

THE EFFECT OF CURRENT RATIO, DEBT TO EQUITY RATIO, AND TOTAL ASSETS TURN OVER ON RETURN ON EQUITY WITH COMPANY SIZE AS A MODERATION VARIABLE

Studies in Automotive and Components Manufacturing Companies Listed on the Indonesia Stock Exchange for the 2013-2020 Period

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ABSTRACT

This study aims to examine the Current Ratio, Debt to Equity Ratio and Total Assets Turn Over to the Return On Equity with Firm Size as a Moderating Variable (Case Study on the Automotive and Components Sub-Sector listed on the Indonesia Stock Exchange in 2013-2020. The object of this research is Effect of Current Ratio, Debt to Equity Ratio and Total Assets Turn Over as Independent Variables, Return On Equity as Dependent Variables, and Firm Size as Moderating Variables. Based on the results of the research on the t test, the Current Ratio has no effect on the Return On Equity. Based on the results of the research on the t test, the Current Ratio has no effect on the Return On Equity of $1,825 < 1,681$. Debt to Equity Ratio has no effect on the Return On Equity $-6,579 < 1,681$. Total Assets Turn Over has a affects on the Return On Equity $3,700 > 1,681$. Firm size can moderate the effect of the Current Ratio on the Return On Equity of $1,815 > 1,681$ with a significance level of $0,077 > 0,05$. Firm size can moderate the effect of Debt to Equity Ratio on the Return On Equity of $6,559 > 1,661$ with a significance level of $0,000 > 0,05$. Firm size cannot moderate the effect of Total Assets Turn Over on Return On Equity $-2,924 < 1,661$ with a significance level of $0,006 < 0,05$.

Based on the research of the f test, Current Ratio, Debt to Equity Ratio and Total Assets Turn Over simultaneously or together have a significant influence on the Return On Equity of $29,499 > 2,816$. Current Ratio, Debt to Equity Ratio, and Total Assets Turn Over with Firm Size simultaneously or together have a significant influence on the Return On Equity of $39,150 > 2,330$.

Keywords: *Current Ratio, Debt to Equity Ratio, Total Assets Turn Over, Return On Equity, Firm Size*

INTRODUCTION

A company carries out various business activities to provide products or services to be sold and generate a satisfactory rate of return on investment. To be able to find out the sales of products or services that have been made by the company and the company's performance can be seen from financial information. This information is in the form of financial reports that are used by the company concerned to report its financial condition and condition to

interested parties, especially investors, creditors, and the management of the company itself (Sopini, 2017).

Automotive companies in Indonesia in the era of globalization should try to produce high-quality goods at low costs in order to increase competitiveness in the domestic and international markets. The economy is increasing at this time if it is associated with science and technology which will bring up new products from the company. Many companies produce similar goods with

different brands, giving rise to very tight competition and no profit, this can result in the cessation of a company's operations (Hantono, 2015).

The Indonesian automotive industry has become an important pillar of the country's manufacturing sector as many world-famous car companies (re) opened car manufacturing factories or increased their production capacity in Indonesia, the country with the largest economy in Southeast Asia. What's more, Indonesia is experiencing an extraordinary transition as it changes from just being a place for producing cars for export (especially for the Southeast Asian region) to becoming a large (domestic) car sales market due to an increase in per capita gross domestic product (GDP) (Veny, 2017).

The company seeks to obtain maximum profits or profits. By obtaining maximum profits, companies can do much for the welfare of owners and employees, as well as improve product quality and make new investments. In measuring the profit level of a company used profitability ratios. Profitability is a tool used to analyze company performance because the level of profitability will describe the company's profit position. Companies that have succeeded in increasing their profitability,

it can be said that these companies are able to manage their resources effectively and efficiently so that they are able to generate high profits. Conversely, a company that has low profitability indicates that the company is unable to manage its resources properly, so it is unable to generate high profits. In this research, profitability will be measured using Return On Equity (ROE).

LITERATURE REVIEW

Return On Equity (ROE)

Harahap (2017: 305) argues that "Return On Equity is the ratio used to measure net profit after tax with own capital."

According to Kasmir (2019: 204), the definition of Return On Equity is "Return On Equity or profitability of own capital is a ratio for measuring net profit after tax with own capital. This ratio shows the efficient use of own capital. The higher this ratio, the better. This means that the position of the owner of the company is getting stronger, and vice versa."

While Return On Equity according to Hanafi and Halim (2014: 82), namely: "The ratio that describes the company's ability to generate profits based on a certain share capital. This ratio is a measure of profitability from a shareholder's point of view."

Based on some of the explanations from the experts above, it can be concluded that Return On Equity is a profitability ratio that can measure a company's ability to generate profits with its own capital. The higher this ratio, the better, meaning that the position of the company owner is getting stronger.

Company Size

According to Hery (2018: 97) Company size is "a scale that shows how big or small a company is."

According to Hartono (2015: 254) Company size is, "The size of the company can be measured by the total assets of the company's assets by using the calculation of the logarithmic value of total assets".

From the description above, the researcher can conclude that company size is a scale that can be grouped based on the size of the company, which can be seen from the total assets, total sales and others.

Current Ratio

Kasmir (2019: 134) stated, "The current ratio is a ratio to measure a company's ability to pay short-term obligations or debts that are due soon when billed as a whole."

According to Hery (2016: 142), "The current ratio is a ratio to measure a company's ability to meet its short-term

obligations that are due soon by using available current assets."

Meanwhile, according to Fahmi (2017: 121), "Current Ratio is a measure that is commonly used for short-term solvency, the ability of a company to meet debt needs when they mature."

Based on some of the definitions put forward by the experts above, the Current Ratio is a comparison between current assets and current liabilities, so any transaction activity that results in changes in current assets or current liabilities individually or jointly will result in changes and will affect the level of liquidity.

Debt to Equity Ratio

Fahmi (2017: 128) states that, "The Debt to Equity Ratio is a measure used in analyzing financial reports to show the amount of collateral available for creditors."

According to Kasmir (2019: 157): "The Debt to Equity Ratio is the ratio used to assess debt to equity."

Meanwhile, according to Wahyudiono (2014: 75), the Debt to Equity Ratio is a ratio that shows a comparison between total debt and equity. Total debt is the sum of the total current liabilities and long term debt.

Based on the understanding of the experts above, it can be concluded that the Debt to Equity Ratio is the ratio used to determine the ratio between total debt and own capital. This ratio is useful for knowing how much a company's assets are financed from debt.

Total Assets Turn Over

Hery (2016: 187) suggests that "Total Assets Turn Over is, "The ratio used to measure the effectiveness of the company's total assets in generating sales that will be generated from every rupiah of funds embedded in total assets."

According to Kasmir (2019: 185), "Total Assets Turn Over is the ratio used to measure the turnover of all assets owned by the company and measures the amount of sales obtained from each rupiah of assets."

Meanwhile, according to Fahmi (2017: 135), "Total Assets Turn Over is also known as total asset turnover. This ratio looks at the extent to which all assets owned by the company are circulating effectively.

From this understanding it can be said that Total Assets Turn Over shows how effective the investment was made at the time of preparing the financial statements, so that it can be estimated whether the company's management is able to make the existing capital effective so that later it can

be compared with the number of sales that occur for each unit of assets owned by using this ratio.

RESEARCH METHODS

The research method used in this study is a quantitative method, with a descriptive and verification approach. Quantitative research methods have characteristics associated with numerical and objective. Observed facts or phenomena have an objective reality that can be measured. The research variables can be identified and the intercorrelation of variables can be measured.

The definition of a qualitative research method according to Sugiyono (2019: 26) is as follows: "Research methods based on the philosophy of post positivism, are used to research on natural object conditions, (as opposed to experiments) where researchers are the key instrument, data collection techniques are carried out in triangulation (combined), data analysis is inductive/qualitative in nature, and the results of qualitative research emphasize understanding meaning, and constructing phenomena rather than generalizations."

RESEARCH RESULT

Descriptive Analysis

Table 1 Descriptive Analysis

Descriptive Statistics					
	N	Min.	Max	Mean	Std. Dev
X1	48	0.76	6.17	2.2127	1.46522
X2	48	0.10	3.75	1.1135	0.99177
X3	48	0.31	1.51	0.8375	0.26098
Y	48	-5.81	36.75	9.6215	11.12263
Z	48	28.16	33.49	30.3692	1.64628

Verification Analysis
 Classic assumption tests

a. Normality test

Normality testing was carried out using the Kolmogorov-Smirnov test. Test results can be seen in the following table:

Table 2 Normality test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		48
Normal Parameters ^{a,b}	Mean	0E-7
	Std. Deviation	4.29327110
Most Extreme Differences	Absolute	.092
	Positive	.050
	Negative	-.092
Kolmogorov-Smirnov Z		.636
Asymp. Sig. (2-tailed)		.813
a. Test distribution is Normal.		
b. Calculated from data.		

The results of the Kolmogorov Smirnov normality test in this study were $0.813 > 0.05$. A significance value greater than 0.05

indicates that the data in this study are normally distributed.

b. Coefficients Multicollinearity Test

Table 3 Coefficients Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
X1	.000	3758.252
X2	.000	2273.121
X3	.002	512.632
X1_Z	.000	3528.308
X2_Z	.000	2327.959
X3_Z	.002	443.205

The VIF value calculation results show that all independent variables have a result of less than 10. In addition, the results of the tolerance value calculation show that all independent variables have a result of more than 0.10, so it can be concluded that there is no multicollinearity between the independent variables in the regression model.

c. Heteroscedasticity Test

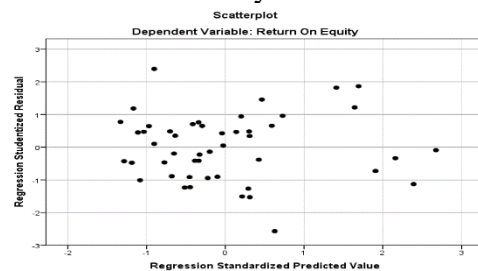


Figure 1 Heteroscedasticity Test

Based on the picture above, it can be seen that the dots spread randomly, not forming

a pattern. As well as the points spread both above and below zero on the Y axis.

d. Autocorrelation Test

Table 4 Autocorrelation Test

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.923 ^a	.851	.830	4.59669	1.729
a. Predictors: (Constant), TATO_Z, CR_Z, Debt to Equity Ratio, Total Asset Turn Over, DER_Z, Current Ratio					
b. Dependent Variable: Return On Equity					

Based on the Durbin-Watson value of 1.729, it meets the requirements for no autocorrelation because the D-W value is between -2 to +2 or $-2 < 1.729 < +2$.

MRA (Moderated Regression Analysis)

Table 5 MRA (Moderated Regression Analysis)

Coefficients^a				
Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	-27.341	4.828	
	Current Ratio	-51.202	28.053	-6.736
	Debt to Equity Ratio	-212.065	32.233	-
	Total Asset Turn Over	215.244	58.170	5.044
	CR_Z	1.776	.979	6.492

DER_Z	6.867	1.047	19.052
TATO_Z	-5.836	1.996	-3.706
a. Dependent Variable: Return On Equity			

$\alpha = -27.341$: meaning that if the variable Current Ratio (X1), Debt to Equity Ratio (X2), Total Asset Turn Over (X3) and the interaction between variable X and Moderating Variable (Z) is zero (0), then the value of the variable Return On Equity (Y) obtained -27.341.

$\beta_1 = -51.202$: meaning that if the Current Ratio variable (X1) and other variables are constant, then every one unit increase in the X1 variable will increase the value of the Return On Equity (Y) variable by -51.202. On the other hand, for every one unit decrease in the variable X1 and the other variables are constant, it will decrease the variable Y by -51.202.

$\beta_2 = -212.065$: this means that if the Debt to Equity Ratio (X2) variable and other variables are constant, then every one unit increase in the X2 variable will increase the value of the Return On Equity (Y) variable by -212.065. On the other hand, for each decrease in the variable X2 and the other variables being constant, the Y variable will decrease by -212.065.

$\beta_3 = -215.244$: this means that if the Total Asset Turn Over (X3) variable and other variables are constant, then every one unit decrease in the X3 variable will reduce the

value of the Return On Equity (Y) variable by -215.244. Conversely, every increase of one unit of variable X3 and other variables is constant, it will increase the variable Y by -215.244.

$\beta_4 = 1.776$: meaning that if the interaction between the variable Current Ratio (X1) and the moderating variable Firm Size (Z) and other variables is constant, then every one unit increase in the interaction of variable X1 with variable Z will increase the value of the variable Return On Equity (Y) by 1.776 . On the other hand, every one unit decrease in the interaction of variable X1 with variable Z and other variables is constant, it will decrease variable Y by 1.776.

$\beta_5 = 6.867$: meaning that if the interaction between the variable Debt to Equity Ratio (X2) and the moderating variable Firm Size (Z) and other variables is constant, then every one unit increase in the interaction of variable X2 with variable Z will increase the value of the variable Return On Equity (Y) of 6.867. On the other hand, every one unit decrease in the interaction of variable X2 with variable Z and other variables is constant, it will decrease variable Y by 6.867.

$\beta_6 = -5.836$: this means that if the interaction between the variable Total Asset Turn Over (X3) and the moderating

variable Firm Size (Z) and other variables is constant, then every one unit decrease in the interaction of the X3 variable with the Z variable will decrease the value of the Return On Equity (Y) variable.) of -5.836. On the other hand, for every one unit increase in the interaction of variable X3 with variable Z and other variables constant, the variable Y will increase by - 5.836.

Product Moment Correlation Coefficient Analysis

Table 6 Product Moment Correlation Coefficient Analysis

Correlations		
		Return On Equity
Return On Equity	Pearson Correlation	1
	Sig. (2-tailed)	
	N	48
Current Ratio	Pearson Correlation	.234
	Sig. (2-tailed)	.109
	N	48
Debt to Equity Ratio	Pearson Correlation	-.461**
	Sig. (2-tailed)	.001
	N	48
Total Asset Turn Over	Pearson Correlation	.811**
	Sig. (2-tailed)	.000
	N	48
CR_Z	Pearson Correlation	.231
	Sig. (2-tailed)	.115
	N	48
DER_Z	Pearson Correlation	-.462**
	Sig. (2-tailed)	.001
	N	48

TATO_Z	Pearson Correlation	.826**
	Sig. (2-tailed)	.000
	N	48
** . Correlation is significant at the 0.01 level (2-tailed).		
* . Correlation is significant at the 0.05 level (2-tailed).		

1. The partial correlation between Current Ratio and Return On Equity is 0.234. Based on the table of correlation criteria, including the correlation value between 0.20 - 0.399. This shows that there is a low positive correlation between the Current Ratio and Return On Equity.
2. The partial correlation between Debt to Equity Ratio and Return On Equity is -0.461. Based on the table of correlation criteria, including the correlation value between 0.40 - 0.599. This shows that there is a moderate negative correlation between the Debt to Equity Ratio and Return On Equity.
3. The partial correlation between Total Asset Turn Over and Return On Equity is 0.811. Based on the table of correlation criteria, including the correlation value between 0.80 - 1.000. This shows that there is a very strong positive correlation between Total Asset Turn Over and Return On Equity.
4. The correlation between Current Ratio and Firm Size to Return On Equity partially is 0.231. Based on the table of correlation criteria, including the correlation value

between 0.20 - 0.399. This shows that there is a low positive correlation between the Current Ratio and Firm Size on Return On Equity.

5. The correlation between Debt to Equity Ratio and Company Size to Return On Equity partially is -0.462. Based on the table of correlation criteria, including the correlation value between 0.40 - 0.599. This shows that there is a moderate negative correlation between the Debt to Equity Ratio and Firm Size to Return On Equity.

6. The correlation between Total Asset Turn Over and Company Size to Return On Equity partially is 0.826. Based on the table of correlation criteria, including the correlation value between 0.80 - 1.000. This shows that there is a very strong positive correlation between Total Asset Turn Over and Company Size on Return On Equity.

Coefficient of Determination (R²)

Determination Coefficient Test Before Moderation

Table 7 Determination Coefficient Test Before Moderation

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.817 ^a	.668	.645	6.63311

a. Predictors: (Constant), Total Asset Turn Over, Current Ratio, Debt to Equity Ratio
 b. Dependent Variable: Return On Equity

Based on the test results above, it can be seen that:
 $KD = R^2 \times 100\%$
 $= (0.817)^2 \times 100\%$
 $= 67\%$
 From the value of the coefficient of determination (R square) of 0.817, which means that changes in Return On Equity can be affected by changes in the variables Current Ratio, Debt to Equity Ratio, Total Asset Turn Over by 67%.

Determination Coefficient Test After Moderation

Table 8 Determination Coefficient Test After Moderation

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.923 ^a	.851	.830	4.59669
a. Predictors: (Constant), TATO_Z, CR_Z, Debt to Equity Ratio, Total Asset Turn Over, DER_Z, Current Ratio				
b. Dependent Variable: Return On Equity				

Based on the test results above, it can be seen that:
 $KD = R^2 \times 100\%$
 $= (0.923)^2 \times 100\%$
 $= 85\%$
 From the value of the coefficient of determination (R square) of 0.851, which means that changes in Return On Equity can be affected by changes in the variables

Current Ratio, Debt to Equity Ratio, Total Asset Turn Over by 85%. Based on the correlation criteria table, including the correlation value between > 80% has a very high relationship.

Hypothesis test

a. Results of Partial Hypothesis Testing (Test t)
 t test (Partial)

Table 9 Results of Partial Hypothesis Testing (Test t)

Coefficients ^a		
Model	t	Sig.
(Constant)	-5.663	.000
Current Ratio	-1.825	.075
Debt to Equity Ratio	-6.579	.000
Total Asset Turn Over	3.700	.001
CR_Z	1.815	.077
DER_Z	6.559	.000
TATO_Z	-2.924	.006
a. Dependent Variable: Return On Equity		

H1: Testing the Current Ratio variable on Return On Equity

The table above shows t count < t table, namely -1.825 < 1.681, so the Current Ratio has a negative and significant effect on Return On Equity. Because the value of tcount > ttable and the significance value of the Current ratio variable is 0.075 > 0.05,

H1 is rejected and H0 is accepted, meaning that the Current Ratio (X1) has no effect on Return On Equity (Y).

H2: Testing the Debt to Equity Ratio variable to Return On Equity

The table above shows $t \text{ count} < t \text{ table}$, namely $-6,579 < 1,681$, so the Debt to Equity Ratio has a negative and significant effect on Return On Equity. Because the $t \text{ count} < t \text{ table}$ and the significance value of the Debt to Equity Ratio variable is $0,000 < 0,05$, H2 is accepted and H0 is rejected, meaning that the Debt to Equity Ratio (X2) has no significant effect on Return On Equity (Y).

H3: Testing the Hypothesis variable Total Asset Turn Over on Return On Equity

The table above shows $t \text{ count} > t \text{ table}$, namely $3,700 > 1,681$, so Total Asset Turn Over has a positive effect on Return On Equity. Because the value of $t \text{ count} > t \text{ table}$ and the significance value of the Total Asset Turn Over variable is $0,001 < 0,05$, H3 is accepted and H0 is rejected, meaning that Total Asset Turn Over (X3) has a positive and significant effect on Return On Equity (Y).

H5: Testing the Hypothesis of the variable Current Ratio (X1) to Return On Equity (Y) with Firm Size (Z) as a Moderating Variable

The table above shows $t \text{ count} > t \text{ table}$, namely $1,815 > 1,681$. Because the value of $t \text{ count} > t \text{ table}$ and the significance value of the Current ratio variable is $0,077 > 0,05$, H5 is rejected and H0 is accepted, meaning that the Firm Size Variable (Z) can moderate the effect of Current Ratio on Return On Equity (Y).

H6: Testing the Debt to Equity Ratio variable (X2) with Firm Size (Z) as a Moderating Variable

The table above shows $t \text{ count} > t \text{ table}$, namely $6,559 > 1,661$. Because the value of $t \text{ count} < t \text{ table}$ and the significance value of the Debt to Equity Ratio variable is $0,000 > 0,05$, H5 is accepted and H0 is rejected, meaning that the Firm Size Variable (Z) can moderate the effect of the Debt to Equity Ratio on Return On Equity (Y).

H7: Testing the Hypothesis variable Total Asset Turn Over (X3) with Company Size (Z) as a Moderating Variable

The table above shows $t \text{ count} > t \text{ table}$, namely $-2,924 < 1,661$. Because the value of $t \text{ count} < t \text{ table}$ and the significance value of the Total Asset Turn Over variable is $0,006 < 0,05$, H5 is accepted and H0 is rejected, meaning that the Firm Size Variable (Z) can moderate the effect of Total Asset Turn Over on Return On Equity (Y).

b. Results of Simultaneous Hypothesis Testing (Test F)

F Test (Simultaneous) Before Moderation

Table 10 F Test (Simultaneous) Before Moderation

ANOVA ^a			
Model		F	Sig.
1	Regression	29.499	.000 ^b
	Residual		
	Total		
a. Dependent Variable: Return On Equity			
b. Predictors: (Constant), Total Asset Turn Over, Current Ratio, Debt to Equity Ratio			

H4: Testing the Variable Current Ratio Hypothesis, Debt to Equity Ratio and Total Asset Turn Over on Return On Equity simultaneously

Fcount is 29.499 with a p-value (sig) 0.000. with $\alpha = 5\%$ and degrees of freedom $V1 = 44$ ($n-k-1$) and $V2 = 3$, then we get Ftable 2.816. Due to the value of Fcount > Ftable ($29.499 > 2.816$), then H4 is accepted and H0 is rejected, meaning that the variables Current Ratio (X1), Debt to Equity Ratio (X2) and Total Asset Turn Over (X3) have a simultaneous effect on Return On Equity (Y).

Simultaneous Hypothesis Test Results (F Test) after moderation

Table 11 Simultaneous Hypothesis Test Results (F Test) after moderation

ANOVA ^a			
Model		F	Sig.
1	Regression	39.150	.000 ^b
	Residual		
	Total		

a. Dependent Variable: Return On Equity
b. Predictors: (Constant), TATO_Z, CR_Z, Debt to Equity Ratio, Total Asset Turn Over, DER_Z, Current Ratio

H8: Testing the Variable Current Ratio Hypothesis, Debt to Equity Ratio and Total Asset Turn Over Against Return On Equity with Company Size Simultaneously

Fcount is 39.150 with a p-value (sig) 0.000. with $\alpha = 5\%$ and degrees of freedom $V1 = 41$ ($n-k-1$) and $V2 = 6$, then we get Ftable 2.330. Due to the value of Fcount > Ftable ($39.150 > 2.330$), then H8 is accepted and H0 is rejected, meaning that the variables Current Ratio (X1), Debt to Equity Ratio (X2) and Total Asset Turn Over (X3) with Company Size (Z) have an effect simultaneously to Return On Equity (Y).

Descriptive Analysis of Return On Equity

This study aims to analyze the factors that affect Return On Equity which consists of Current Ratio, Debt to Equity Ratio, Total Asset Turn Over and Company Size Study in Automotive and Components Manufacturing Companies on the Indonesia Stock Exchange in 2013-2020.

Verification Analysis

1. Effect of Current Ratio on Return On Equity

The decision to reject the hypothesis partially where the tcount value for the

Current Ratio (X1) is -1.825 and t_{table} is 1.681 with a sig value of $0.075 > 0.05$. Because the value of $t_{count} < t_{table}$, then H_1 is rejected and H_0 is accepted, meaning that the Current Ratio (X1) has no effect on Return On Equity (Y).

2. Effect of Debt to Equity Ratio on Return On Equity

The decision to reject the hypothesis partially where the t_{count} value for the Debt to Equity Ratio (X2) is -6.579 and t_{table} is 1.681 with a sig value of $0.00 < 0.05$. Because the value of $t_{count} < t_{table}$, H_2 is rejected and H_0 is accepted, meaning that the Debt to Equity Ratio (X2) has no effect on Return On Equity (Y).

3. Effect of Total Asset Turn Over on Return On Equity

The decision to accept the hypothesis partially where the t_{count} value for Total Assets Turn Over (X3) is 3.700 and t_{table} 1.681 with a sig value of $0.01 < 0.05$. Because the value of $t_{count} > t_{table}$, H_1 is accepted and H_0 is rejected, meaning that Total Assets Turn Over (X3) has a positive and significant effect on Return On Equity (Y).

4. Effect of Current Ratio on Return On Equity with Firm Size as Moderating Variable

The correlation between Current Ratio and Firm Size to Return On Equity partially is 0.231. Based on the correlation criteria table, including the correlation value between 0.20 - 0.399 has a low relationship.

5. Effect of Debt to Equity Ratio on Return On Equity with Firm Size as a Moderating Variable

The correlation between Debt to Equity Ratio and Firm Size to Return On Equity partially is 0.168. Based on the correlation criteria table, including the correlation value between 0.00 - 0.199 has a very low relationship.

6. Effect of Total Asset Turn Over on Return On Equity with Company Size as Moderating Variable

The correlation between Total Asset Turn Over and Firm Size to Return On Equity partially is 0.168. Based on the correlation criteria table, including the correlation value between 0.00 - 0.199 has a very low relationship.

7. Effect of Current Ratio, Debt to Equity Ratio and Total Asset Turn Over on Return On Equity

Due to the value of $F_{count} > F_{table}$ (29.499 > 2.816), then H_4 is accepted and H_0 is rejected, meaning that the variables Current Ratio (X1), Debt to Equity Ratio (X2) and Total Asset Turn Over (X3) have a

simultaneous effect on Return On Equity (Y).

8. Effect of Current Ratio, Debt to Equity Ratio and Total Asset Turn Over on Return On Equity with Firm Size as Moderating Variable

Due to the value of $F_{count} > F_{table}$ ($39.150 > 2.330$), then H_8 is accepted and H_0 is rejected, meaning that the variables Current Ratio (X1), Debt to Equity Ratio (X2) and Total Asset Turn Over (X3) with Company Size (Z) have an effect simultaneously to Return On Equity (Y).

CONCLUSION

1. The average return on equity is 9.6215. The maximum value of Return On Equity is

4. The average value of Total Asset Turn Over is 0.8375. The maximum value of Total Asset Turn Over is 1.51, namely PT Selamat Sempurna Tbk in 2014. The minimum value of Total Asset Turn Over is 0.31, namely PT Indomobil Sukses Internasional Tbk in 2020.

5. The average value of Firm Size is 30.3692. The maximum value of Company Size is 33.49, namely PT Astra Internasional Tbk in 2019. The minimum value of Company Size is 28.16, namely PT Selamat Sempurna Tbk in 2013.

36.75, namely at PT Selamat Sempurna Tbk in 2014. The minimum value of Return On Equity is -5.81, namely PT Gajah Tunggal Tbk in 2015.

2. The average value of Current Ratio is 2.2127. The maximum Current Ratio value is 6.17, namely PT Indospring Tbk in 2020. The minimum Current Ratio value is 0.76, namely PT Indomobil Sukses Internasional Tbk in 2020.

3. The average value of the Debt to Equity Ratio is 1.1135. The maximum Debt to Equity Ratio value is 3.75, namely PT Indomobil Sukses Tbk in 2019. The minimum Debt to Equity Ratio value is 0.10, namely PT Indospring Tbk in 2019

6. The results of the influence of the Current Ratio, Debt to Equity Ratio and Total Asset Turn Over on Return On Equity are explained as follows:

a. Current Ratio (X1) has no effect on Return On Equity (Y).

b. Debt to Equity Ratio (X2) has no effect on Return On Equity (Y).

c. Total Assets Turn Over (X3) has a positive and significant effect on Return On Equity (Y).

7. Based on the results of the research on the F test (simultaneously) the results show that the Current Ratio (X1), Debt to Equity Ratio (X2) and Total Asset Turn Over (X3)

have a simultaneous effect on Return On Equity (Y).

8. Based on the results of the research on the t test (partially) for the moderating variable, the following results are obtained:

a. Current Ratio t test (X1) with Firm Size (Z) as Moderating Variable, Firm Size can moderate the effect of Current Ratio (X1) on Return On Equity (Y).

b. Test the t Debt to Equity Ratio (X2) with Firm Size (Z) as a Moderating Variable, Firm Size can moderate the effect of Debt to Equity Ratio (X2) on Return On Equity (Y)

c. The t test of Total Asset Turn Over (X3) with Firm Size (Z) as a Moderating Variable Firm Size can moderate the effect of Total Asset Turn Over (X3) on the Debt to Equity Ratio (Y).

9. Based on the results of the research on the F test (simultaneously) the results show that Current Ratio (X1), Debt to Equity Ratio (X2) and Total Asset Turn Over (X3) with Firm Size (Z) have a simultaneous effect on Debt to Equity Ratio (Y).

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