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The Effect of Current Ratio, Debt to Asset Ratio, Debt to Equity Ratio and Net Profit Margin on Return on Equity in the Food and Beverage Industry Companies Listed on IDX for the 2016 – 2020

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Abstract

This study aims to determine and examine the effect of Current Ratio on ROE, the effect of Debt To Asset Ratio on ROE, Debt To Equity Ratio and net profit margin on ROE in manufacturing companies in the food and beverage industry sub-sector listed on the Indonesia Stock Exchange for the period 2016 – 2020. Quantity method (Quantity method) is used in this study which is a technique that utilizes mathematical models in the form of numbers. The population of food and beverage companies is 26 companies. The selected sample amounted to 11 companies selected through purposive sampling.Data were collected through documentation techniques and utilizing secondary data as a source of research data.Based on the results of the T test and F test in this study, all independent variables affect the Return On Equity of food and beverage companies listed on the IDX simultaneously. Current Ratio (CR) to Return On Equity (ROE) has a positive and significant effect. Debt To Asset Ratio (DAR) to Return On Equity (ROE) has a positive but not significant effect. Debt To Equity Ratio (DER) to Return On Equity (ROE) has a negative and insignificant effect. And Net Profit Margin (NPM) has a significant and positive effect on Return On Equity (ROE) in food and beverage companies listed on the IDX for the 2016-2020 period.

Keywords
current ratio; debt to asset ratio;debt to equity ratio; net profit margin; return on equity

I. Introduction

Food and beverage industry companies process raw materials into semi-finished goods or finished goods which are also manufacturing companies which are currently growing rapidly due to increasing consumer demand for food and beverages. This condition triggers competition between companies to be very tight. Therefore, this company requires cash flow to purchase and process raw materials into finished goods. Companies are also required to be able to meet customer satisfaction in providing food and beverages. The main goal of the company is to get optimal profit or sustainable profit. One way to optimize the company's profit by analyzing the cash turnover of the return on capital.

PT Mayora Indah Tbk is a company in the food and beverage industry sector that is experiencing financial uncertainty where in 2020 it recorded revenues of Rp. 24.47 trillion, which decreased by 2.2%, namely Rp. 25.03 trillion from the position in December 2019. Mayora is a consumer business. which has a variety of products such as cereals, porridge, biscuits, or soft drinks. There was a decrease in sales in 2020 by IDR 549.7 billion when

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compared to the previous year. One of the reasons for this decline in income is the uncertainty of economic conditions due to the negative impact on global finance because throughout 2020 there was a COVID-19 pandemic, which triggered high volatility, halted trading, stock market instability, company operational disruptions, etc.

Based on the case above, of course this affects the Return On Equity of a company, where ROE is considered as a representation of company value or the wealth of company holders. Return on Equity is used as a measure of how successful the company is in achieving profits for shareholders (Hery, 2015:230).

Table 1. Research Phenomenon

Code	Known	Income	Ahot sset	Liabilitys Lancer	total liability	total asset	total equity
MYOR	2016	18.349,959,898,35	8,739,782.750141	3,884,051.319,005	6.657.165.872.077	12.922.421.859.14	6,265,255.987.065
	2017	20.816.673.946.47	10.674.199.571.31	4,473,626.322.596	7,581,503.434.179	14.915,849,800,25	7,354,346.366.072
	2018	24.060.802.395.72	12.647,858,727,87	4,764.510.387.113	9,049,161.944.940	17.591,706,426,63	8,542,544.481,694
	2019	25.026.739.472.54	12.776.102.781.51	3,714,359.539.201	9,125,978.611.155	19.037,918,806.47	9,911,940.195.318
	2020	24.476,953,742,65	12.838,729,162,09	3,475,323.711,943	8,506,032.464.592	19.777.500.514.55	11.271.468.049.958
CHECK	2016	4,115,541.761.17	1.103,865.252.070	504.208.767.076	538,044.038,690	1,425,964.152.418	887,920.113.728
	2017	4,257,738.486,90	988,479.957,549	444.383.077.820	489,592.257,434	1,392,636.444.501	903.044.187,067
	2018	3,629,327.583.57	809.166.450,672	158.255.592.250	192.308.466,864	1,168,956.042.706	976,647.575.842
	2019	3,120,937.098,98	1,067,652.078.121	222,440.530.626	261,784.845,240	1.393.079.542.074	1,131,294.696.834
	2020	3,634,297.273.74	1,266,586.465,994	271,641.005.590	305,958.833.204	1,566,673.828.068	1,187,162.337,204
SKLT	2016	833,850.372.883	222,686.872,602	169.302.583.936	272,088.644.079	568,239.939,951	296,151.295,872
	2017	914,188.759,779	267,129.479,669	211.493.160.519	328,714.435,982	636,284.210.210	307.569.774.228
	2018	1,045,029.834.37	356,735.670.030	291.349.105.535	408.057.718,435	747,293.725.435	339,236.007,000
	2019	1,281.116.255.23	378.352.247,338	293.281.364.781	410.463.595.860	790,845.543.826	380,381.947.966
	2020	1,253,700.810.59	379,723.220.668	247.102.759.160	366,908.471,713	773,863.042.440	406,954.570.727

Source: Financial Report of the food and beverage industry sector

Based on table 1, it can be seen that MYOR in 2017 the value of revenue was 7.83% and in 2018 the value of current liabilities was 265.46%, then in 2017 the total value of liabilities increased by 50.83% while in 2020 the total value of the total liabilities decreased by 43.01%.

At CEKA in 2018 the value of current assets was 511.30% and the total value of assets in 2018 was 16.45% then in 2020 the total value of equity increased by 24.3%, while the total value of assets obtained decreased by 16. ,45%.

In SKLT in 2020 it obtained a Revenue value of 3.39% and obtained a current asset value in 2017 of 126.31% then in 2020 total assets decreased by 47.41% while the value of current assets increased by 126.31% .

Harry, (2016) explains that the Current Ratio is used as a measure of how able the company is to fulfill its short-term obligations on time through the utilization of the availability of current assets. According to research conducted by Amalia Tiara Balqish (2020) the Current Ratio to Return On Equity (ROE) has no effect. This condition is inversely proportional to research conducted by Abdul Somad (2017) which revealed that the Current Ratio to Return On Equity (ROE) has no effect.

According to Kasmir, (2014) Debt to Asset Ratio is a debt ratio that is used as a measure of whether the financing of company assets is from debt or how much debt affects the management of company assets. Based on research conducted by Henny Yulsiati (2016) revealed that the Debt To Asset Ratio on the company's ROE has a significant and positive influence. In contrast to the research conducted by Yunita, Kristenngsi and Muhamad, (2020) revealed that the Debt To Asset Ratio to ROE either partially or significantly has no effect.

(Kasmir, 2014) explained, the use of the Debt To Equity Ratio (DER) as an assessor of debt with equity. The results of research conducted by M. Firza Alpi (2018) Debt to Equity Ratio on Return On Equity does not have a significant effect. Meanwhile, research from Yunita, Kristenngsi and Muhamad revealed that the Debt To Equity Ratio has an influence on ROE.

Suhardjono, (2016) reveals Net Profit Margin as a ratio to show how able the company is to achieve net profit. Referring to the research conducted by Henny Yulsiati, (2016) Net Profit Margin individually on ROE has a significant and positive effect. In line with research from Riza Kurnia (2015) NPM on ROE in companies has a positive influence.

From the explanation of the background, the researcher makes "Analysis of the Effect of Current Ratio, Debt To Asset Ratio, Dept. To Equity Ratio and Net Profit Margin on ROE of Food and Beverage Industry Companies Listed on the Stock Exchange for the 2016-2020 Period" as the title of the research.

II. Review of Literature

2.1 Theory of the Effect of Current Ratio on the Company's ROE

In research (Kasmir, 2016, p. 130) reveals that the effect of the Current Ratio on ROE compares current liabilities with current assets. The function of this ratio is as a measure of how capable the company is to pay its current liabilities when their maturity date is due. So the relationship between CR and ROE can be seen by the company's ability to pay its current obligations.

In research (Barus & Leliani, 2013) states that the low value of the current ratio can be useful in seeing its short-term debt capability, where this affects the company's ROE if the value of its debt increases, other costs that need to be paid will increase and if this continues to be experienced the income is only sufficient to pay the debt.

Research (Harjito & Martono 2013: 56) reveals that the high current ratio provides short-term guarantees to creditors or means that each company is capable of repaying its short-term financial debts, while a high current ratio results in a partial turnover of capital work. Not or experiencing unemployment, which negatively impacts the ability to generate profits.

2.2 Theory of the Influence of the Dept to Asset Ratio on the Company's ROE

It is supported (Hanafi and Halim, 2012: 79). Disclosing the amount of debt owned by the company has an effect on asset management and has an impact on the company's ROEif BFor creditors, if the DER is owned by a large company, it is certainly not profitable for the company, and the risk will increase for the possibility of failure in the company.

Kasmir (2017:112) argues that the Debt To Asset Ratio can affect ROE because the use of DAR is to see the amount of company assets funded by debt and can also see how much influence the company's debt has on the company's ROE in asset management.

The low debt ratio (DAR) has a good impact on the company's condition. Because debt is limited to financing a minority of assets. If the debt or funds that the company borrows get results that exceed the debt, it will increase the profit or income that the company earns (Henny Yulsiati, 2016).

2.3 Theory of the Effect of Debt-to-Equity Ratio on Company ROE 2

This is supported by Cahyaningrum (2012) with the results of the research carried out, namely:*Debt to Equity Ratio*can be used as a source of funds and able to finance the company's operations, but if the company fails to pay this obligation, it can have an impact such as increasing the risk for the company's ROE and disrupting the operations of the company concerned. Opinion (Kasmir, 2012: 199) a company with a good DER will affect the achievement of ROE in a company, if the cost of this loan is below the cost of its own capital, it will be more effective for the source of funds from the debt or loan to earn a profit. Another opinion by(Risfa Jenia Agananta, 2017). Companies with growing earnings conditions will make DER and ROE have a stronger relationship, where increasing ROE is followed by lower DER.

2.4 Theory of the Effect of Net Profit Margin on the Company's ROE

Net Profit Margin in the form of the ratio between net profit and sales, after deducting sales with all costs excluding taxes and compared with sales. The higher the net profit margin means the company's operations are getting better because it shows how successful the efforts in increasing sales are followed by a very large increase in the sacrifice of these costs. Through this increased NPM, it shows that the company's performance is getting better and the company's profits are also increasing. so the net profit margin affects ROE partially or simultaneously (Henny Yulsiati, 2016).

*Net Profit Margin*refers to exposureBrigham and Houston (2013: 107) are rasio which is used to measure net income by sales. The higher the Net Profit Margin, the better the company's operations and the better the effect on the company's ROE because a good NPM will also affect the equity taking ratio of a company.

Another opinion by (Retno Winarti H, 2016). The relationship between Net Profit Margin and Return On Equity shows a measure of how able the company is to achieve net income over the total sales achieved.

2.5 Conceptual framework

Pictures for the conceptual framework of this research, namely:

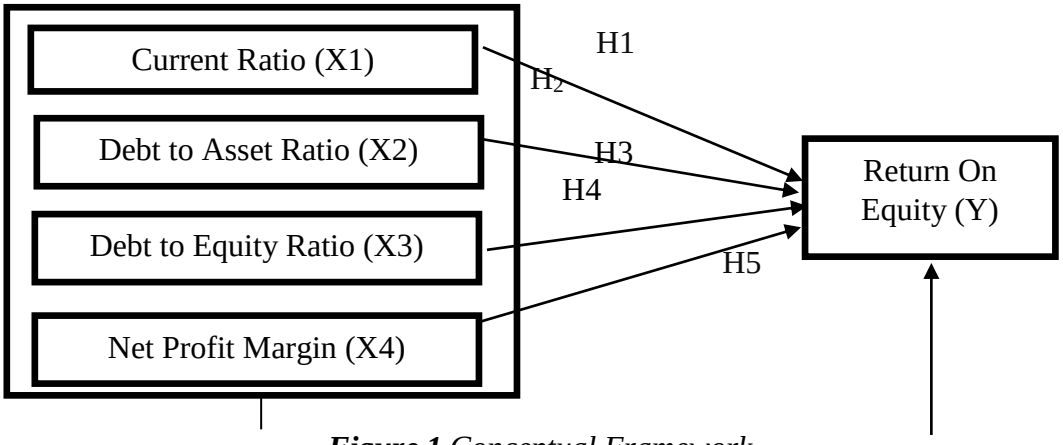

Figure 1.*Conceptual Framework*

2.6 Research Hypothesis

H1: *CUrrent Ratio*partial effect on Return On Equity (ROE).
H2: *Debt to asset ratio*partial effect on Return On Equity.
H3: *Debt To Equity Ratio*partial effect on ROE.
H4: *Net Profit Margin*partial effect on Return On Equity.
H5: *CUrrent Ratio, Dept To Asset Ratio, Dept To Equity Ratio*Dan Net Profit Margin has a simultaneous effect on Return On Equity (ROE)

III. Research Method

3.1 Research Method

The research method carried out by researchers is in the form of quantitative research. Referring to the explanation Sujarweni (2014:39) revealed, quantitative research is research with results in the form of several findings that can be obtained or achieved through several statistical steps or other procedures of quantification or measurement.

3.2 Population and Sample

In this sense, the population is an area of generalization with subject or object coverage with a characteristic and quality that the researcher determines to study and draw conclusions. Sugiyano (2018: 117)

While the sample in this sense is part of the characteristics and the number of the research population. Sugiyano (2018: 117). Therefore, in this study the researchers set the sample as follows:

Referring to these data, 26 company data were obtained as samples obtained through the entire research population, namely the food and beverage industry sector companies listed on the IDX in 2016 – 2020. From the number of data observations from the table, an amount of 11x5 = 55 was used as the research sample.

3.3 Data Collection Techniques, Types and Data Sources

Data were collected through techniques in the form of documentation studies, which were taken from books, journals/financial reports and research reports related to the problems studied. Quantitative data is used as the type of research data with secondary data as the data source. Secondary data is obtained from the company's published financial reports through the official website, namely:https://www.idx.co.id.

3.4 Identification and Operational Definition of Research Variables

Table 2. Variable Identification and Operational Definition

Vvariable	Operational definition	Indicator	Scale
CUrrent Ratio (X1)	*Current ratio*which is often used as a financial ratio. Determination of how high this current ratio is through comparingcurrent assets with current liabilities. **Source: Syamsuddin (2016:43)**	*Current Ratio*(CR) = Current Assets / Current liabilities **Source:**	Rasio

Dept To Aset Ratio (X2)	*Debt to asset ratio*i.e. the ratio with the use in seeing how muchdebt-funded company assets or how much influence the company's debts on asset management. **Source: Kasmir (2017:112)**	*Debt To Asset Ratio* =Total Amoun of debt Total Assets **Source: Fabozzi & Drake (2013)**	Rasio
Dept To Equity Ratio (X3)	*Debt to equity ratio*is the ratio used as a debt to equity valuation. Obtaining results from this ratio by comparing all debt, which is no exception current debt with all equity. The usefulness of this ratio is to see the amount of funds available from the borrower and the owner of the company. Or in short, the function of this ratio is to assess the amount of each rupiah of own capital that is pledged as debt. **Source: Kasmir, (2018: 158).**	*Debt To Equity Ratio*(DER) =Total Liability Total Equity **Source: Sukmawati Sukamulja, (2017:50)**	Rasio
Net Profit Margins (X4)	*Net Profit Margin*i.e. rratio which assesses how far the company is able to achieve net profit at a certain level of sales. Through these calculations, it can be obtained how high the NPM can show how well the company's operations are. **Source: Hanafi and Halim (2012: 81)**	*Net Profit Margin*(NPM) = Net Profit Total Sales **Source: Desmond Wira (2015:83)**	Rasio
Rreturn On Equity (Y)	ROE is a ratio as a measure of how capable the company is in obtaining the availability of profits for shareholders. **Source: Sartono (2012: 124)**	Rreturn on equity (ROE) = Net Profit Capital **Source: Jumingan (2014: 141)**	Rasio

3.5 Classic assumption test

a. Testi Normality

The normality test as explained by Ghozali (2016) has the aim of testing the emergence of a normal distribution in the regression model of the residuals. This normality test can be seen from the results of graphic analysis and statistical tests.

b. Testi Multicollinearity

GHozali (2016) provides an explanation regarding the purpose of the multicollinearity test, namely as a tester of whether there is a correlation in the regression model between independent variables. It is stated that the regression model is good with reference to the VIF and tolerance values.

c. Testi Autocorrelation

GHozali, (2016) provides an explanation regarding the Autocorrelation Test, which is to test whether there is a correlation in the linear regression model between the residuals of period t and t-1. Detection of this autocorrelation can be through the Durbin Watson (DW) test.

d. Heteroscedasticity Test

The purpose of heteroscedasticity testing is to see that there are differences in the variance of the residuals in the regression model from certain observations to others (Ghozali, 2013: 139).

3.6 Research Data Analysis Method

a. Multiple Linear Regression Analysis

The multiple linear regression equation of this study, is:

$$Y = a + b1\ X1 + b2\ X2 + b3\ X3 + b4\ X4 + e$$

Where:

Y= Return On Equity
a= Constanta
X1= Current Ratio
X2 =Debt To Asset Ratio
X3= Debt to Equity Ratio
X4= Net Profit Margin
b1....b4= Regression Coefficient
e= Variable

3.7 Coefficient of Hypothesis

a. Determination

As Ghozali (2016) explained, the coefficient of determination (R2) is basically a measure of the extent to which the model is able to explain the variance of the dependent variable. Zero to one is used as the value for the coefficient of determination.

b. Simultaneous Hypothesis Testing (Test f)

According to Ghozali (2016), this kind of hypothesis testing is called a comprehensive significance test of the estimated or observed regression line, whether the dependent variable produces a linear relationship with the dependent variable.

c. Partial Hypothesis Testing (t Test)

As Ghozali (2016) explained, essentially the t-test statistic shows the extent to which the influence of the independent/explaining variable (one) explains the variation of the dependent variable individually.

IV. Result and Discussion

4.1 Descriptive Statistics

The research sample used is the financial statements of the industry in the food and beverage sector listed on the BEI, totaling 11 companies for the 2016-2020 period. The total sample used is 55 from 11 companies in 5 periods. The results of processing the data can be observed through these descriptive statistics:

Table 3. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CR	55	,68	8,64	2,8009	1,98332
DAR	55	,14	,64	,3857	,14690
DER	55	,16	1,77	,7225	,41626
NPM	55	,00	,39	,1201	,10860
ROE	55	,00	1,24	,2170	,27052
Valid N (listwise)	55				

Sumber: Pengolahan data melalui aplikasi SPSS

Referring to these data, it is found that the Current Ratio has a minimum value of 0.68 in 2016 by PT. Multi Bintang Indonesia Tbk. and a maximum of 8.64 found in 2017 by PT.Delta Djkarta Tbk. And the mean obtained is 2.8009.

It can be seen that the Debt to Asset Ratio produces a minimum of 0.14 which was obtained in 2018 from PT. Ultra Jaya Milk Industry Tbk. a total of 0.64 for the maximum value in 2016 at PT. Multi Bintang Indonesia Tbk.. And the mean obtained is 0.3857

*Debt To Equity Ratio*is known to have a minimum of 0.16 obtained in 2018 from PT. Ultra Jaya Milk Industry Tbk. and 1.77 for the maximum value in 2016 by PT. Multi Bintang Indonesia Tbk. And the mean obtained is 0.7225.

*Net Profit Margin*have a minimum value of 0.00 obtained in 2019 from PT. Sekar Bumi Tbk. and a maximum value of 0.39 was obtained in 2017 from PT. Multi Bintang Indonesia Tbk. And the mean obtained is 0.1201.

*Return On Equity*have a minimum value of 0.00 which was obtained in 2019 from PT. Sekar Bumi Tbk., and worth 1.24 for the maximum value obtained in 2017 by PT. Multi Bintang Indonesia Tbk.. The mean obtained is 0.2170.

4.2 Classic assumption test

a. Normality Test

A good datum must produce a normal distribution or according to the requirements of the normality assumption, so if not, the researcher will reduce the observational datum that has an outlier value. A total of 18 outlier data were obtained, therefore there were 37 data observations from the previous 55 data (55-18=37). The following are the results of the Normality Test after reducing the data outlier values:

1.Kolmogorov Smirnov . Normality Test

Table 4. Kolmogorov Smirnov Normality Test After Reduction of Outlier Values

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		37
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,04638384
Most Extreme Differences	Absolute	,101
	Positive	,097
	Negative	-,101
Test Statistic		,101
Asymp. Sig. (2-tailed)		,200[c,d]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Sumber: Pengolahan data melalui aplikasi SPSS

The data, resulted in a significance value of 0.200, where the result exceeds 0.05. This means that the results are significant 0.200>0.05. Therefore, the datum is said to result in a normal distribution or the absence of symptoms of normality.

2. Histogram graph normality test

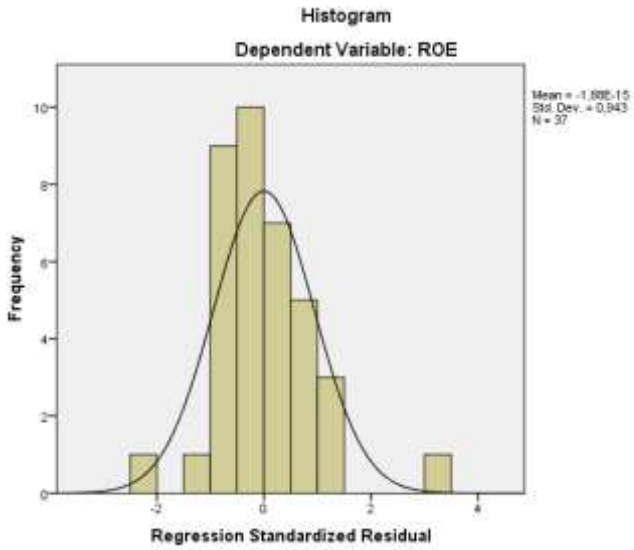

Figure 2. *Normality Test Histogram Graph*

Based on these results, it is known that the shape of the graph is a bell in the middle, therefore it is stated that the data is normally distributed or there are no symptoms of Normality.

3. Normality test of P-Plot . Graph

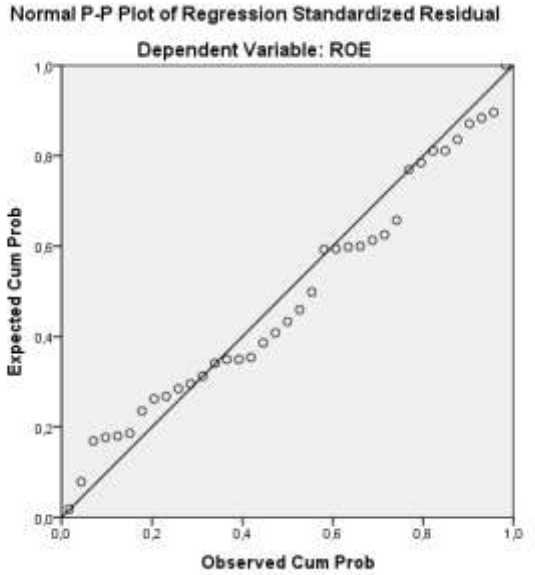

Figure 3*. P-Plot Graph of Normality Test*

Referring to these results, the points that accompany the diagonal line are stated. Therefore, it can be concluded from the two graphs that the datum distribution is normal or does not experience normality.

b. Multicollinearity Test

Table 5. Multicollinearity Test

Coefficients[a]

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Current Rasio	,338	2,956
Dept To Asset Ratio	,378	6,436
Dept To Equitas Ratio	,488	2,505
Net Profit Margin	,877	1,140

a. Dependent Variable: Return On Equity

Sumber : Pengolahan data melalui aplikasi SPSS

These results show that all variables produce tolerance with values exceeding 0.01 and VIF results 10. Therefore, it is declared that the datum is free or does not experience multicollinearity.

4.3Autocorrelation Test

Table 6. Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,787[a]	,619	,571	,04920	1,495

a. Predictors: (Constant), NPM, DER, CR, DAR

b. Dependent Variable: ROE

Sumber : Pengolahan data melalui aplikasi SPSS

The result is DurbinWatson with a result of 1,495. The formula to prevent autocorrelation is DU < DW < 4 – DU. If DW is 1.495 as well as DU with the result from the Durbin Watson table. Referring to the determination of K, namely the independent variable 4 and N as the whole data, which is 37, then the DU value is1,723. After the number is filled in the Autocorrelation Test Formula, the results are 1.723>1.495 <1.249(4 – 1.723). Initially, DU results were below DW, where in subsequent DW results were < 4 – DU. So from this, it is stated that the results are free from the autocorrelation problem.

4.4 Heteroscedasticity Test

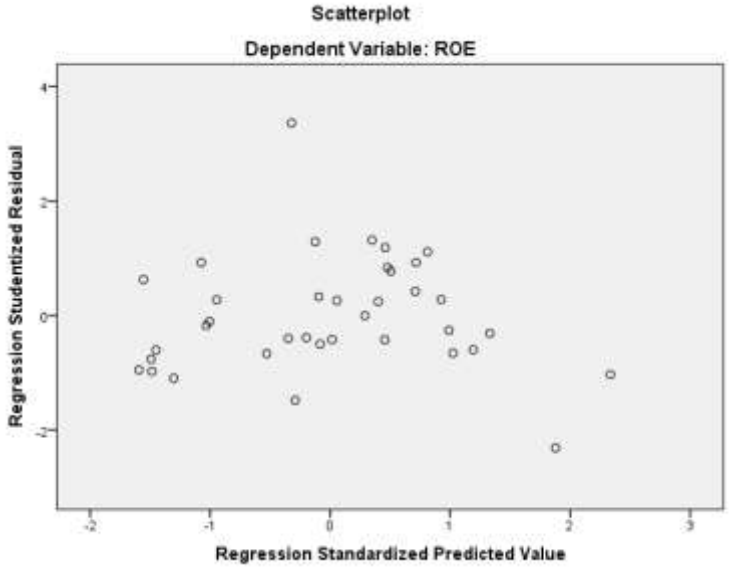

Figure 4. *Heteroscedasticity Test Scatterplot Graph*

Referring to the picture, it is obtained if the points are irregularly scattered, so that the conclusion is obtained that the datum is free from the heteroscedasticity problem.

4.5 Hypothesis Test

a. Multiple Linear Regression Analysis

Table 7. Multiple Linear Regression Analysis Equations

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,149	,084		-1,771	,086
	CR	,026	,011	,419	2,230	,033
	DAR	,606	,326	1,043	1,858	,072
	DER	-,135	,107	-,621	-1,256	,218
	NPM	1,082	,169	,747	6,412	,000

a. Dependent Variable: ROE

Sumber: Pengolahan data melalui aplikasi SPSS

In the Multiple Linear Regression Equation Table, it can be arranged by the equation:

Return On Equity = -0.149 + 0.026 CR + 0.606 DAR – 0.135 DER + 1.082NPM.

The following is an explanation of the above equation:

1. The magnitude of the constant value states that the value of the independent variable is zero constant, then Return On Equity is worth -0.149.
2. CR is 0.026 or means every change or increase in this ratio, the Return On Equity(Y) is positive or the increase faced is 0.026.

3. DAR is 0.606 or means every change or increase in this ratio, it becomes a positive Return On Equity (Y) or an increase in the amount of 0.606.
4. DER is -0.135 or means that every change or decrease in this ratio will result in a negative value for Return On Equity (Y) or a decrease of -0.135 will occur.
5. NPM as much as1.082that each change or increase in this ratio results in a positive value for Return On Equity (Y) or an increase that will be faced worth 1.082.

b. Coefficient of Determination

Table 8. Coefficient of Determination Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,787[a]	,619	,571	,04920	1,495

a. Predictors: (Constant), NPM, DER, CR, DAR

b. Dependent Variable: ROE

Sumber: Pengolahan data melalui aplikasi SPSS

The data obtained R square worth 0.671 or 57.1% which means Return On Equity can be described as variables Current Ratio (CR), Debt To Asset Ratio (DAR), Debt To Equity Ratio (DER), Net Profit Margin (NPM). Meanwhile, 42.9% are partly from other independent variables.

c. F. Test

Table 9. Simultaneous Testing (F Test)

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	,126	4	,031	12,987	,000[b]
	Residual	,077	32	,002		
	Total	,203	36			

a. Dependent Variable: ROE

b. Predictors: (Constant), NPM, DER, CR, DAR

Sumber: Pengolahan data melalui aplikasi SPSS

Referring to these data, in Df (1), the result of f table is 4 and Df (2) is 32, so the value of F table is 2.67. Through reviewing the results of the calculated F test, it is obtained12,987> F table 2.67 and the results of the significance of 0.000 < 0.05. Therefore, it can be concluded that if Ha is accepted and H0 is rejected, it means that all independent variables on the dependent variable have a simultaneous and significant effect.

d. T. Test

Table 10. Partial Test (T Test)

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	-,149	,084		-1,771	,086
	CR	,026	,011	,419	2,230	,033
	DAR	,606	,326	1,043	1,858	,072
	DER	-,135	,107	-,621	-1,256	,218
	NPM	1,082	,169	,747	6,412	,000

Sumber: Pengolahan data melalui aplikasi SPSS

The value of the T table in the probability above is 0.05 and the df is 32, which is 1.69389, then this T test is explained, namely:

1. Current Ratio produces Tcount(2.230)>Ttable(1.69389) and significant results 0.033<0.05, meaning that Ha is accepted and H0 is rejected, which means: Current Ratio to ROE individually has a significant and positive effect.
2. Debt to Asset Ratio produces Tcount(1,858)> T table (1.69389) and a significance of 0.072 > 0.05, thus Hadi Accept, rejected H0 or means: Debt to Asset Ratio on ROE has a positive effect and is not significant individually.
3. Debt To Equity Ratio produces Tcount(-1,256)> T table (-1.69389) and a significance of 0.218> 0.05, then Ha is accepted, the rejection of H0 means: the debt to equity ratio on ROE individually has a negative and insignificant effect.
4. Net Profit Margin generates Tcount(6,412)>Ttable(1.69389), significance 0.000 <0.05, therefore Ha is rejected, H0 is rejected means: Firm size on ROE individually has a positive and significant effect.

4.6 Discussion of Research Results

a. Effect of Current Ratio on ROE

Referring to the T test, it can be seen if the Current Ratio to ROE has a positive and significant effect. A low current ratio level can affect a company's rate of return on capital because if debt continues to grow, there will automatically be other additional costs that must be paid, if this condition continues, the company's income can only be sufficient to pay its debts, thus affecting the company in return on capital.

b. Effect of Debt to Asset Ratio on ROE

Referring to the T test, it can be seen that the Debt To Asset Ratio to ROE has a positive but not significant effect. If the low Debt To Asset Ratio can have a good impact on the company, because it is limited to a few assets that are financed by debt, if the income obtained from the funds borrowed by the company has a yield that exceeds the debt, it will increase the amount of profit earned by the company which has an impact good for the company in return of capital.

c. Effect of Debt to Equity ratio on ROE

Referring to the T test, it is known that Debt To Equity on ROE has a negative and insignificant effect. If a company is unable to pay its obligations, it will have a large enough impact on the company's ROE resulting in disruption of company operations. If a company experiences higher accumulated losses, it will negatively affect the company's return on capital.

d. Effect of Net Profit Margin on ROE

Referring to the T test, it is concluded that the net profit margin on ROE has a significant and positive effect. NPM is a ratio of net income to sales. If the higher the NPM of the company, the better the effect on the company, of course this will affect the return on capital for the company, because the finances of a company are getting better, the return on capital of a company will be smoother.

V. Conclusion

The conclusions of this study, namely:

1. Current Ratio (CR) to Return On Equity (ROE) in food and beverage companies listed on the IDX in 2016-2020 has a positive and significant effect.
2. Debt To Asset Ratio (DAR) has a positive but not significant effect on Return On Equity (ROE) in food and beverage companies listed on the Indonesia Stock Exchange in 2016-2020.
3. Debt To Equity Ratio (DER) to Return On Equity (ROE) in food and beverage companies listed on the Stock Exchange in 2016-2020 has a negative and insignificant effect.
4. Net Profit Margin (NPM) on Return On Equity (ROE) in food and beverage companies listed on the IDX in 2016-2020 has a positive and significant effect.
5. Current Ratio, Debt To Asset Ratio, Debt To Equity Ratio, and Net Profit Margin simultaneously affect Return On Equity in food and beverage companies listed on the IDX in 2016-2020.

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