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ANALYSIS FINANCIAL PERFORMANCE FOOD AND BEVERAGES COMPANY IN INDONESIA

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Abstrak

Penelitian ini bertujuan untuk mengetahui apakah terdapat pengaruh Current Ratio, Debt to Assets Ratio, dan Debt to Equity Ratio terhadap Return on Assets. Variabel independen dalam penelitian ini adalah Current Ratio yang diproksi dengan Liquidity Ratio, Debt to Assets Ratio yang diproksi dengan Solvabilitas Ratio, dan Debt to Equity Ratio yang diproksi dengan Solvabilitas Ratio. Sedangkan variabel terikat dalam penelitian ini adalah Return On Assets sebagai proksi Rasio Profitabilitas. Data yang digunakan dalam penelitian ini adalah laporan keuangan perusahaan sektor makanan dan minuman yang terdaftar di BEI tahun 2012–2021. Penelitian ini menggunakan metode kuantitatif. Teknik pengambilan sampel yang digunakan dalam penelitian ini adalah purposive sampling. Hasil penelitian menunjukkan bahwa secara parsial Current Ratio berpengaruh positif dan signifikan terhadap Return On Assets, Debt to Assets Ratio berpengaruh positif dan signifikan terhadap Return On Assets, Debt to Equity Ratio berpengaruh negatif dan signifikan terhadap Return On Assets. Secara simultan Current Ratio, Debt to Assets Ratio, dan Debt to Equity Ratio berpengaruh dan signifikan terhadap Return On Assets.

Kata kunci: *Current Ratio, Debt to Asset Ratio, Debt to Equity Ratio and Return On Asset*

Abstract

This study aims to determine whether there is an influence of the Current Ratio, Debt to Assets Ratio, and Debt to Equity Ratio on Return on Assets. The independent variables in this study are the Current Ratio as a proxy for the Liquidity Ratio, the Debt to Assets Ratio as a proxy for the Solvency Ratio, and the Debt to Equity Ratio as a proxy for the Solvency Ratio. While the dependent variable in this study is Return On Assets as a proxy for the Profitability Ratio. The data used in this study are the financial statements of food and beverage sector companies listed on the IDX for 2012–2021. This research uses quantitative methods. The sampling technique used in this study was purposive sampling. The results showed that the partial Current Ratio has a positive and significant effect on Return On Assets, the Debt to Assets Ratio has a positive and significant effect on Return On Assets, Debt to Equity Ratio has a negative and significant effect on Return On Assets. Simultaneously Current Ratio, Debt to Assets Ratio, and Debt to Equity Ratio have a significant and significant effect on Return On Assets.

Keywords: *Current Ratio, Debt to Asset Ratio, Debt to Equity Ratio and Return On Asset*

1. Introduction

The economic slowdown at the global level was triggered by several things such as the trade war between the United States and China, decreased manufacturing activity between countries, geopolitical conditions, and increased regional tensions which gave uncertainty to business people and investors such as on the European Continent due to Brexit and demonstrations in Hong Kong. (Sari & Kardiaty, 2019) states that financial performance is a picture of the company's financial condition in a period that includes aspects of raising funds that are usually measured by indicators of capital adequacy, liquidity, and profitability. The liquidity ratio shows the company's ability to meet its short-term obligations, to measure a company's ability to meet short-term obligations, one of which is the Current Ratio (CR). Whereas the solvency ratio is used to measure a company's ability to pay all of its obligations, both short-term and long-term. To measure the company's ability to fulfill all of its obligations, namely the Debt to Asset Ratio and the Debt to Equity Ratio. Debt to Asset Ratio is the ratio used to measure the comparison between total debt and total assets. This ratio is used to measure a company's ability to pay off all of its debts. The higher the debt-to-asset ratio, the more likely the company is not able to pay off its debts. Meanwhile, the Debt to Equity Ratio is the ratio used to measure the proportion of debt to capital. This ratio calculates the quotient between total debt and capital. The purpose of this research is to be able to provide input for improving and perfecting a company's performance through its financial performance and can add insight to stakeholders and can be used as a reference for decision making.

2. Theoretical Review

Financial Reports

According (Hery, 2016) states that financial statements (financial statements) are the final product of a series of processes for recording and summarizing business transaction data. Financial reports are the result of an accounting process that can be used as a tool to communicate financial data or company activities to interested parties. According to (Wardiyah, 2017) states that financial reports are the main accounting reports that convey financial information to interested parties, as a material consideration in making economic decisions. Records of a company's financial information in an accounting period can be used to describe the company's performance. (Sujarweni, 2017) states that the analysis of financial statements is a process to help analyze or evaluate the company's financial condition, and past and future company operating results. According to (Fahmi, 2015) states that financial reports are to provide information to those who need about the condition of a company from the point of view of numbers in monetary units. According (Hery, 2016) states that the specific purpose of financial reports is to present the financial position, results of operations, and other changes in financial position fairly and following generally accepted accounting principles.

Financial Ratios

Sujarweni,(2017) states that financial ratio analysis is an activity to analyze financial statements by comparing one account with other accounts in the financial statements, this comparison can be between accounts in the balance sheet and profit and loss financial statements. According (Hery, 2016) states that financial ratios are a calculation of ratios using financial statements which serve as a measuring tool in assessing the financial condition and performance of the company. According to (Aulia et al., 2020) states that ratio analysis is rewriting accounting data into a comparative form to identify the company's financial strengths and weaknesses. A valuable tool in understanding and monitoring a company's financial position performance. Based on some of the definitions above, it can be concluded that financial ratios are activities of comparing the numbers in the financial statements with other figures. The results of this financial ratio are used to assess management performance in one period and whether it reaches the target. Can be assessed the ability of management in empowering company resources effectively. The resulting performance can also be used as an evaluation of things that need to be done in the future so that the management company's performance can be improved and maintained. According to (Hery, 2016) states that in general, currently in practice there are at least five types of financial ratios that are often used to assess the financial condition and performance of companies. The five types of financial ratios are liquidity ratios, solvency ratios, activity ratios, profitability ratios, and valuation ratios.

Return On Assets (ROA)

According to (Widodo, 2018) states that ROA is one of the profitability ratios used to measure a company's effectiveness in generating profits by utilizing its total assets. According to (Alpi & Gunawan, 2018) states that Return on Assets is a ratio that describes asset turnover measured by sales volume. Meanwhile, (Thoyib et al., 2018) states that Return On Assets (ROA) is a ratio to measure the level of return on investment that has been used by the company by using all the funds (assets) it has. Return On Assets can be concluded that ROA is the ability of a company that manages assets to earn profits as planned.

$$\text{Return On Asset (ROA)} = \frac{\text{Net profit}}{\text{Total Aset}}$$

Current Ratio (CR)

Napitupulu et al., (2019) said that the current ratio is a measure of liquidity capability (short-term solvency), namely the ability to pay debts that must be met by current assets immediately. According to (Alpi & Gunawan, 2018) said that the current ratio is a ratio to measure the company's ability to pay short-term obligations or debts that are due soon when billed as a whole. In other words, how much current assets are available to cover short-term obligations that are due soon? Meanwhile, (Fahmi, 2015) states that the current ratio is a commonly used measure of debt requirements when they mature. It must be understood that the use of the current ratio in analyzing financial statements is only able to provide a rough analysis, therefore it is necessary to support a more comprehensive qualitative analysis. Current Ratio (CR) can be concluded that CR is a company's ability to manage current assets to pay current debts at maturity.

$$\text{Current Ratio (CR)} = \frac{\text{Current Asset}}{\text{Current Liability}}$$

Debt to Asset Ratio (DAR)

Thoyib et.al., (2018) states that the Debt to Asset Ratio (DAR) is the ratio of debt to assets indicating the extent to which debt can be covered by assets with a greater ratio. According to (Hery, 2015) states that the Debt to Asset Ratio is the ratio used to measure the comparison between total debt and 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. Meanwhile, (Kasmir, 2015) states that the Debt to Asset Ratio (DAR) is a debt ratio that is 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. Debt to Asset Ratio (DAR) can be concluded that DAR is a company measuring tool in comparing how much total debt is to finance the company's total assets.

$$\text{Debt to Asset Ratio (DAR)} = \frac{\text{Total Liability}}{\text{Total Asset}}$$

Debt to Equity Ratio (DER)

Napitupulu et al, (2019) states that the debt-to-equity ratio (DER) is a ratio between debt and equity. The ratio of one shows the amount of debt equals equity. According to (Hery, 2015) states that the Debt to Equity Ratio is the ratio used to measure the proportion of debt to capital. This ratio is calculated as the quotient between total debt and capital. Meanwhile, (Kasmir, 2015) states that the Debt to Equity Ratio (DER) is the ratio used to assess debt with equity. This ratio is useful for knowing the amount of funds provided by borrowers (creditors) with company owners. Debt to Equity Ratio (DER) It can be concluded that DER is a company measuring tool for calculating total debt to finance company capital.

$$\text{Debt to Equity Ratio (DER)} = \frac{\text{Total Liability}}{\text{Total Equity}}$$

3. Methodology

Population and Sample

According to (Sujarweni, 2014), the population is the total number consisting of objects or subjects that have certain characteristics and qualities determined by the researcher to be studied and then conclusions drawn. This study took the population of the Food and Beverages Sub-Sector companies listed on the Indonesia Stock Exchange (IDX), namely a total of 50 Food and Beverages Sub-Sector companies which became the research population on the Indonesia Stock Exchange (IDX) and the sample was 25 companies.Population and Sample

4. Results and Discussion

RESULTS

Descriptive Statical Analysis

Table 1. Descriptive Statical Test Result

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
CR	60	1.00	8.64	2.6213	1.86577
DAR	60	.14	1.70	.4688	.27925
DER	60	.16	2.25	.9388	.56289
ROA	60	.22	31.20	10.2682	8.02176

Source: Results of data processing using SPSS-25

Based on the results of Table 1.0, explains that the current ratio variable has a minimum yield of 1.00 and a maximum yield of 8.64 with a total average of 2.6213 and a standard deviation of 1.88577, indicating that the average CR is quite good. In the debt-to-asset ratio variable, the minimum yield is 0.14 and the maximum yield is 1.70 with a total average of 0.4688 and a standard deviation of 0.27925. It shows that the average debt ratio of this company is very controlled and quite good. to equity ratio, the minimum yield is 0.16 and the maximum yield is 2.25 with an average of 0.9388 and a standard deviation of 0.56289, indicating that the average yield is quite controlled and quite good. And the return on assets variable yields a minimum of 0.22 and a maximum yield of 31.20 with a total average of 10.2682 and a standard deviation of 8.02176, indicating that the company's average ROA is very good.

Statistical Test T

Table 1. Multiple Linier Regresions Test Results

	B	Std.dev	t	Sg.
(Constant)	.375	8.021	0.161	0,873
Current Ratio (X_1)	3.097	1.865	7.284	0.000
Debt Asset Ratio (X_2)	19.984	0.279	5.906	0.000
Debt Equity Ratio (X_2)	-8.087	0.563	-4.065	0.000
R	0,930			
Adj. R Square	0.864			
F-Statistics	1.031			

Source: Results of data processing using SPSS-25

DISCUSSION

Effect of Current ratio on Return On Assets

From the results of table 1.1, the Current ratio with sig 0.000 <0.05, the current ratio has a positive effect on return on assets in sub-food and beverage manufacturing companies listed on the IDX in 2012-2021. The results of this study are consistent with research that has been conducted by (Napitupulu Elisabet et al., 2019) which states that partially it has a positive and significant effect on Return on Assets. While research (Thoyib el al,. 2018) in his research that the Current Ratio has no positive and insignificant effect on Return on Assets. The results of this study are in line with the theory (Horne & Wachowiz (2012:), the greater the company's liquidity, the stronger the overall financial condition of the company and the greater the company's profitability.

Effect of Debt Asset Ratio on Return on Assets

From the results of table 1.1, the Debt to Asset Ratio is obtained from a sig value of 0.000 <0.05. This means that the Debt to asset ratio has a positive effect on return on assets in sub-food and beverage manufacturing companies listed on the IDX in 2012-2021.The results of this study are consistent with previous research conducted by (Widodo & Adji, 2018), stating that the Debt to Asset Ratio partially has a positive and significant effect on Return on Assets. Meanwhile, research (Thoyib at el., 2018) in his research stated that the Debt to Asset Ratio has a negative and significant effect on Return on Assets.

Effect of Debt equity ratio on Return on Assets

From the results of Table 1.1, the Debt to equity ratio is obtained from a sig value of 0.000 <0.05. This means that the debt-to-equity ratio harms the return on assets in sub-food and beverage manufacturing companies listed on the IDX from 2012-2021. The results of this study are consistent with previous research conducted by (Aulia Mutiara et el, 2020), stating that partial Debt to Equity Ratio has a negative and significant effect on Return on Assets. Meanwhile, research (Sari Kurnia A and & Endah Nurhawaeny K, 2019) states that the Debt to Equity Ratio partially has a positive and significant effect on Return on Assets.

Effect of Current ratio, debt asset ratio and Debt equity ratio on Return on Assets

Based on Table 1.1 and the results of the F test, the F-count results are, 108.310 greater than the F-table of 2.77, which means the current ratio, debt-to-asset ratio, and debt-to-equity ratio together affect the return on assets. Based on the results of Table 1.1, the results of the test for the coefficient of determination above show that the R Square value is 0.864 or (86.4%). This shows that the percentage contribution to the influence of the independent variable on the dependent variable is 86.4%. While the remaining 11.6% is influenced by other variables not included in this research model.

5. Conclusion and Recommedation

Based on the results of the above research, it can be concluded as follows:

Current ratio partially has a positive and significant effect on return on assets, Debt to asset ratio partially has a positive and significant effect on return on assets, Debt to equity ratio partially has a negative and significant effect on return on assets. Meanwhile, current ratio, debt to asset ratio, and debt to equity ratio together affect the return on assets. Good financial reports can provide good managerial decisions, therefore financial reporting must be made accountable and timely, so as not to make wrong decisions. This research is still limited to three variables, so the variables need to be added and even the sample must be larger.

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