple linear regression, T-test, F-test, and the coefficient of determination.	financial ratios consisting of the Return on Assets (ROA) significantly affect earnings persistence, while the Current Ratio (CR), Total Debt To Total Asset (TDTA) and Total Asset variables and Total Assets Turnover (TATO) has no significant effect on earnings persistence. Results of the simultaneous test, financial ratios consisting of CR, TDTA, TATO, and ROA had no significant effect on earnings persistence. R Square value of 0.076 can be interpreted that CR, TDTA, TATO, and ROA of 7.6% while the remaining

					82.4% is influenced by other variables not examined.
2	The effect of current ratio, debt to asset ratio, total asset turnover and inflation on return on asset. (Herman Supardi, H. Suratno, Suyanto, 2019) Scientific Journal of Accounting Faculty of Economics)2019 E-ISSN 2502-4159	This study aims to determine how much influence the current ratio, debt to asset ratio, total asset turnover and inflation on return on assets in registered cooperatives in the Department of Cooperatives, Small and Medium Enterprises, Trade and Industry district in 2010-2014 so that it can be used a reference to the management in decision making	Making This study us the population, namely Employees Cooperative Republic of Indonesia registered KUKM, Industry and Trade of district, 2010-2014, as many as 57 KPRI. The sample in this study amounted to 45 samples by purposive sampling method,	X1: Current Ratio X2: , debt to asset ratio X3: Total Asset Turnover X4: inflation Y: Return On Assets The tools used are multiple regression analysis...	From this study we concluded: The results Current ratio variable and inflation does not affect the return on assets, the variable debt to asset ratio and total asset turnover variables affect the return on assets, simultaneously current ratio, debt to asset ratio, total asset turnover and inflation effect on return on assets. It can be concluded that the current ratio is too high to be caused by the amount of current assets that are unemployed or bottlenecks receivables.
3	Influence of Debt To Total Asset Ratio (DAR)	Determine the effect of Debt	The population Data collection		The results of this study

	Current Ratio (CR) and Total Asset Turnover (TATO) on Return On Asset (ROA) and Its Impact on Stock Prices on Mining Companies on the Indonesia Stock Exchange in 2008-2017 (Muhamad Badru Zaman, 2021) Journal Of Industrial Engineering & Management Research 2021 ISSN ONLINE : 2722 – 8878	To Total Asset Ratio (DAR) Current Ratio (CR) and Total Asset Turnover (TATO) on Return On Asset (ROA) and Its Impact on Stock Prices on Mining Companies on the Indonesia Stock Exchange in 2008-2017.	was carried out by taking secondary data in the form of 8 companies' financial statements for the period 2008 - 2017 where financial statements were made panel data and processed with software views 9.0. .	X1 Debt To Total Asset Ratio (DAR) X2: Current Ratio (CR) X3: Total Asset Turnover (TATO) Y: Return On Asset (ROA) The analytical method used is an associative descriptive analysis. Data analysis includes data feasibility tests, regression analysis, and hypothesis testing partially and simultaneously	indicate that (1) the effect of Debt To Asset Ratio (DAR) on Return On Assets (ROA) has a positive insignificant effect, (2) the effect of Current Ratio (DER) on Return On Assets (ROA) has a significant positive effect, (3) the effect of Total Asset Turnover (TATO) on Return On Assets (ROA) has a positive insignificant effect (4) the influence of Debt To Asset Ratio (DAR), Current Ratio (CR) and Total Asset Turnover (TATO) simultaneously to Return On Assets (ROA) with probe 0.00000 and F-Statistic 11.82037 have a significant

					positive effect (5) the effect of Return On Assets (ROA) on Stock Prices has a positive and insignificant effect.
4	The Influence of Current Ratio and Debt to Asset Ratio on Return on Assets at PT Selaras Aditama (Ilham, 2019) Journal of Scientific Thought and Office Administration Education2019 p-ISSN: 2407-1765, e-ISSN: 2541-1306	This study aims to determine the effect of current ratio and debt to asset ratio on return on assets at PT Seelaras Aditama.	The population in this study financial statements for 5 years PT. Seelaras Aditama. The sampling technique in this study is saturated sampling, where all members of the population are sampled. Thus the sample in this study was financial statements for 5 years. In analyzing the data used the instrument test, classical assumption test, regression, coefficient of determination and hypothesis testing.	The Influence of Current Ratio and Debt to Asset Ratio on Return on Assets at PT Selaras Aditama (Ilham, 2019) Journal of Scientific Thought and Office Administration Education2019 p-ISSN: 2407-1765, e-ISSN: 2541-1306	This study aims to determine the effect of current ratio and debt to asset ratio on return on assets at PT Seelaras Aditama.

5	Effect of Current Ratio, Debt To Equity Ratio, Total Asset Turnover on Return on Assets in the Company Cosmetics and Household Goods Sub-Sector Listed on the Indonesia Stock Exchange (Dedek Kurniawan Gultom , Mukhritazia Manurung , Roni Parlindungan Sipahutar, 2020) Journal of Humanities 2020 ISSN 2548-9585	Determine the effect of Current Ratio, Debt to Equity Ratio, and Simultaneous Total Asset Turnover on Return on Assets.	The population in this study is the cosmetics and household goods sub-sector companies listed on the Indonesia Stock Exchange for the period 2012-2017, amounting to 6 companies. The sampling technique in this study was determined by purposive sampling, so for the withdrawal of samples in this study there were 5 companies in the cosmetic and household goods sub-sector.	X1: Current Ratio X2: Debt To Equity Ratio X3 Total Asset Turnover Y: Return on Assets Data analysis techniques in this study used multiple regression analysis.	The results of this study indicate that the Current ratio has no significant effect on Return On Assets. Debt to Equity Ratio has a significant effect on Return On Assets. Total Asset Turnover has no significant effect on Return On Assets. Simultaneously the effect of Current Ratio, Debt to Equity Ratio, Total Asset Turnover simultaneously is a significant influence on Return on Assets
6	The Effect Of Debt To Equity Ratio, Current Ratio, Return On Asset, Total asset Turn Over Towards Income Growth (Manogar Sinurat, RK. Sri Priya, Romian Sitanggang, Friska Darnawaty Sitorus, 2019) Nationally Accredited	Analyze the effects of Debt To Equity Ratio, Current Ratio, Return On Asset, and Total Asset Turn Over on profit growth. The samples used are on IDX, a	Population and Sample In this study, The method used is a quantitative approach. Purposive sampling was used in the sample selection method.	X1: Debt To Equity Ratio X2: Current Ratio X3: Total asset Turn Over Y: Income Growth Multiple linear regression analysis,	The results of the research partially detected that DER and CR haven't given effect and haven't signed, ROA and TATO partially affect positively

	Journal, Decree2019 P-ISSN: 2614-2074, E-ISSN: 2614-2066	manufacturing company in the consumer goods industry sector in the 2016-2019 period.	41 companies	hypothesis determination coefficient test, simultaneous hypothesis test (f-test), and also partial (t-test) were used as data analysis techniques.	and significantly the profit growth of manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2016-2019 period, while simultaneously DER, CR, ROA, and TATO significantly influence earnings growth.
7	The Effect Of Working Capital To Total Asset (WC),TA Current Ratio (Cr) And Debt To Equity Ratio (Der) On Profitability In Manufacturing Companies In Multi-Industrial Sector Listed On The Indonesia Stock Exchange For The 2014-2017 Period. (Mas Intan Purba, Abdullah Sani Sitorus, Anita Rinanda, Ispeando Malau, Qanladystio Danantho, 2020) Journal of Accounting and Finance 2020	The purpose of this study was to examine the variables of working capital to total assets, current ratio and debt to equity ratio on profitability in various industrial sector manufacturing companies listed on the Indonesian stock exchange for the period 2014-2017 which were carried out	The population that can be taken in this study is 43 manufacturing companies in the various industrial sectors which have been listed on the Indonesian stock exchange. The sample obtained from the observations becomes 13 data which is multiplied by the year of observation during 2014-2017 to 52	X1: WORKING CAPITAL TO TOTAL ASSET (WCTA) X2: Current Ratio (CR), X3: DEBT TO EQUITY RATIO (DER) Y:• Profitability Multiple linear regression analysis and hypothesis testing are carried out.	However, simultaneously or together the three independent variables following WCTA, CR and DER have a significant effect on profitability. By showing the results of the analysis shows that the value of the coefficient of determination is 34% while 66%

	ISSN (E) : 2716-3083	either simultaneously or partially.	samples of observation data which were selected through purposive sampling technique.		is explained by other independent variables.
8	The Effect Of WCTA, DER, Tat And NPM On Profit Growth In Manufacturing Companies I Indonesia Stock Exchange (ROYDA, 2019) Journal of Accounting2019 ISSN 1693-7619 .	The profit growth of a company may increase for the current year but can also decline for the following year. Because profit growth cannot be ascertained, it is necessary to have an analysis to predict profit growth rates. This study aims to determine the effect of financial ratios on profit growth simultaneously and partially.	The research population is manufacturing companies listed on the Indonesia Stock Exchange from 2016-2017. The sample selection used a purposive sampling method so that a sample of 38 companies was obtained in 2016-2017. Hypothesis testing of this study was carried out using the method of multiple linear regression analysis.	X1: WCTA X2 DER X3: TATO X4: NPM Y: PROFIT GROWTH Carried out using the method of multiple linear regression analysis.	The results of the simultaneous study (f test) state that Working Capital to Total Assets (WCTA), Debt to Equity Ratio (DER), Total Asset Turnover (TAT), and Net Profit Margin (NPM) have a jointly significant effect on earnings growth. While the results of the study partially (t test) states that WCTA has a significant effect on Profit Growth, DER does not have a significant effect on Profit Growth, TAT

					does not have a significant effect on Profit Growth, and NPM does not significantly influence Profit Growth. For further research it is recommended to add other variables that might predict earnings growth more precisely, such as Current Ratio, Debt Ratio, and Inventory Turnover and so on.
9	The Influence Of Current Ratio, Total Asset Turnover, And Debt To Asset Ratio On Profitability On Manufacturing Companies Listed In Indonesia Stock Exchange Period 2015-2019 (Steven, 2021) Journal of Accounting Auditing and Business 2021 NIM.150503090	Analyze the influence of current ratio, total asset turnover and debt to asset ratio of manufacturing companies. This research is classified as causal research, which used population data from 178 manufacturing companies listed	This research is classified as causal research, which used population data from 178 manufacturing companies listed in Indonesia Stock Exchange in the period 2 The sampling method used in this research is stratified random sampling and obtained data that	X1: CURRENT RATIO X2, TOTAL ASSET TURNOVER X3: DEBT TO ASSET RATIO Y:PROFITABILITY Multiple linear regression to test the hypothesis.	The result indicate that current ratio has positive influence and significant on profitability, total asset turnover has positive influence and significant on profitability, debt to asset ratio has negative influence and

		in Indonesia Stock Exchange in the period 2015-2019.	pass the test as many as 123 companies sampled and 594 number of observations.015-2019.		significant on profitability, and current ratio, total asset turnover, and debt to asset ratio simultaneously significant on profitability.
10	Effect of Working Capital To Total Assets (WCTA), Current Ratio (CR), and Total Assets Turnover (TATO) on Profitability (Melia Trie Utami, Gusganda Suria Manda, 2021) Journal of Accounting and Finance 2021 P-ISSN 2355-2700 E-ISSN 2550-0139	Examine and analyze the effect of Working Capital To Total Assets (WCTA), Current Ratio (CR), and Total Assets Turnover (TATO) on Profitability with the Return On Assets (ROA) proxy on cigarette sub sector companies listed on the Indonesia Stock Exchange (IDX) quarterly in 2014-2019, both partially and simultaneously.	The research method used is descriptive verification with quantitative approaches. The sample in this study used purposive sampling and 34 companies	X1: Working Capital To Total Assets (WCTA) X2: Current Ratio (CR), X3: Total Assets Turnover (TATO) Y: Profitability Multiple linear regression analysis.	The results showed that the Working Capital To Total Assets (WCTA Current Ratio (CR), and Total Assets Turnover (TATO) simultaneously had a significant effect on the Return on Assets (ROA) profitability. Partially Working Capital To Total Assets (WCTA has a significant negative effect on Return on Assets (ROA) profitability, Current Ratio (CR) has no effect on Return on Assets

					(ROA) Profitability, and Total Assets Turnover (TATO) has a significant positive effect on Return on Profitability Assets (ROA). The coefficient of determination obtained by 0.429 means that only 42.9% Profitability Return on Assets (ROA) is influenced by Working Capital To Total Assets (WCTA) Current Ratio (CR), and Total Assets Turnover (TATO) and the rest 57.1 % is influenced by other variables.

Based on the previous research matrix, there are findings of gap research gaps or comparisons of similarities and differences between previous research and research conducted by current researchers as follows:

1. .The Effect of Current Ratio, Return on Assets, Total Asset Turnover and Sales Growth on Capital Structure in Manufacturing Company The Effect of Current Ratio, Debt to Equity Ratio and Return in The Consumer Goods Industry Sector Listed in Indonesia Stock Exchange 2012-2017) (Mohd. Nawi Purba, Erika Kristiany Br. Sinurat, Ahmad Djailani, Winda Farera, 2020)

Marketing mix: X1: **Current Ratio**, X2: **Return on Assets**, X3: **Total Asset Turnover**, X4: Sales Growth, and Y: Capital Structure.

2. Analysis of Current Ratio Changes Effect, Asset Ratio Debt, Total Asset Turnover, Return On Asset, And Price Earnings Ratio In Predicting growth Income By Considering Corporate Size In The Company Joined In Lq45 Index Year 2013 -2016) (Wikan Budi Utami, 2019)

   Marketing mix: X1: **Current Ratio** Changes Effect, X2: **Asset Ratio Debt**, X3: **Total Asset Turnover**, X4: **Return On Asset**, and Y: Price Earnings Ratio.

3. Effects of Return on Asset, Debt to Asset Ratio, Current Ratio, Firm Size, and Dividend Payout Ratio on Firm Value (Asmaul Husna, Ibnu Satri, 2019)

   Marketing mix: X1: **Return on Asset**, X2: **Debt to Asset Ratio**, X3: **Current Ratio**, X4: Firm Size, X5: Dividend Payout Ratio, and Y: Firm Value.

4. The Influence of Current Ratio, Total Debt to Total Assets, Total Assets Turn Over, and Return on Assets on Earnings Persistence in Automotive Companies. (Adibah Yahya and Saepul Hidayat, 2020) .

   Marketing mix: X1: **Current Ratio**, X2: Total Debt to Total Assets, X3: **Total Assets Turn Over**, X4: **Return on Assets**, and Y: Earnings Persistence.

5. Influence of Debt to Total Asset Ratio (DAR), Current Ratio (CR) and Total Asset Turnover (TATO) on Return on Asset (ROA) and Its Impact on Stock Prices on Mining Companies on the Indonesia Stock Exchange in 2008-2017. (Muhamad Badru Zaman, 2021) .

   Marketing mix: X1: **Debt to Total Asset Ratio (DAR)**, X2: **Current Ratio (CR)**, X3: **Total Asset Turnover (TATO)**, and Y1: **Return On Asset (ROA**)

6. The Influence Of Current Ratio, Total Asset Turnover, And Debt To Asset Ratio On Profitability On Manufacturing Companies Listed In Indonesia Stock Exchange Period 2015-2019. (Steven, 2021)

   Marketing mix: X1: **Current Ratio**, X2: **Total Assets Turn Over**, X3: **Debt to Total Asset Ratio**, and Y: PROFITABILITY

7. The Effect Of WCTA, DER, TATO And NPM On Profit Growth In Manufacturing Companies I Indonesia Stock Exchange (ROYDA, 2019)

   Marketing Mix: X1: **WCTA**, X2: DER, X3: **TATO**, X3: NPM, And Y: Profit Growth.

8. Effect of Working Capital To Total Assets (WCTA), Current Ratio (CR), and Total Assets Turnover (TATO) on Profitability) (Melia Trie Utami, Gusganda Suria Manda, 2021)

   Marketing mix: X1: **Working Capital to Total Assets (WCTA),** X2: **Current Ratio (CR),** X3**: Total Assets Turn Over**, and Y: Profitability.

9. The Effect Of Working Capital To Total Asset (WCTA), Current Ratio (Cr) And Debt To Equity Ratio (Der) On Profitability In Manufacturing Companies In Multi-Industrial Sector Listed On The Indonesia Stock Exchange For The 2014-2017 Period). (Mrs. Intan Purba, Abdullah Sani Sitorus, Anita Rinanda,, 2020)

   Marketing mix: X1: **Working Capital to Total Asset (Wcta)**, X2: **Current Ratio (Cr)**, X3: Debt to Equity Ratio (Der), And Y: Profitability.

10. The Effects of Efficient Working Capital to Total Assets and Working Capital Policies on Firm Performance: Evidence from Malaysian Manufacturing Firms. (Randa Mohammed Shams Addin Al-Mawsheki, Norzalina Binti Ahmad , Norhafiza Binti Nordin, 2019)
    Marketing mix: X1: **Working Capital to Total Assets,** X2: Working Capital Policies, and Y: Firm Performance

2.2.1 IDX Indonesian

The Indonesia Stock Market is an Indonesian stock exchange situated in Jakarta. It was previously known as the Jakarta Stock Exchange (JSX), but after combining with the Surabaya Stock Exchange in 2007, it was renamed (SSX). The Indonesia Stock Exchange has seen the highest membership growth in Asia in recent years. The Indonesia Stock Exchange has 750 listed businesses as of September 2021, and total stock investors were over 6.4 million, up from 2.5 million at the end of 2019. In December 2020, Indonesia's market capitalization was 45.2 percent of its nominal GDP.

The Indonesian Stock Exchange is currently housed in the IDX building in South Jakarta's Sudirman Central Business District, near to the Pacific Ocean.

The capital market has been in Indonesia for a long time, well before the country's independence. The capital market, often known as a stock exchange, has been in Batavia since the Dutch colonial era, specifically in 1912. The Dutch East Indies government formed the capital market at the time for the advantage of the colonial administration or the VOC.

Despite the fact that the capital market has been since 1912, its development and growth have not gone as planned, especially during periods when capital market activity was at a standstill. This occurred due to a number of circumstances, including world wars that forced the stock exchange to close, such as the stock exchange closing in 1914-1918 owing to World War I. During World War II, the stock exchanges in Semarang and Surabaya were forced to close again in early 1939, and this was followed by the stock exchanges in Jakarta being closed from 1942 until 1952. The transfer of power from the colonial authority to the Republic of Indonesian government, as well as a number of other factors, forced the stock market to cease operations.

The Surabaya Stock Exchange (BES) and the Jakarta Stock Exchange (JSX) were finally amalgamated on November 30, 2007, and their names were changed to the Indonesia Stock Exchange (IDX). In 2008, a trading halt was imposed following the establishment of the IDX, and the Indonesian Stock Price Appraiser (PHEI) was established in 2009. In addition, in 2009, the Indonesian Stock Exchange replaced its existing trading system (JATS) with a new trading system. JATS-Next has been IDX until now. PT Indonesian Capital Market Electronic Library (ICaMEL) was established in August 2011 as one of several new organizations created to boost trading activity. In January 2012, the Financial Services Authority (OJK) and, at the end of 2012, the Securities Investor Protection Fund (SIF) were established. Sharia Trading Mechanisms and Sharia Principles were also launched. The trading hours were modified on January 2, 2013, and the Lot Size and Tick Price were adjusted again the following year, and TICMI was combined with ICaMEL in 2015.

The Indonesia Stock Exchange has also launched a campaign named "Yuk Nabung Saham," which is aimed at all Indonesians interested in getting into the stock market. On November 12, 2015, IDX launched the campaign for the first time, and it is still running today. In the same year, the LQ-45 Index Futures were launched. Tick Size and Auto rejection restrictions were changed again in 2016, IDX Channel was introduced, and IDX contributed to the success of the Tax Amnesty efforts by launching the Go Public Information Center this year. In 2017, the IDX Incubator was launched, as well as margin liberalization and the launch of the Indonesia Securities Fund. T+2 Transaction Settlement (T+2 Settlement) and Adding Special Notation Information Displays were added to the Trading System and New Data Center in 2018, respectively.

2.3 Theoretical Framework

1 .Signaling Theory

Signal theory emphasizes the importance of information issued by the company against the investment decisions of Outsiders Company. This implies that management always discloses information that investor's want, especially if the information there is good news (good news). Information about the company is signal for investors in investment decisions. Signaling theory is information about the company is signal for investors, in investment decisions. Signals can be in the form of financial or non-financial information which states that the company is better than other companies signaling is increasing the value of a company when selling shares. A good quality company will deliberately give a signal to the market, so that the market is expected to differentiate the company good and bad quality. In order for the signal to be effective, it must be able to be responded to by the market and be perceived as good, and not easily imitated by poor quality companies.

The profits and losses generated by the company will be become well and bad news in the capital market, where profits will give positive signals that will attract investors and vice versa. Signal theory suggests about the company's urge to provide information to external parties. Information asymmetry owned by the company's internal and external parties encourages companies to publish their information. Disclosure of social responsibility is information that must be published.

2.3.1 Current Ratio

Current Ratio (CR) is a ratio that delivers a harsh proportion of the level of an organization's liquidity, according to (Samira Anggraeini& Krisnando , 2020) The Company's ability to meet temporary commitments that are due shortly by utilizing current resources that are readily available.

According to (universe, 2020)Current Ratio is the connection between current assets and current liabilities of a firm. The current resources include: cash close by and in bank; borrowers or records receivables; bill receivables; stock and attractive protections and paid ahead of time income costs.

Current obligations, on the other hand, comprise numerous lenders, charges payable, bank overdrafts, and temporary bank advances, among other things. This percentage is the proportion of current liabilities to current assets. The link between current assets and current liabilities is known as the current ratio. This ratio is also known as the "working capital proportion." It is a percentage of general liquidity that is most commonly used to examine a firm's temporary monetary position or liquidity. It is calculated by subtracting all current obligations from the absolute value of current resources. (Samira Anggraeini& Krisnando , 2020).

Based on the explanation of the Current Ratio above, the Current Ratio can be calculated using the formula:

$$CR = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

The two fundamental parts of this proportion are Current Resources and Current Liabilities. Current Resources incorporate money and those resources which can be effectively changed over into cash inside a brief timeframe, for the most part, one year, for example, attractive protections or promptly feasible speculations, charges receivables, various debt holders, (barring terrible obligations or provisions),inventories, work underway, and so forth prepaid costs should likewise be remembered for Current Resources since they address installments made ahead of time which won't need to be paid in not so distant future. Current liabilities are those commitments which are payable inside a brief time of commonly one year and incorporate exceptional costs, charges payable, various creditors, bank overdraft, gathered costs, momentary advances, annual expense payable, profit payable, and so forth (Noery Mutiarahim, 2020).

A moderately high Current Proportion indicates that the company is flexible and can meet its current obligations on time and as they become due. A usually low current proportion, on the other hand, indicates that the firm's liquidity situation is poor and that the firm will be unable to pay its current liabilities on time without facing troubles. An increase in the Current Proportion indicates that the firm's liquidity position has improved, whilst a decrease in the current proportion indicates that the firm's liquidity position has deteriorated. (Yusi Amelia, Rina Y. Asmara, 2019)

A proportion equivalent to or close to 2: 1 is considered as a norm or typical or good. Having multiplied the Current Resources when contrasted with Current Liabilities is to accommodate the postponements furthermore misfortunes in the acknowledgment of current resources. Be that as it may, the standard of 2:1 ought not to be aimlessly utilized while making understanding of the proportion. Firms having under 2: 1 proportion might be having a preferred liquidity over even firms having more than 2: 1 proportion. This is a direct result of the explanation that current proportion estimates the amount of the Current Resources and not the nature of the Current Resources. In the event that an association's present resources incorporate indebted individuals which are not recoverable or stocks which are sluggish or old, the Current Proportion might be high yet it doesn't address a decent liquidity position (Bangladesh Open University, 2019)

The Current Ratio percentage, on the other hand, is the relationship between a company's current assets and current liabilities. Cash on hand and in the bank; debt holders or records receivables; bill receivables; stock and attractive protections; and income costs paid ahead of time are among the current resources. Current obligations, on the other hand, comprise numerous leasers, charges payable, bank overdrafts, temporary banks, and various advances. This percentage is the proportion of current liabilities to current resources (Dina Nurhikmawaty&Isnurhadi&MarlinaWidiyanti&Yuliani, 2020)

As important as the current ratio may be for examining a company's financial health, one ought not to make a strong presumption about its speculation worth. Besides, it isn't required that a current proportion generally addresses a company's finished liquidity or dissolvability. There are sure different factors additionally that are similarly significant while examining company. While breaking down company for a venture a potential open door, we should give more need to the nature of resources than the amount of resources (Jason Fernadon, 2021)

Finally, it is critical to remember that no single monetary figure or ratio can serve as the only criterion for determining its monetary health and speculative value. Such decisions should be made while keeping in mind all possible considerations and examining the organization from every angle. Would the venture be able to be exploited to its full potential at that time? (Mimelientesa Irman&Astri Ayu Purwati& Juliyanti, 2020)

2.3.2 Return on Assets (ROA)

Return on assets able to measure the company's ability to generate profits in the past and then projected in the future. Assets or assets in question are all company assets obtained from own capital or from foreign capital which have been converted by the company into company assets that are used for the survival of the company. States "Return on assets reflects how much return is generated on every rupiah of money invested in assets". (Mimelientesa Irman&Astri Ayu Purwati& Juliyanti, 2020).

Whereas (Brigham & Houston, 2019) the greater the return on assets (ROA), it means the more efficient the use of company assets or in other words with the same number of assets, greater profits can be generated, and vice versa. (Dedek Kurniawan Gultom, Bahril Datuk, Mei Indriani, 2021) The Return on Assets can be calculated using the formula:

$$\text{Return on Assets} = \frac{\text{Net profit}}{\text{Total Assets}}$$

Return on Assets (ROA) is often referred to as economic profitability, which is a measure of the company's ability to generate profits by using assets owned by the company. ROA is considered to be able to provide information about how efficient a company is in carrying out its business activities. This ratio shows the ability of the capital invested in overall assets to generate profits for all shareholders). This ratio measures the rate of return on investment that has been made by the company using its assets. The higher the ROA value means the higher the company's ability to generate profits. The higher the profit generated by the company, the more investors will be attracted to the stock the assets of a company are obtained by being funded by shareholders or creditors so that these assets will become capital for the company to carry out its business activities. (Muhamad Badru Zaman, 2021).The return on assets is a ratio that shows how big the contribution of assets is in creating net income. In other words, this ratio is used to measure how much net profit will be generated from each rupiah of funds embedded in total assets. Return on Assets looks at the extent to which investments that have been invested are able to provide a return of profits as expected and the investment is actually the same as the company's assets that are invested or placed. (Angga Hapsila , Ivalaiana Astarina , Agus Supriyadi ,Yudha Remofa , Puspa Dewi, 2021) .

ROA is the ratio used to measure net profit obtained from the use of assets. In other words, the higher this ratio, the better the productivity of assets (assets) in terms of earn a net profit. This will next increase the attractiveness of the company to investors. The increase in the attractiveness of the company makes the company more attractive to consumers investors, because the rate of return or dividends will be even greater. This will also have an impact on the stock price of the company in the capital market which will increase so that ROA will affect the company's stock price. The company's financial ratios related to aspects of earnings or profitability. ROA serves to measure the company's effectiveness in generate profits by utilizing its assets. (Asmaul Husna, Ibnu Satri, 2019)The greater the ROA owned by a company, the more efficient the users of assets so that it will increase profits. Large profits will attract investors because the company has a higher rate of return.

2.3.3 Debt to Assets Ratio (DAR)

Debt to Assets Ratio is a measurement of how much debt is used to finance assets... The higher the ratio, the greater the risk faced by the company. DAR is calculated by dividing total debt (liability) by total assets. This ratio is used to measure how much assets are financed with debt. The higher the ratio, the greater the assets financed with debt and it is more risky for the company. (Adibah Yahya and Saepul Hidayat, 2020)States that "Debt to Assets Ratio, which is a ratio that calculates what part of the total funding needs are financed with debt ."Cashmere, 2020) states that "Debt to Assets Ratio (DAR) is a debt ratio used to measure the ratio between total debt and total assets. In other words, how much of the company's assets are financed by debt or how much the company's debt affects asset management states that: "Debt to Assets Ratio or Debt Ratio is one of the leverage ratios that shows how much the company's financing is financed by debt. DAR measures the proportion of funds sourced from debt to finance company assets. The greater the DAR, the greater the portion of the use of debt in financing investment in assets, which means that the company's risk will also increase. . (Dedek Kurniawan Gultom, Bahril Datuk, Mei Indriani, 2021)

Debt to Assets Ratio is the ratio used to assess debt to. This ratio compares the company's debt with its capital. When the value of this ratio is relatively high (reaching 100% or more), it means that the company has relatively little capital compared to its total debt. In fact, a healthy company has a debt level that does not exceed its own capital so that the company's burden is not too high. Measuring the value of deb to asset assets can be done using the following formula:

$$DAR = \frac{\text{Total Liabilities}}{\text{Total Assets}}$$

If the results of the calculation show a low ratio value, then it means that the management is making more use of its capital in corporate financing rather than loan capital. Vice versa, if the ratio is high, it means more and more company funding comes from debt. Under these conditions, the company will find it difficult to obtain additional debt because it is feared that the company cannot repay its debts by using the value of its assets and vice versa if the value of debt to ratio is low, it means that the smaller the use of debt to finance company, so the company's ability to pay its debts is higher. (Sudirman, Muhammad Wahyuddin Abdullah, Muhammad Obie, 2020)

According to (Steven, 2021)Debt to Asset Ratio is the ratio used to measure the proportion of funds sourced from debt to finance company assets. The deb to asset ratio is a metric for determining the proportion of total debt to total assets. In other words, this ratio is used to measure how much the company's assets are financed by debt or how much the company's debt affects asset financing. . (Angga Hapsila , Ivalaiana Astarina , Agus Supriyadi ,Yudha Remofa , Puspa Dewi, 2021).

The high ratio of total debt to total assets indicates that the company uses high financial leverage (financial leverage). Use of high financial leverage will increase the stock capital equity (Return on Equity) quickly. However, on the contrary, if sales decrease in capital stocks equity will decrease. Debt to Asset Ratio is a measuring tool used to measure the number of assets sourced from debt, both from short-term and long-term debt. The lower the value of the debt to asset ratio, the lower the use of debt in financing company assets, and vice versa. If the debt to asset ratio is in a low category, the company's security conditions will be better. (Asmaul Husna, Ibnu Satri, 2019)

Debt to total Assets Ratio (DAR) is used to measure how much the company's assets are financed by total debt. The greater the quantity of loan money used for asset investment to generate profits for the organization, the higher this ratio. This ratio shows the amount of debt used to The Company’s finance assets are used to carry out its operating activities. The level of dependence of the company on external parties (creditors) and the greater the burden of debt costs (interest costs) that must be paid by the company. According to (Asmaul Husna, Ibnu Satri, 2019) debt ratio is a ratio that shows the proportion between liabilities owned and all assets owned this ratio can be calculated by the formula.

Debt to Asset Ratio is a debt ratio used to measure the percentage of a company's capital funded by debt holders. A high ratio can indicate that there is more debt funding, the more difficult it is for because it is feared that the company would not be able to cover its debts with its assets, the corporation will need to get further loans.

So the conclusion of the Debt to Assets Ratio is to show the total amount of debt that can be guaranteed by total assets or to show the amount of funds provided by creditors to the total assets owned by the company. The higher the Debt to Assets Ratio, the greater the company's risk because debt causes a fixed interest expense to the company. (Dedek Kurniawan Gultom, Bahril Datuk, Mei Indriani, 2021)

2.3.4 Total Asset Turnover (TATO)

Total Asset Turnover (TATO) is a ratio used to measure the turnover of all assets owned by the company and measure how much sales are obtained from each rupiah of assets. Meanwhile, according to Total Asset Turnover measures asset activity and the company's ability to generate sales through the use of these assets. This ratio also measures how efficiently these assets have been used to generate income. Meanwhile, according to (Adibah Yahya and Saepul Hidayat, 2020)this ratio shows total asset turnover measured by sales volume, in other words how far the ability of all assets to create sales. The higher this ratio the better. the industry standard of turnover on Total Asset Turnover is twice, if the company makes TATO turnover more than twice it is said to be good, but if it is less than two times the turnover is not good. (Muhamad Badru Zaman, 2021) TATO can be calculated using the formula:

$$\text{Total Asset Turn Over} = \frac{\text{Sales}}{\text{Total Assets}}$$

Total Asset Turn over (TATO) is an overall measure of asset turnover. This ratio is quite often used because of its overall coverage. Regardless of the type of business, this ratio can illustrate how well the support of all assets to obtain sales. (Wikan Budi Utami, 2019) Total Asset Turnover, we can assess each sale generated from each rupiah of the Asset. The higher the value of Total Asset Turnover means the better the company is managing its assets. If the company's financial performance is good, the company will be able to optimize the use of assets in sales and investment while still obtaining a high Total Turnover Asset and a high Return on Asset.

The activity ratio is a company's financial ratio that reflects Asset turnover starting from cash, buying inventory, for the company., Total Asset Turnover or Total Assets Turnover (TATO) is the latest asset management ratio measures the turnover of all company assets, calculated by dividing by sales by total assets and measure how many sales obtained from each rupiah of assets, states that the total asset turnover is measure the extent to which a company's ability to produce sales based on the total assets owned by the company. (Steven, 2021)

, Total Assets Turnover (TATO) shows the level of efficiency in the use of overall assets company in generating a certain sales volume. Total asset turnover is a ratio that describes asset turnover measured by volume sale. So the higher the Total Assets Turnover (TATO) ratio, the more efficient the use of all assets in generating sales. This total asset turnover is important for creditors and owners company, but it will be even more important for company management, because This will show whether or not the use of all assets in the company is efficient or not company. To analyze asset management in this case is Total Assets Turnover (TATO), this ratio will be able to explain or give an idea to the analyst about the good or bad condition or position of asset Turnover Company. This ratio can also describe how effective management is in managing all company assets. The faster everything turns company assets, the better the management performance in managing all company assets.. (Steven, 2021)

2.3.5 Working capital to total assets (WCTA)

Working capital to total assets is working capital to assets that can affect the size of the company's profit activity, sufficient working capital for the company to provide good performance as well as for the company to get the profit to be achieved. (Mas Intan Purba, Abdullah Sani Sitorus, Anita Rinanda, Ispeando Malau, Qanladystio Danantho, 2020)

The working capital to total assets ratio compares the net liquid assets to the total assets of the firm. Working Capital is the difference between current assets and current liabilities, so the Working Capital to Total Assets ratio determines the short-term company's solvency. (ROYDA, 2019)

Working capital is net working capital, which is part of the real current assets that can be used to finance the company's operations without any liquidity disturbances. It is said to be real because the working capital is calculated from reducing current assets or current assets with current liabilities. The remainder of the reduction is referred to as working capital. Measuring the value of Working capital to total assets can be done using the following formula:

$$\text{Working capital to total assets} = \frac{\text{Current Assets} - \text{Current Liabilities}}{\text{Total Assets}}$$

Working capital to total assets is a net measure of the company's current assets to the company's working capital. Working capital is the difference between current assets minus current liabilities. (Mas Intan Purba, Abdullah Sani Sitorus, Anita Rinanda, Ispeando Malau, Qanladystio Danantho, 2020).The Working Capital to Total Assets (WCTA) ratio is a liquidity ratio that measures a company's ability to meet its short-term obligations. This ratio is calculated by dividing working capital by total assets (ROYDA, 2019). Ratio shows the company's ability to generate net working capital from all its total assets. This working capital is used to finance company operations or overcome financial difficulties that may occur (Mas Intan Purba, Abdullah Sani Sitorus, Anita Rinanda, Ispeando Malau, Qanladystio Danantho, 2020)

Large working capital shows that the company is able to carry out the company's operations so that it will reduce the occurrence of financial distress (Working Capital to Total Asset (WCTA) is used to measure a company's ability to generate net working capital from all its total assets Negative net working capital may face problems in covering short-term liabilities because there are not enough current assets to cover these liabilities. (ROYDA, 2019).

2.4. Research Concept Framework

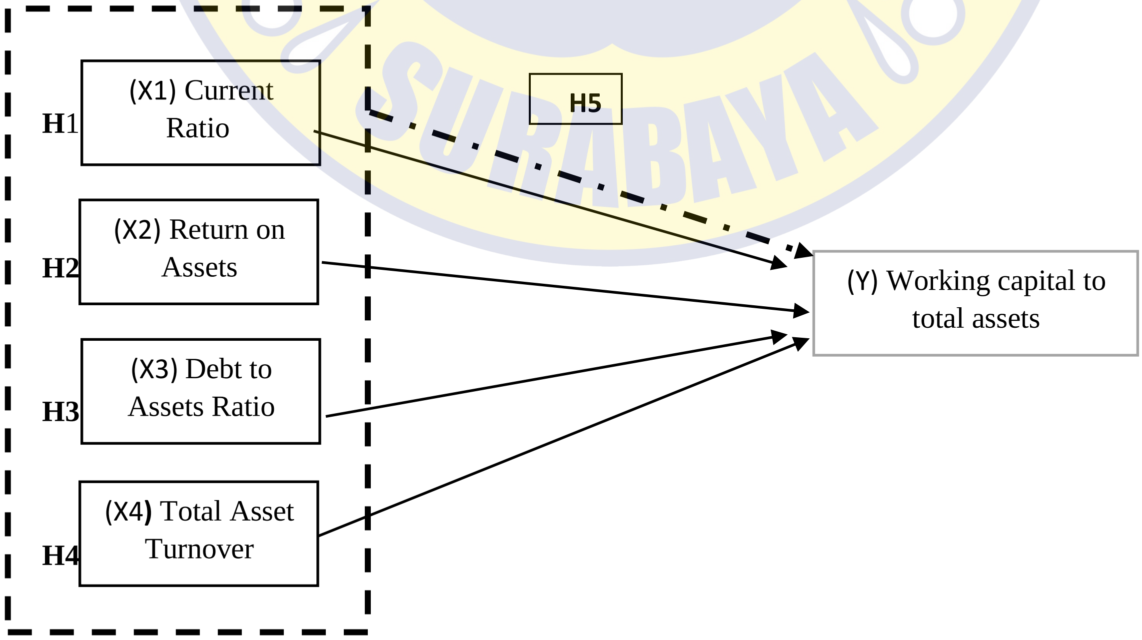

Figure / Research Paradigm

H1 = Current Ratio has a significant positive effect on Working capital to total assets.

H2 = Return on Assets has a significant positive effect on Working capital to total assets

H3 = Debt to Assets Ratio has a significant positive effect on Working capital to total assets

H4 = Total Asset Turnover has a significant positive effect on the Working capital to total assets

H5 = Current Ratio, Return On Assets, Debt to Assets Ratio, and Total Asset Turnover has a significantly positive effect on the Working capital to total assets.

2.5. Research Hypothesis

Research hypotheses are tentative answers to research questions. According (Sija Binoy, 2019)"A hypothesis is a presumption or assumption that must be tested through data or facts obtained through research." Furthermore, states that the hypothesis is a guide for researchers in recognizing the desired data.

Based on the description of the empirical review, theoretical review and framework of thinking above, the authors put forward the following hypothesis:

2.5.1 The Effect Current Ratio on Working capital to total assets

Current ratio is a ratio that shows the ability company to cover current liabilities with current assets. This ratio used to determine the company's ability to fulfill obligations short term because this ratio shows how far the demands of short-term creditors are met by assets that are estimated to be cash in the same period as the maturity of the debt. Current a low ratio is usually considered to indicate a problem in the liquidity. On the other hand, a current ratio that is too high is also not good. Because it shows the number of idle funds which in the end can reduce the company's profitability. Current assets are resources or claims to resources that can be converted into cash throughout the company's operating cycle. Working capital to total assets shows the relationship between total assets with working capital and shows the amount of working capital that can be obtained by the company for each rupiah of total assets. Working capital to total assets which is high indicate a possible excess of working capital that may be caused due to low inventory turnover, accounts receivable or cash balances which is too large. According to Altman quoted by (Frank Emmert-Streib&Matthias Dehmer, 2019). Which says that a company that suffers losses operational activities will continuously reduce current assets that related to total assets, will lead to a low working ratio capital to total assets. Based on this theory it can be concluded that Current ratio has a positive relationship to WCTA, because if the current ratio increases, the WCTA will increased too. (Irma Handayani, 2021)

H1 = Current Ratio has an insignificant positive effect on Working capital to total assets.

2.5.2 The Effect Return on Assets on Working capital to total assets

Profitability calculated by return on assets shows comparison between the profits earned by the company with assets or capital used to generate that profit. Profitability can measure the effectiveness of management based on the returns that generated from sales and investment with adequate working capital. Companies that want to increase their working capital needs will invest some of its retained earnings in current assets. Return on Assets in a company is expected to increase by having working capital sufficient because it is more likely to be allocated for investment long-term. This is in accordance with the research of (Alex Casteel&Nancy L.Bridier, 2021)

States that WC/TA has a positive effect not significant to ROA. WC/TA demonstrates the company's ability to generate net working capital from the total assets it owns. Working capital is the total current assets available to finance activities day-to-day operations of the company. Companies with high WC/TA ratio reflects the company's good ability to finance activities day-to-day operations so that this can increase profitability company (Nanda Rizki Amalia, 2021).

H2 = Return on Assets has a significant positive effect on Working capital to total assets

2.5.3 The Effect Debt to Assets Ratio on Working capital to total assets

One of the sources of revenue that can be used for increase capital, namely the leverage component, in the presence of debt, the company receives an injection of funds to carry out its various activities such as paying employee salaries, operations, and paying down debts tempo. Leverage calculated by the Debt to Assets Ratio can be reflects the source of funds used to finance operations or the company's business activities from debt. Both debt and capital are tied together one another. In carrying out business activities, it is not uncommon for companies to experiencing a lack of capital. However, if the debt owned by the company greater than the capital it has, there will be an imbalance between capital and debt, then the company will experience a loss because from the measurement results stated by (Gedung Soemitro Djojohadikusumo, 2020)if the ratio high, meaning that the funding with more debt, the more difficult it is for the company to obtain a loan because it is feared by the company unable to cover his debts with the assets he owns, other than that companies with a high Debt to Assets Ratio must bear the higher financing and higher risk as well. This result according to research by (Dedek Kurniawan Gultom, Bahril Datuk, Mei Indriani, 2021)

H3 = Debt to Assets Ratio has a significant positive effect on Working capital to total assets

2.5.4 The Effect Total Asset Turnover on Working capital to total assets

Total Asset Turnover (TAT) is a comparison between net sales (net sales) to total assets. TAT is used to measure ability the company uses total assets in generating net sales. The more the higher the TAT, the higher the profit growth and the lower the profit TAT, the lower the profit growth (Wikan Budi Utami, 2019)Total asset turnover is used for assess how much the company generates sales per dollar the activity. This means that if the company can manage assets properly and efficient, then sales will increase. While WCTA is used to see to what extent working capital can be generated from the total assets owned by the company. A high level of WCTA indicates that the company can manage working capital and assets properly. The better the management of the company's assets, the more capital Employment will also increase. .If sales increase, so will profit will also increase, thus the company's profit growth will also increase and the assets will be increased. The faster the total turnover of the company's assets, the more working capital to total asset be generated by the company which means both variable influence each other. (Asmaul Husna, Ibnu Satri, 2019)

H4 = Total Asset Turnover has an insignificant positive effect on the Working capital to total assets

2.5.5 The Effect Current Ratio, Debt to Asset, Total Asset Turnover and Return on Asset Simultaneously on Working capital to total assets

Debt to Asset Ratio is one of the determining factors whether companies can meet working capital as funding for activities company operations. Companies that have more debt large reflects low working capital and efficiency needs to be considered working capital to avoid the amount of capital saved in inventory and accounts receivable, but in reality not just debt to assets but return on assets is also an equally important factor in meeting working capital. (Frank Emmert-Streib&Matthias Dehmer, 2019)Return on assets that is a calculation of profitability can measure effectiveness management based on returns generated from sales and investment with adequate working capital, so that high profitability measured by return on assets is able to meet capital needs specified work. Companies with high ROA are able to pay all obligations owned and to fulfill capital requirements so that the company remains liquid.

Current Ratios, Total asset turnover, are several indicators to measure the financial performance of a company. The more The higher the total asset turnover rate of a company, (Mimelientesa Irman&Astri Ayu Purwati& Juliyanti, 2020)the better management of its assets for sales activities thus level profits will also increase. And the Current ratio is one of the important indicator to determine a company is in good health or not. This is because the company is able to maintain the debt stability of the company. While the Working Capital Turnover Ratio is a ratio to measure the availability of capital compared to its assets. Thus it can be concluded that Current Ratio, Debt to Asset, Total Asset Turnover and Return on Asset are affecting Working Capital to Total Asset. (Randa Mohammed Shams Addin Al-Mawsheki, Norzalina Binti Ahmad , Norhafiza Binti Nordin, 2019)

H5 = Current Ratio, Return On Assets, Debt to Assets Ratio, and Total Asset Turnover has a significantly positive effect on the Working capital to total assets