

**EFFECT OF ASSET STRUCTURE AND CAPITAL STRUCTURE
ON PROFITABILITY
(Empirical Study of Companies in the Consumer Goods Industry Sector, Household
Appliances Sub-Sector, 2014-2020)**

Husaeri Priatna¹, Iseu Anggraini², Ira Ananda³

Universitas Bale Bandung ^{1,2,3}

herieciakall@gmail.com¹, is.mahez@yahoo.com², Iraananda124@gmail.com³

ABSTRACT

This study analyzes the influence of Asset Structure and Capital Structure on Profitability (Empirical Study of Manufacturing Companies in the Consumer Goods Industry Sector, Household Appliances Sub-Sector Listed on the IDX for the 2014 – 2020 period). The analytical method used is multiple linear regression analysis to determine the effect of two independent variables on one dependent variable. The population in this study are financial reports published by Manufacturing Companies in the Consumer Goods Industry Sector, Household Appliances Sub-Sector listed on the IDX, and samples were taken for 7 years, namely from 2014 to 2020 using the Financial Position Report and Profit and Loss Report to obtain data. Asset Structure, Capital Structure, and Profitability. Based on the results of the study that partially Asset Structure has a positive and significant effect on Profitability, Capital Structure has a negative and insignificant effect on Profitability, and simultaneously Asset Structure and Capital Structure have a positive and significant effect on Profitability. The Coefficient of Determination results of 40.5% and the remaining 59.5% are other variables that also influence Profitability but are not examined. Profitability in this study using Return on Equity (ROE).

Keywords : Asset Structure, Capital Structure, Profitability

INTRODUCTION

Industrial or manufacturing companies in Indonesia, such as companies engaged in the consumer goods industry sector, and the household appliances sub-sector, is one of the companies that has the most important role in determining national economic growth among service companies and other sector companies. As this research was conducted on companies

in this sector, apart from carrying out their operational activities, they had to increase commodities, faced with the availability of raw materials for carrying out production activities which were increasingly limited. So that companies in the consumer goods industry sector, the household appliances sub-sector, must think hard and take smart steps on how to meet consumer needs in addition to the increasingly limited availability of raw materials, especially

since the raw materials used are raw materials that are not easily obtained, such as plastic, metal and wood.

Apart from the consumer goods industry sector, the household appliances sub-sector, every other sector manufacturing company also experienced the same thing. Moreover, Indonesia is an industrial-based country. Based on information obtained by the author from the investindonesia.go.id page, Indonesia has become the largest manufacturing industry base in ASEAN with a contribution of 20.27% to the national scale economy. The development of the manufacturing industry in Indonesia is currently able to shift from commodity-based to *manufacture based*. The government is trying to transform the economy so that it is more focused on the development process of the non-oil and gas industry.

The Ministry of Industry also recorded several sectors that had a performance percentage above the national GDP, including the base metal industry at 9.94%, the textile and apparel industry at 7.53%, and the transportation equipment industry at 6.33%. This is also influenced by people's purchasing power for various types of products which is increasing, so that the production process will also

increase according to demand. Various Indonesian manufacturing sectors are also being developed in other ASEAN countries, such as the Philippines and Vietnam. This will certainly encourage national economic growth and increase competitiveness domestically, regionally and globally. Another difference that is owned by the Indonesian economy is its strength in the domestic market with a percentage of 80% and the rest is the export market, unlike Singapore and Vietnam whose economic systems are mostly export-oriented.

This manufacturing industry is increasingly being developed by the government through downstream methods. This must be supported by increased investment and export performance to sustain the manufacturing industry and make it the largest contributor to taxes and customs. The development of the manufacturing industry in Indonesia must also be supported by cooperation from various parties, such as the government, entrepreneurs, and the general public. (Source:

<https://www.investindonesia.go.id/id/artikel-investasi/detail/perkembangan-industri-manufaktur-di-indonesia> (accessed on Sunday 23 January 2022 at 09.37 WIB).

Based on the above information, the authors assume that the performance of manufacturing companies in Indonesia is increasing, including companies in the consumer goods industry sector, the household appliances sub-sector, of course, is measured by their level of profit as well. Because without profits or profits that increase performance cannot be said to have increased.

The company's ability or performance in obtaining profit/profit can be measured by profitability analysis. As stated by Husaeri Priatna (2016) in his journal that profitability analysis aims to measure a company's ability to earn profits, both in relation to Revenue, assets, as well as own capital. So the results of profitability can be used as a benchmark or an illustration of the effectiveness of management performance in terms of the profits obtained compared to the company's income and investment results. The same thing was expressed by Danang (2013: 113) who argued that profitability is a company's ability to profit from its business results.

The company's business activities in its objective of obtaining profits are influenced by various factors such as the assets owned by the company and the

availability of adequate capital to finance its operations. According to Ely Suhayati and Sri Dewi Anggadini (2014:14) that assets are resources for companies to do business. Furthermore, Santoso (2010: 123) states that assets are economic benefits that are very likely to be obtained or controlled by the company in the future as a result of past events or transactions that are expected to provide economic benefits in generating income.

In this study, the authors examine the asset structure and capital structure of industrial companies in the household appliances sub-sector listed on the IDX for the period 2014 - 2020. Because the authors are interested in how companies in this sector obtain debts from capital lenders guaranteed by their fixed assets. Because the greater the fixed assets owned by the company, the higher the amount of funding obtained from lending institutions, this is due to the relatively large amount of assets that can be used as collateral. According to Sartono (2010: 248) states that companies that have large amounts of fixed assets can use large amounts of debt, this is because of the scale, large companies will find it easier to get access to sources of funds compared to small companies. Then the amount of fixed assets can be used as collateral for the company's debt.

In addition to asset structure, capital structure is a very important issue for the company. Because the condition of the capital structure will have a direct impact on the company's financial position. There is no definite size regarding the nominal and composition of capital in each company, but basically, the regulation of a company's capital structure must be oriented towards achieving financial stability and ensuring the survival of the company. According to Munawir (2014: 14) that capital is a right or part of capital, company assets consisting of paid-up wealth or originating from outside the company and the wealth is the result of the business activity itself. Subramanyam (2017: 162) states that capital structure is the equity and debt funding of companies which are often measured in terms of the relative size of various sources of funding. The company's financial stability and bankruptcy risk depend on the source of funding and the type and amount of various assets it has.

Based on data obtained from the financial statements of manufacturing companies in the consumer goods industry sector, the household appliances sub-sector, the asset structure data is calculated by the author by comparing the total fixed assets with total assets, then the capital structure using the

ratio of debt to company capital or known as *Debt to Equity Ratio* (DER), as well as profitability by using ratios *Return on Equity* (ROE). The results of initial observations that the condition of the asset structure, capital structure and profitability of the four companies in the household appliances sub-sector fluctuated during the observation period, from 2014 to 2020. This author assumes that changes in profitability can be determined by changes in asset structure and capital structure. the company itself.

Based on the empirical evidence that the authors have obtained, it can be understood that the composition of the company's assets and capital as collateral in financing its operations, namely the asset structure as collateral in obtaining debt from other parties and the capital structure as a guarantee of the company's ability to pay company debts. So that the better the asset structure and capital structure of the company, the greater the company will be in obtaining the expected level of profitability. This is like previous research that was conducted by Rahmiyatun and Nainggolan (2016) on pharmaceutical companies, the results obtained were that asset structure had a positive and significant effect on profitability. Likewise, capital structure has a positive

and significant effect on profitability, the results of this study were conducted by Astuti, et al (2015) in companies Publik and which became one the 100 best companies by Fortune Indonesia Magazine for the 2010-2012 period.

Based on the background of the problems stated above, the authors can formulate the problems in this study, namely as follows:

1. How does Asset Structure partially affect Profitability in Household Appliance Companies Listed on the IDX for the 2014-2020 Period
2. How does Capital Structure partially affect Profitability in Household Appliance Companies Listed on the IDX for the 2014-2020 Period.
3. How do the simultaneous effect of Asset Structure and Capital Structure on Profitability in Household Appliance Companies Listed on the IDX for the 2014-2020 Period.

According to Al Haryono Jusup (2012: 28) that assets are economic resources owned by companies that are usually expressed in units of money. Meanwhile, according to Subramanyam and Wild (2014: 271) define assets as assets, assets are resources

controlled by a company with the aim of generating profits.

Assets or assets according to Hermawan, Sigit, and Biduri (2016: 16) notion of an asset is an economic resource or wealth owned by a company to achieve its goals which are expected to bring benefits in the future. Meanwhile, according to SAK regulated by IAI (2017: 21) that assets are resources controlled by entities as a result of past events and from which future economic benefits are expected to flow to the entity.

According to Kasmir (2014: 39) that the structure of assets is assets or wealth owned by the company, either at a certain time or a certain period. Furthermore, according to Riyanto, the asset structure is also called the asset structure or wealth structure. Asset structure or wealth structure is a balance or comparison both in an absolute sense and in a relative sense between current assets and fixed assets. What is meant by absolute is a comparison in nominal form, while the relative meaning is a comparison in the form of a percentage.

Asset structure according to Mulyawan (2015: 224) asset structure is the composition of most industrial or manufacturing assets where most of their

capital is embedded in fixed assets tend to use their own capital compared to foreign capital or debt only as a complement. The definition of asset structure according to Sudana (2011: 163) is a comparison of the composition of current assets and the composition of fixed assets to total assets

From the above understanding it can be concluded that asset structure or asset structure is wealth owned by an entity/company in a certain period either from own capital or foreign capital which will be the company's guarantee if the company cannot pay its obligations to creditors.

According to Irham Fahmi (2017: 179) that the capital structure is an illustration of the form of the company's financial proportions, namely between owned capital that comes from long-term debt (*long-term liabilities*) and own capital (*shareholders' equity*) which is a source of financing for a company. Then Subramanyam (2017: 162) defines that capital structure is equity and debt funding in companies which are often measured in terms of the relative size of various sources of funding. The company's financial stability and bankruptcy risk depend on the source of funding and the type and amount of various assets it has.

According to Riyanto (2010: 282) that the capital structure is a balance or comparison between the amount of long-term debt with own capital. Meanwhile, according to Sartono (2011: 225), capital structure is a balance of permanent short-term debt, long-term debt, preferred stock and common stock. Furthermore, according to Kusumajaya (2011: 101), capital structure is a balance or comparison between the amount of long-term debt and its own capital. Therefore, the capital structure is measured by *Debt to Equity Ratio* (DER). DER is the ratio used to measure the level of use of debt to total *shareholder's equity* owned by the company.

According to Sartono in Fatmawati (2017) that profitability is a company's ability to earn profit in relation to sales, total assets and own capital. In general, companies prefer the income they receive to be used as the main source of financing for investment. If the source is from the company, another alternative is to issue debt, then issue new shares as another alternative for financing. Furthermore, Kasmir (2016: 196) states that the profitability ratio is a ratio for assessing a company's ability to make a profit.

According to Irham Fahmi (2013: 115) that the profitability ratio is the ratio to show the company's success in generating profits. Potential investors will carefully analyze the smooth running of a company and its ability to make a profit. The better the profitability ratio, the better it describes the company's ability to achieve high profits.

In this study, the authors use analysis of return *on Equity (ROE)* to find out the profitability of a household appliance company listed on the IDX for the period 2014 - 2020. According to Kasmir, this ratio 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. As for the formula return *on Assets (ROA)* that is :

METHOD

The method used in this research is a survey study research with a descriptive method with a quantitative approach because this research reveals the state of the problems that occur when this research takes place and the data used emphasizes the data numeric (number).

Population and Sample

Population

According to Sugiyono in his book entitled *Quantitative, Qualitative, and R&D Research Methods* (2015: 80) In this study, the population is the annual financial statements of the Companies in the Household Appliance Sub Sector for the period 2014 - 2020.

Sample

Sugiyono in his book entitled *Quantitative, Qualitative, and R&D Research Methods* (2015: 81) gives the understanding that: "The sample is part of the number and characteristics possessed by the population".

The sampling technique in this study is purposive sampling or with certain considerations. Therefore, the data selected in this study are annual financial reports for the period 2014 - 2020 or as many as 7 years. The data taken is from the Balance Sheet and Profit/Loss Report on the financial statements of companies that meet the requirements/complete, namely the fulfillment of the data required by the author in each financial report and consistently published each observation period as shown in the following table:

Table 1

Research Sample

No	Company name	Stock code	Data
1	PT. Chitose International Tbk	BELT	Complete
2	PT. Kedaung Indah Can Tbk	WAKE UP	Complete
3	PT. Langgeng Makmur Industry Tbk	LMPI	Complete
4	Pt. Integra Indocabinet Tbk	WOOD	Complete

Source: www.sahamok.net

Method of Analysis

The analytical method used in this study are:

Multiple Linear Regression Analysis

Multiple linear regression analysis is a linear relationship between two or more independent variables (X) with the dependent variable (Y), whether each independent variable is positively or negatively related and to predict the value of the dependent variable if the value of the independent variable increases or

decreases As stated by Sugiyono (2017: 275) in his book entitled Statistics for Research, which suggests that: "Multiple regression analysis is used when the researcher intends to predict how the condition (rise/fall) of the independent variables, if two or more independent variables as factors *predictor* manipulated (up and down the value). So a multiple regression analysis will be carried out if the number of independent variables is at least 2".

Multiple Correlation Analysis

Multiple correlation analysis is used to find out how strong the causal relationship is between Asset Structure on Profitability and Capital Structure on Profitability.

Coefficient of Determination

After the correlation coefficient is known, the next step is to calculate the coefficient of determination using the following formula:

$$KD = r^2 \cdot 100\%$$

Source: Sutrisno Hadi (2004:39)

Information :

KD = Coefficient of Determination

r^2 = Correlation Coefficient Squared

The criteria for the analysis of the coefficient of determination are:

- a) If KD is close to zero (0), then the influence of the independent variable on the dependent variable is weak.
- b) If KD is close to one (1), then the effect of the independent variable on the dependent variable is strong.

	67			69	
X1	,521	,17	,494	3,0	,0
		1		54	05
x2	-,049	,02	-,279	-	,0
		8		1,7	97
				23	

a. Dependent Variable: Y

Source: Data processing with IBM SPSS Statistics 20

Based on the results of calculations manually and SPSS above, the following equation is obtained:

$$Y = -17,067 + 0,521X_1 - 0,049X_2$$

Results and Discussion

Research Results

Multiple Linear Regression Analysis

Table 2

Results of Multiple Linear Regression Analysis

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-,17067	8,668		-,1960	,060

The multiple linear regression equation obtained can be explained as follows:

- a) A constant with a value of -17.067 indicates that if there is no independent variable (X_1 and $X_2 = 0$), then Profitability is -17.067.
- b) b_1 of 0.521 the result is positive, this indicates that every 1% increase in Asset Structure will be followed by an increase in Profitability of 0.521 assuming other variables remain (constant).
- c) b_2 of -0.102 the result is negative, this indicates that every 1%

increase in Capital Structure will be followed by a decrease in Profitability of 0.049 assuming other variables remain (constant).

Correlation Coefficient Analysis

Table 3

Pearson Correlation Analysis Results

Correlations

		X1	x2	AND
X1	Pearson Correlation	1	-,303	,579**
	Say. (2-tailed)		,118	,001
	N	28	28	28
x2	Pearson Correlation	-,303	1	-,428*
	Say. (2-tailed)	,118		,023
	N	28	28	28
AND	Pearson Correlation	,579**	-,428*	1
	Say. (2-tailed)	,001	,023	
	N	28	28	28

** . Correlation is significant at the 0.01 level (2-tailed).

Table 4

Results of Multiple Correlation Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,637 ^a	,405	,358	6,905795

a. Predictors: (Constant), X2, X1

Source: Data processing with IBM SPSS Statistics 20

Judging from the two correlation calculation tables above, it shows that:

- a) Correlation between Asset Structure (X₁) with Profitability (Y) of 0.579. Based on the correlation criteria table, including the correlation value between 0.40-0.599 has a moderate relationship. Because the results are positive, it can be concluded that any increase in Asset Structure (X₁) will be followed by an increase in Profitability (Y).
- b) Correlation between Capital Structure (X₂) with Profitability (Y) is -0.428. Based on the correlation criteria table, including the correlation value between 0.40-0.599

has a moderate relationship. Because the results are negative, it can be concluded that any increase in Capital Structure (X_2) will be followed by a decrease in Profitability (Y).

- c) Double correlation between Asset Structure (X_1) and Capital Structure (X_2) simultaneously with Profitability (Y) is equal to 0.637. Based on the correlation criteria table, including the correlation value between 0.60-0.799 has a strong relationship. Because the value is positive, it can be concluded that any increase in Asset Structure (X_1) and Capital Structure (X_2) together, it will be followed by an increase in Profitability (Y).

	B	Std. Error	Beta		
1 (Constant)	-17,067	8,668		-1,969	,060
X1	,521	,171	,494	3,054	,005
x2	-,049	,028	-,279	-1,723	,097

a. Dependent Variable: Y

Source: Data processing with IBM SPSS Statistics 20

To find out whether the research hypothesis is accepted or rejected, a decision is made as follows:

t Test (Partial) and F Test (Simultaneous)

1. t test (Partial)

Table 5

Calculation Results Test t

Coefficients^a

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.

· if $t_{count} < t_{table}$ or probability > 0.05 then H_0 accepted.

· if $t_{count} > t_{table}$ or probability < 0.05 then H_0 rejected.

- a) In the table above the value of t_{count} for Asset Structure (X_1) is 3,054, at t_{table} with dk 25 ($n-3 = 28-3$) and a significant level of 0.05, 2.059 is obtained. Because $t_{count} > t_{table}$ face H_0 rejected and H_a accepted. Then in the sig column. in the table above it can be seen that the t-test significance value

of 0.005 is less than 0.05. Thus the decision is taken with the level of significance that the Asset Structure (X₁) partially has a significant effect on Profitability (Y).

b) In the table above the value of t_{count} for Capital Structure (X₂) is -1,723, at t_{table} with dk 25 ($n-3 = 28-3$) and a significant level of 0.05, 2.059 is obtained. Because $t_{count} < t_{table}$ face H_0 accepted and H_a rejected. Then in the sig column. From the table above, it can be seen that the t-test significance value is 0.097, which is greater than 0.05. Thus the decision is taken with a level of significance that the Capital Structure (X₂) partially has no significant effect on Profitability (Y).

ressi	2,7		6,	,	0
on	74		38	5	0
			7	2	2
				1	b
Resi	11	2	47		
dual	92,	5	,6		
	25		90		
	0				
Tota	20	2			
1	05,	7			
	02				
	4				

a. Dependent Variable: Y

b. Predictors: (Constant), X₂, X₁

To find out whether the research hypothesis is accepted or rejected, a decision is made as follows:

- If $F_{count} < F_{table}$ or probability > 0.05 then H_0 accepted.
- If $F_{count} > F_{table}$ or probability < 0.05 then H_0 rejected.

2. Test F (Simultaneous)

Table 6

F Test Calculation Results

ANOVA^a

Model	Su	d	M	F	S
	m	f	ea		a
	of		n		y
	Sq		Sq		.
	uar		ua		
	es		re		
1 Reg	81	2	40	8	,

From the table above it can be seen that the value of F_{count} is 8.521 while F_{table} can be obtained with the F-table of degrees of freedom, namely residual 25 and regression 2 with a significant level of 0.05, so that F_{table} of 3.390 (see F_{table} in the attachment). Because $F_{count} > F_{table}$, eye H_0 rejected and H_a accepted. Then from the ANOVA table^a above it can be seen that

the significance value of the F-test is 0.002 which is less than 0.05. Thus the decision is taken with the level of significance that the Asset Structure (X_1) and Capital Structure (X_2) simultaneously has a significant effect on Profitability (Y).

Based on the research results that have been obtained, the discussion to answer the problems in this study are as follows:

Effect of Asset Structure on Profitability of Household Appliance Companies Listed on the IDX for the 2014-2020 Period

Based on the results of the study, the Asset Structure variable partially has a positive influence on Profitability in Consumer Goods Industry Companies in the Household Appliances Sub Sector for the 2014 – 2020 period, namely 28.6%, this is also indicated by the correlation coefficient value which has a positive relationship and medium. As for the results of the t-test that Asset Structure has a significant influence on Profitability because t_{count} bigger than t_{table} meaning that H_0 rejected and H_a accepted, and the probability value is less than 0.05. Thus the decision is taken with the level of significance that the Asset Structure (X_1) partially has a significant effect on Profitability (Y).

The influence of Asset Structure on Profitability is positive and significant, according to the observations of researchers that this is the Consumer Goods Industry Sector Company in the Household Appliances Sub Sector for the 2014 – 2020 period in a real way in utilizing company assets, especially the proportion of fixed assets from all assets owned by the company for operational activities in in order to obtain benefits, because Asset Structure tends to decrease followed by Profitability which tends to decrease, meaning that the better the use of Asset Structure, the Company's Profitability will increase, and vice versa. So this is based on the test results that there is a unidirectional (positive) relationship between Asset Structure and Profitability.

The Effect of Asset Structure on Profitability as Brigham and Ehrhardt in Veronika (2020) suggests that in general companies that have collateral for debt will find it easier to get debt than companies that do not have collateral. Asset structure is an important variable in a company's funding decisions because fixed assets are related to the company's production process to obtain or increase company profits. The higher the fixed assets owned by the company will optimize the company's production process which in

turn can generate maximum profit. In accordance with the pecking order. Then Kasmir (2016) states that the factors that affect profitability include:

- 1) Net profit margin
- 2) Total asset turnover
- 3) Net profit
- 4) Sales
- 5) Total Assets
- 6) Fixed Assets
- 7) Current Assets
- 8) Total cost

Previous research was conducted by Fitri Rahmiyatun and Kaman Nainggolan (2016) effect of Asset Structure, Capital Turnover, and Funding on the Profitability of Pharmaceutical Companies, the result is that asset structure has a positive and significant effect on profitability.

The Effect of Capital Structure on Profitability in Household Appliance Companies Listed on the IDX for the 2014-2020 Period

Based on the results of the study, the Capital Structure variable partially has a positive influence on Profitability in Consumer Goods Industry Companies in the Household Appliances Sub Sector for the 2014 – 2020 period, namely 11.9%, but the correlation coefficient value has a

negative and moderate relationship. The t-test results show that Capital Structure does not have a significant effect on Profitability because t_{count} smaller than t_{table} meaning that H_0 accepted and H_a rejected, and the probability value is greater than 0.05. Thus the decision is taken with a level of significance that the Capital Structure (X_2) partially has no significant effect on Profitability (Y).

The influence of Capital Structure on Profitability is not significant according to the observations of researchers that this is a Consumer Goods Industry Sector Company in the Household Appliances Sub Sector for the 2014 – 2020 period still has low ability to pay its long-term obligations, so that for 7 years the Capital Structure has increased until the end of the period, but followed by profitability which tends to decrease even though it is fluctuating. Thus it can be described that the higher the capital structure, the lower the profitability and vice versa, although it does not affect it significantly. Because based on the test results that there is a relationship / correlation that is not in the same direction (negative) between Capital Structure and Profitability.

In contrast to previous research conducted by Kurniasih Dwi Astuti, Wulan

Retnowati, and Ahmad Rosyid (2015) regarding the Effect of Capital Structure on Profitability (Study on Going Public Companies Which Become the 100 Best Companies Version of Fortune Indonesia Magazine for the 2010-2012 Period) research results shows that Capital Structure has a negative and significant influence on Profitability.

Although the results obtained are not significant, it is clear that Capital Structure can affect profitability, as Kasmir stated that Capital structure is the proportion between debt and company capital. Debt obtained by the company is used for working capital in its operations with the aim of making a profit. In general, the concept of working capital is a functional concept. This functional concept emphasizes the function of funds used to earn profit or income. A number of funds owned and used by the company are intended to increase company profits. The more funds used for working capital should be able to increase profits, and vice versa, if the funds used are small, profits will decrease. However, in reality sometimes this is not always the case. (Kasmir, 2016).

The Effect of Asset Structure and Capital Structure on Profitability in Household Appliance Companies Listed on the IDX for the 2014-2020 Period

Based on the results of the study, the variables Asset Structure and Capital Structure simultaneously have a positive and significant influence on Profitability in Companies in the Consumer Goods Industry Sector, Household Appliances Sub Sector for the 2014 – 2020 period, namely F_{count} bigger than F_{table} , as well as shown by probability values smaller than 0.05, as well as in the picture of acceptance and rejection of H_0 that F_{count} is in the H rejection region O then the decision is taken with the level of significance that the Asset Structure (X_1) and Capital Structure (X_2) simultaneously has a significant effect on Profitability (Y). The effect of Asset Structure and Capital Structure on Profitability is also shown by the results of manual calculations and the Coefficient of Determination (*R-Square*) which is equal to 40.5% and the rest which is another variable that also influences Profitability but is not examined is shown by the epsilon value (ϵ) of 59.5% (1 -*R-Square*). The other factors include cash turnover, inventory turnover, accounts receivable turnover, cash flow, activity, liquidity and so on.

There is a significant influence between Asset Structure and Capital Structure simultaneously on Profitability, that this is because these two factors really complement each other and cannot independently determine the increase in Profitability in Companies in the Consumer Goods Industry Sector, Household Appliances Sub Sector, 2014 - 2020 although separately (partially) that Capital Structure has an insignificant effect on Profitability. Thus the results of this study indicate that the better the Asset Structure and Capital Structure simultaneously, the better the Profitability.

CONCLUSION

Based on the results of research and discussion it can be concluded as follows:

- 1) Asset structure partially has a positive and significant influence on profitability. It can be concluded that if the Asset Structure increases, it can determine the increase in Profitability, and vice versa and have a significant impact because it has a positive correlation even though it is moderate.
- 2) Capital Structure by using *Debt to Equity Ratio* (DER) partially has a negative but not significant effect on Profitability. Thus it can be concluded that the higher the capital structure, the

lower the profitability and vice versa, although it does not have a significant impact because it has a moderate and negative correlation.

- 3) Asset Structure and Capital Structure simultaneously have a significant influence on Profitability. This is because these two factors really complement each other and cannot independently determine Profitability in Consumer Goods Industry Companies in the Household Appliances Sub Sector for the 2014 – 2020 period. Although individually (partially) the Asset Structure has a positive influence and significant, and Capital Structure has a negative and insignificant effect on Profitability. However, together that Asset Structure and Capital Structure have a positive and strong correlation with Profitability.

REFERENCES :

- Fahmi, Irham. 2017. Analisis Laporan Keuangan. Bandung: Alfabeta.
- Ghozali, Imam. 2013. Aplikasi Analisis Multivariat dengan Program IBM SPSS. Edisi 7. Semarang: Universitas Diponegoro.
- Hadi, Sutrisno. 2004. Metodologi Research. Yogyakarta: Andi.
- Hermawan, Sigit, dan Biduri. 2016. Pengantar Akuntansi Dilengkapi Pembahasan IFRS, (Yogyakarta: Indomedia Pustaka.

- Ikatan Akuntan Indonesia (IAI). 2017. Standar Akuntansi Keuangan.
- Jusup, Al Haryono. 2012. Dasar-dasar Akuntansi. Sekolah Tinggi Ilmu Ekonomi.
- Kasmir. 2016. Analisis Laporan Keuangan. Jakarta: Raja Grafindo Persada.
- Mulyawan, Setia. 2015. Manajemen Keuangan. Bandung: CV Pustaka Setia.
- Munawir. 2014. Analisa Laporan Keuangan. Yogyakarta: Liberty, 2014.
- Riyanto, Bambang. 2013. Analisis Laporan Keuangan. Yogyakarta : BPF.
- Santoso, Iman. 2010. Akuntansi Keuangan Menengah (*Intermediate Accounting*), Bandung : PT. Refika Aditama.
- Sartono, Agus. 2010. Manajemen Keuangan Teori dan Aplikasi. Edisi 4. Yogyakarta: BPF.
- Subramanyam, K.R. 2017. Analisis Laporan Keuangan. Edisi Kesebelas. Jakarta: Salemba Empat.
- Sudana, I Made. Manajemen Keuangan Perusahaan Teori dan Praktek. (Jakarta : Erlangga, 2011). Hal. 163.
- Sugiyono. 2015. Metode Penelitian Kuantitatif. Kualitatif. R & D. Bandung: Alfabeta.
- Sugiyono. 2017. Statistika Untuk Penelitian. Bandung: Alfabeta.
- Suhayati, Ely dan Sri Dewi Anggadini. 2014. Akuntansi Keuangan. Yogyakarta: Graha Ilmu.
- Sunyoto, Danang. 2013. Dasar-dasar Manajemen Pemasaran. Yogyakarta : CAPS.
- Journals :**
- Amelia Fatmawati. Faktor-Faktor Yang Mempengaruhi Financial Distress (Studi Pada Perusahaan Manufaktur di BEI. Vol 6 No 10 (2017): Jurnal Ilmu dan Riset Akuntansi. Sumber : <http://jurnalmahasiswa.stiesia.ac.id/index.php/jira/article/view/1684>.
- Fitri Rahmiyatun dan Kaman Nainggolan. Pengaruh Struktur Aktiva, Perputaran Modal Dan Pendanaan Terhadap Profitabilitas Perusahaan Farmasi. Jurnal ECODEMIKA Vol.4 No.2 (2016). Hal.156-166. (Sumber : <https://ejournal.bsi.ac.id/ejournal/index.php/ecodemika/article/download/795/PDF>).
- Husaeri Priatna. Pengukuran Kinerja Perusahaan dengan Rasio Profitabilitas. Jurnal Akurat Vol. 7 No. 2 (2016). Hlm. 44-53 (Sumber : <https://unibba.ac.id/ejournal/index.php/akurat/article/view/103>).
- Kurniasih Dwi Astuti, Wulan Retnowat dan Ahmad Rosyid. Pengaruh Struktur Modal Terhadap Profitabilitas (Studi Pada Perusahaan Go Pucblik Yang Menjadi 100 Perusahaan Terbaik Versi Majalah Fortune Indonesia Periode Tahun 2010-2012). Universitas Sultan Ageng Tirtayasa. Jurnal Akuntansi. Vol 2 No. 1 Juli 2015. Hal.49-60. (Sumber : <https://ejournal.lppmunsera.org/index.php/Akuntansi/article/download/191/253>)