Return On Assets: Debt To Asset Ratio And Current Ratio In Companies Listed On The Indonesia Stock Exchange

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ABSTRACT

This study aims to determine whether the Current Ratio and Debt To Asset Ratio have an effect either partially or simultaneously on Return On Assets in Food and Beverage companies listed on the Indonesia Stock Exchange. The approach used in this study is an associative approach. The population used in this study were 26 companies and a sample that met the criteria (purposive sampling) was 7 companies. The data collection technique used in this study uses documentation techniques and the data sources used in this study are secondary data sources published by companies on the official website of the Indonesia Stock Exchange.www.idx.co.id. The data analysis technique used in this study is a quantitative technique with multiple linear regression analysis, hypothesis testing and coefficient of determination test. The results of this study are partially Current Ratio has no significant effect on Return On Assets. Partially the Debt To Asset Ratio has a significant effect on Return On Assets. Simultaneously Current Ratio and Debt To Asset Ratio have a significant effect on Return On Assets in Food and Beverage companies listed on the Indonesia Stock Exchange for the 2014-2019 period.

Keywords : **Current Ratio, Debt To Asset Ratio, Return On Asset.**

INTRODUCTION

The development of food and beverage companies in Indonesia is growing rapidly along with the increasing purchasing power of food and beverage products by the public, this can be seen from the large number of food and beverage companies that have been listed on the Indonesia Stock Exchange every year. Food and beverage is a company that has a very good prospect of being profitable now and in the future because people need it for their daily lives. Food and beverage companies have stocks that are the most resilient to the economic crisis in Indonesia when compared to other sector companies.

The main purpose of a company doing business or business activities is to make a profit. With the resources owned, it is expected to be able to maximize their use so as to produce optimal profits. The company's goals can be achieved by involving the activities carried out to obtain funds and use these funds. If the company's goals have been achieved, then the company can run its company's operational activities well and develop and provide profitable returns for its owners, investors who invest in their company and creditors will believe that the money lent will be returned. The more investors invest, the better for the company (Thoyib et al., 2018, p. 10). Profit and a high level of profitability are also the goals of a company being established, all company activities carried out both operational and non-operational are a means to achieve these goals. Profit can give a positive signal about the company's prospects in the future regarding the company's performance. Because profit is a measure of the performance of a company, the higher the profit achieved by a company, it indicates that the better the company's performance (Alpi & Gunawan, 2018, p. 2). In addition,

the company must also be in a favorable condition or have a high level of profitability. This is because with a high level of profitability the company can maintain its viability. Profitability has an important meaning for the company in maintaining long-term viability. Because investors or shareholders of business entities have an interest in current and future income. Income stability and linkages with other company earnings, so investors or shareholders need to pay attention to company profitability.

The profitability ratio used in this study is Return On Assets. Return on Assets is a measure of profitability as well as a measure of the company's effectiveness in generating profits by utilizing fixed assets used for operations. The greater the Return On Assets, the better the company's performance due to the greater the rate of return on investment (Arseto & Jufrizen, 2018, p. 16). According to Hery (2016, page 152) the current ratio is a ratio used to measure the company's ability to meet its short-term obligations that are due soon by using available current assets. According to Darsono & Ashari (2005, page 76) the debt to asset ratio is the ratio of total liabilities to assets. This ratio emphasizes the importance of debt financing by showing the percentage of company assets that are supported by debt. The decrease in the debt to asset ratio indicates that the company's performance is increasing with the decreasing portion of debt in asset funding. With the smaller the value of the debt to asset ratio, it shows that most of the investments are funded by the model itself.

Table 1. Average Return on Assets, Current Ratio, Debt To Asset Ratio
In Food and Beverage Sub-Sector Companies Listed on the Indonesia Stock Exchange

Information	2014	2015	2016	2017	2018	2019	Average Per Year
Return On Assets	3.75	5.44	7.59	5.74	4.52	8.16	5.85
Current Ratio	208.77	180.89	222.38	211.39	249.48	185.11	213.21
Debt To Asset Ratio	0.49	0.48	0.46	0.44	0.53	0.43	0.47

Net income tends to decrease due to declining sales, a decrease in sales will affect the decline in net income. Decreased net income will result in a decrease in return on assets. Increased sales will increase net income so that it will increase the value of Return On Assets. The decrease in value or increase in the company's losses will have an impact on the company's operational activities and the survival of the company. The increase in net income will make the company more effective and attract investors to invest and if the company's profits decrease it will cause the company to be less effective and investors less interested in investing.

The increase in total assets is actually very good for the company, this means that my resources owned by the company continue to increase and become the company's capital to be able to get big profits. The increased total assets must be followed by the company's profit, this means the company is able to manage its assets to be able to generate maximum profit. And the decrease in total assets indicates the company has not maximized all of its total assets to earn a profit. Current assets tend to increase every year. The increase in current assets will have a good impact on the company's operational activities because the company will be able to meet its obligations within one year. And the decrease in current assets has an impact on the

company's operational activities, the company's obligations are not fulfilled in a period of less than one year.

Current assets that are higher than current liabilities will result in an increase in the current ratio, this has a good impact on the company because the company is able to meet its short-term obligations, on the contrary if current debt is greater than current assets it will resulting in a decreased current ratio that has an impact on the company because the company is unable to meet its short-term obligations. Current debt has increased every year. A good current debt should have decreased every year, because current debt is to measure how much current assets guarantee current debt.

The increase that occurs in current liabilities will affect the decline in company profits because the company continues to issue operating expenses that are in the company. And the decrease that occurs in current liabilities will also affect the increase in company profits because the operating expenses incurred by the company are not too large. Total debt tends to increase every year. A good total debt should be one that decreases every year. A decrease in total debt will have an impact on an increase in net income so that there will be an increase in return on assets. Conversely, an increase in total debt will also have an impact on a decrease in net income so that there will be a decrease in return on assets.

Total debt is an obligation that must be paid by the company so that the higher total debt will result in the company's profit decreasing, on the contrary if the total debt is low, the higher the profit that will be generated by the company. If the total debt is greater than the total assets, the value of the debt to asset ratio will increase and the return on assets will decrease. Conversely, if total assets are greater than total debt, the value of the debt to asset ratio will decrease and the value of return on assets will increase.

LITERATURE REVIEW
Return On Assets

Return on assets is a ratio to measure the rate of return on investment that has been used by the company by using all the funds (assets) it has (Thoyib et al., 2018). According to (Gultom et al., 2020) Return on Assets is one indicator to measure the company's financial performance and is a profitability ratio used to measure the company's effectiveness in generating profits by utilizing its total assets. the greater the return on assets, the better the company's performance. According to (Linzzy Pratama Putri, 2015) return on assets is one of the profitability ratios that shows the company's ability to generate profits. Return On Assets shows the company's return or profit generated from company assets that are used to run the company.

According to (Jufrizen, 2012), Return On Assets is often referred to as Return On Investment which is used to measure the effectiveness of the company in generating profits by utilizing its assets. This ratio is the most important ratio among other profitability ratios. The greater the Return On Assets or Return On Investments, the better the performance, because the higher the rate of return According to (Kamal, 2016) Return on Assets is part of the profitability ratio in analyzing the financial statements of the financial statements of the

company's financial performance reports. Performance measurement with Return On Assets shows the ability of capital invested in overall assets to generate profits. This ratio is used to measure the company's ability to generate profits and use the company's total assets. This ratio is obtained from net income after tax divided by total assets.

According to (Alpi & Gunawan, 2018) Return on Assets is a form of profitability ratio which is intended to be able to measure the company's ability with the overall funds invested in assets used for company operations to generate profits. According to (Rambe et al., 2017 p. 71), Return On Asset is a comparison between net income and total assets, measuring the total rate of return, or return on investment (ROI).

According to (Linzzy Pratama Putri, 2015) the factors that affect Return On Assets are as follows:
1. Shrinkage
2. Book value of assets
3. Transfer pricing
4. Time period
5. Industrial conditions

According to (Gultom et al., 2020) Return on Assets is one indicator to measure the company's financial performance and is a profitability ratio used to measure the company's effectiveness in generating profits by utilizing its total assets. the greater the return on assets, the better the company's performance.
According to (Sartono, 2012 p. 123), the formula for Return On Assets is:

Current Ratio

Current Ratio is a ratio to measure the ability of natural companies to pay short-term obligations or debts that are due immediately when fully billed (Wartono, 2018a). According to (Utama, 2014) Current Ratio is one of the liquidity ratios, namely the ratio that aims to measure the ability of a company to meet its short-term obligations. The higher the current ratio of a company, the smaller the risk of the company's failure to fulfill its short-term obligations. According to (Setyaningsih & Cunengsih, 2018) Current Ratio is a ratio to measure the company's ability to pay short-term obligations or those that are due immediately when billed as a whole, calculated by dividing assets by current liabilities.

According to (Kasmir, 2010), Current Ratio is a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately when billed as a whole. In other words how much current assets are available to cover short-term obligations that are due soon. According to (Hani, 2014 p. 73) Current Ratio is a measuring tool for liquidity ability (short-term solvency), namely the ability to pay debts which must be met immediately with current assets. According to (Darsono, 2005 p. 52) Current Ratio is the ability of the company's current assets to meet short-term obligations with current assets owned. Short-term liquidity is important because short-term cash flow problems can result in a company going bankrupt.

according to (Rambe *et al*., 2017 matter 64),Current ratio is In comparison between current assets and current liabilities, the current ratio is the most common measure of short-

term solvency, because this ratio shows how far short-term creditors' bills can turn into cash in the same period of time as these bills. According to Brigham & Houston (2006, p. 96) the factors that influence *current ratio* is :

1. Current assets include:
   a. Cash
   b. Security
   c. Inventory
   d. Accounts receivable.
2. Current liabilities consist of:
   a. Accounts payable
   b. Short term notes
   c. Debt maturities of less than one year
   d. Tax accrual

According to (Kasmir, 2010), Current Ratio is a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately when billed as a whole. In other words, how much current assets are available to cover short-term obligations that are due soon. According to (Hani, 2014 p. 121) the Current Ratio formula is:

Debt To Asset Ratio

Debt To Assets Ratio is a debt ratio used to measure the comparison between total debt and total assets. In other words, how much company assets are financed by debt or how much company debt affects asset management (Kasmir, 2012 p. 156) According to (Harahap, 2016 p. 304) , Debt To Asset Ratio, namely the ratio of debt to assets shows the extent to which debt can be covered by assets, the larger the ratio is more secure (solvable). According to (Darsono, 2005 p. 54) , Debt To Asset Ratio is the ratio of total liabilities to assets, this ratio emphasizes the importance of debt financing by showing the percentage of company assets supported by debt. This ratio also provides information about the company's ability in adapting the conditions of asset reduction due to losses without reducing interest payments to creditors.

According to (Sartono, 2012 p. 119), the Debt to Asset Ratio is a balance of the amount of permanent short-term debt, long-term debt, preferred stock and common stock. A company carries out business activities by relying on its own capital but has business risks that may arise from its operational activities, but if it does not control funds from borrowed capital, as a result of the existence of debt there will be obligations to outside parties to pay off payments at a predetermined time. According to (Riyanto, 2009, p. 22), the Debt to Asset Ratio is a permanent expenditure in which the balance between long-term debt and own capital.

According to (Kamal, 2016), Debt to Asset Ratio is the use of loan capital which aims to maximize the owner's wealth. Where capital structure is a complex financial decision, a financial manager must be able to assess the company's capital structure and understand its relationship to risk. According to Gunawan & Wahyuni (2013, p. 69) the debt to asset ratio is a debt ratio used to measure the ratio between total debt and total assets. In other words, how much the company's assets are financed by debt and how much the company's debt affects

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asset management.

According to Putri & Christiana (2017, page 4) the debt to asset ratio is a ratio that measures how far the company uses debt and explains the proportion of debt to company assets. In determining the optimal capital structure, the company will consider the factors that influence the determination of the capital structure. According to (Kamal, 2016), the factors that affect the Debt To Asset Ratio are as follows:

1. Sales stability
2. Asset structure
3. Operation leverage
4. Growth rate
5. Profitability
6. Tax
7. control
8. Management attitude
9. Lender's attitude
10. Outside condition
11. Company internal conditions
12. Financial flexibility

Debt To Assets Ratio is a debt ratio used to measure the comparison between total debt and total assets. In other words, how much the company's assets are financed by debt or how much the company's debt affects asset management (Kasmir, 2012 p. 156).

METHODS

The approach used in this study is an associative approach. According to Sugiyono (2007, page 11) associative research is research that aims to determine the relationship between two or more variables. In this study, the type of data used is secondary data originating and published in the Indonesia Stock Exchange (IDX). Data collection is done by using a documentation study technique, which is one method of collecting quantitative data by viewing or analyzing documents made by the company itself or by other people about the company, namely by looking at the financial statements published by the Indonesia Stock Exchange (IDX) from its official website on the period from 2014 to 2019. The population used in this study were 26 companies and a sample that met the criteria (purposive sampling) was 7 companies. The data analysis technique used in this study is a quantitative technique with multiple linear regression analysis, hypothesis testing and coefficient of determination test. Data management using SPSS (Statistical Package For The Social Sciences) version 20 for windows.

RESULTS AND DISCUSSION
Research Results

The normality test of the data was carried out to see whether in the regression model, the dependent and independent variables had a normal distribution or not. If the data spreads

around the diagonal line and follows the direction of the diagonal line, the regression model meets the assumption of normality, so the data in the research regression model tends to be normal.

Figure 2. Results of P-Plot Data Normality
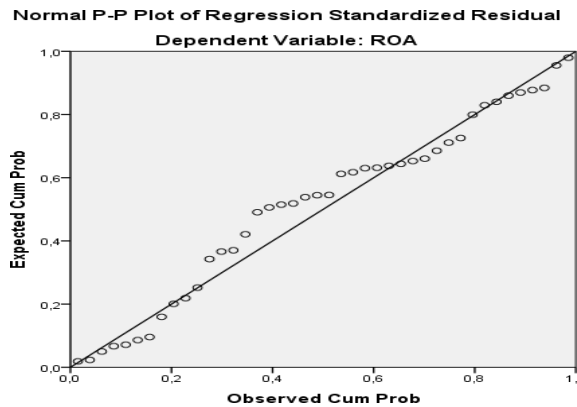
Based on the picture above, it is known that the results of the data normality test show that the distribution of data points is close to the diagonal line. The normality test above uses the p-plot graph above, it can be stated that the data is normally distributed and has met the assumption of normality.

Table 2. Kolmogorov-Simirnov . Test Results

One-Sample Kolmogorov-Smirnov Test

		Standardized Residual
N		42
mean		0E-7
Normal Parameters, b		495,19527746
Std. Deviation Absolute		,133
Most Extreme Differences	Positive	0.077
negative		-,133
Kolmogorov-Smirnov Z Asymp. Sig. (2-tailed)		,864
		,444

a. Test distribution is Normal.
b. Calculated from data.

It can be seen from the table above that the value of Kolmogorov Smirnov is 0.864 at a significance level of 0.444. This shows that the data is normally distributed because > 0.05.

Table 3. Multicollinearity Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
		B	Std. Error	Beta	Tolerance	VIF
1	(Constant)	887,732	486,694			
	CR	0.019	,010	,329	,533	1,876

DAR	-15,557	6,906	-,376	,533	1,876

a. Dependent Variable: ROA

From the data in the table above, it can be seen that the value of the variance inflation factor (VIF) for the Current Ratio (X1) variable is 1.876, the Debt To Asset Ratio (X2) is 1.876. Likewise, the tolerance value for Current Ratio (X1) is 0.533, Debt To Asset Ratio (X2) is 0.533. From each variable the tolerance value > 0.1 and the VIF value < 5, it can be concluded that there is no multicollinearity symptom between the independent variables in this study.
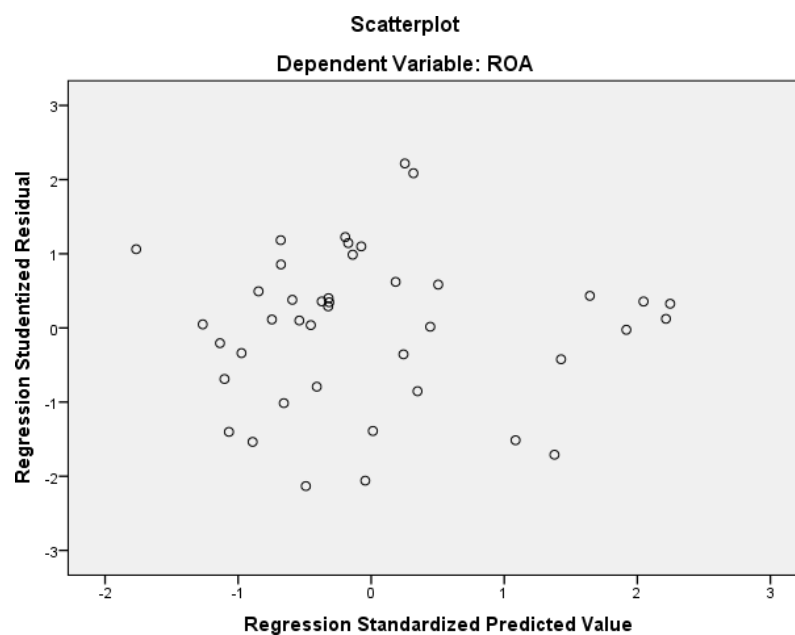

Figure 3. Scatterplot Graph

Based on the picture above, the scatterplot graph shows that the points spread randomly or are spread both above and below 0 on the axis
Y. This shows that there is no heteroscedasticity.

Table 4. Autocorrelation Test Results
Model Summaryb

Model	R	R Square	Adjusted R Square	d. Error of the Estimate	Durbin-Watson
1	,648a	,420	,390	507,73385	1,789

a. Predictors: (Constant), DAR, CR
b. Dependent Variable: ROA

Based on the table above, it can be seen that the Durbin Watson (DW) value is 1.789. Based on the predetermined criteria, it can be said that the DW value lies between -2 to +2

which concludes that there is no autocorrelation.

Table 5. Multiple Linear Regression Results
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	887,732	486,694		1,824	,076
	CR	0.019	,010	,329	1,972	0.056
	DAR	-15,557	6,906	-,376	-2.253	0.030

a. Dependent Variable: ROA

Based on the table above, the results to be entered into the multiple linear regression formula are as follows:

Constant = 887,732
CR = 0.019
DAR = -15,557

These results are entered into the multiple linear regression equation as follows:

$$Y = a + {}_1\square_1 + {}_2\square_2$$
$$= 887.732 + 0.019\,1 - 15.557\,2$$

Testing the Hypothesis (Partially)

Partial test (t test) is used to test whether there is a partial effect between the independent variables on the dependent variable. The test results data obtained from SPSS v.20 can be seen in the following table:

Table 6. t test results
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	887,732	486,694		1,824	,076
	CR	0.019	,010	,329	1,972	0.056
	DAR	-15,557	6,906	-,376	-2.253	0.030

a. Dependent Variable: ROA

Based on the partial test results, the effect of Current Ratio (CR) on Return On Assets (ROA) is 1.972 (1.972 < 2.021). And has a significant number of 0.056 (0.056 > 0.05). Based on these results, it can be concluded that H0 is accepted, this shows that partially Current Ratio (CR) has no and significant effect on Return On Assets (ROA) in food and beverage companies

listed on the Indonesia Stock Exchange for the 2014-2019 period. Based on the partial test results, the effect of Debt To Asset Ratio (DAR) on Return On Assets (ROA) is -2.253 (-2.253 > - 2.021). And has a significant number of 0.030 (0.030 < 0.05). Based on these results, it can be concluded that H0 is rejected, this shows that partially Debt To Asset Ratio (DAR) has a significant and significant effect on Return On Assets (ROA) in food and beverage companies listed on the Indonesia Stock Exchange for the 2014-2019 period.

F test (simultaneously)

The F test is used to see the overall ability of each independent variable to be able to explain the diversity of the dependent variable, as well as to find out whether all variables have a regression equal to zero. The test results data obtained from SPSS V.20 can be seen in the following table:

Table 7. F . Test Results

	Model	Sum of Squares	df	Mean Square	F	Sig.
	Regression	7269548,553	2	3634774,277	14,100	,000b
1	Residual	10053952.875	39	257793,663		
	Total	17323501,428	41			

a. Dependent Variable: ROA
b. Predictors: (Constant), DAR, CR

From the explanation above, it can be seen that the results of the F test shown in the table and figure show that the Fcount value is 14.100 and the Ftable value with (N = 42, k = 2, = 5%) is known to be 3.24. If the value of Fcount is compared with the value of Fcount, it is obtained that Fcount > Ftable (14.100 > 3.24) with a significant level of 0.000 (0.000 < 0.05). So with that H0 is rejected, so it can be concluded that the Current Ratio (CR) and Debt To Asset Ratio (DAR) simultaneously have a significant and significant effect on Return On Assets (ROA) in food and beverage companies listed on the Indonesia Stock Exchange for the 2014-2019 period.

Coefficient of Determination Test (R-Square)

The value of R – Square is for how to see the variation in the value of the dependent variable is influenced by the variation in the value of the independent variable. The data on the results of testing the coefficient of determination (R-Square) obtained from SPSS V.20 can be seen in the following table:

Table 8. Coefficient of Determination Test Results
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,648a	,420	,390	507,73385

a. Predictors: (Constant), DAR, CR
b. Dependent Variable: ROA

Based on the table above, it is known that the R-Square value is 0.420 to see how much the Return On Asset (ROA) variance is influenced by the Current Ratio (CR) and Debt To Asset Ratio (DAR) variance or in other words how much the independent variable affects the dependent variable. using the following formula:

a. $D = R^2$ x 100 %

b. D = 0.420 X 100%

c. D = 42%

d. Based on the results of the coefficient of determination (R-Square) above, the ability of the Current Ratio (CR) and Debt To Asset Ratio (DAR) in explaining Return On Assets (ROA) is 42%, while the remaining 58% is influenced by other variables that are not investigated in this study.

DISCUSSION

The discussion in this study will be described through hypotheses from the research based on the data analysis that has been done previously. For more details can be explained as follows:

Effect of Current Ratio on Return On Assets

Based on the results of research obtained regarding the effect of the Current Ratio (CR) on Return On Assets (ROA) in food and beverage companies listed on the Indonesia Stock Exchange for the period 2014-2019. It shows that the tcount value for the Current Ratio (CR) is 1.972 and the ttable is known to be 2.021. And obtained a significant Current Ratio based on the t test obtained a significant number of 0.056 (0.056> 0.05). Based on the decision-making criteria, it can be concluded that H0 is accepted, which means that the Current Ratio (CR) has no partial and significant effect on the Return On Assets (ROA) of food and beverage companies listed on the Indonesia Stock Exchange for the 2014-2019 period. Companies that are able to fulfill their obligations are considered as liquid companies. The size of this ratio is often considered a good or satisfactory measure of the level of liquidity of a company. However, if the ratio is too high, this means that there are a lot of funds embedded in working capital that do not generate profits. Current ratio in this company can increase return on *assets,* this is because the company can manage current assets effectively, so as to increase asset turnover by increasing asset turnover it will be able to increase sales. With increased sales, it is possible to increase net income so that return on assets also increases. Current Ratio (CR) that is too high indicates an excess of cash or other current assets compared to what is needed now or a low level of liquidity than current assets and vice versa. This excess will certainly reduce the opportunity to make a profit. It also shows the inefficient use of cash and short-term liabilities Munawir (2014, p. 73).

This is reinforced by Kasmir (2013, p. 134) stating that the current ratio is a ratio to measure the company's ability to pay its short-term obligations or debts that are due immediately when billed as a whole. This result is supported or in line with the results of research conducted by (Wartono, 2018, p. 96) and (Putry & Erawati Teguh, 2013, p. 32) which

conclude that there is no partial effect of the current ratio on return on assets. But this research is not supported or not in line with the research of Utama & Muid (2014, page 11) and (Setiawan & Cahyono, 2019, p. 395) concluded that the current ratio has a significant effect on return on assets.

The Effect of Debt To Asset Ratio on Return On Assets

Based on the results of research obtained regarding the effect of Debt To Asset Ratio (DAR) on Return On Assets (ROA) in food and beverage companies listed on the Indonesia Stock Exchange for the period 2014-2019. Shows that the value of t_{count} for Debt To Asset Ratio (DAR) is - 2.253 and t_{table} with a known amount of 2.021. And obtained a significant Debt To Asset Ratio (DAR) based on the t test obtained a significant number of 0.030 (0.030 <0.05). Based on the decision-making criteria, it can be concluded that H0 is rejected, which means that the Debt To Asset Ratio (DAR) partially and significantly influences the Return On Assets (ROA) of food and beverage companies listed on the Indonesia Stock Exchange for the 2014-2019 period. negative and significant Debt To Asset Ratio (DAR) to Return On Assets (ROA) indicates a movement in the opposite direction between the variable Debt To Asset Ratio (DAR) to Return On Assets (ROA), so that when the Debt To Asset Ratio (DAR) increases, the Return On Assets (ROA) decreases, but if the Debt To Asset Ratio (DAR) decreases it will increase the Return On Assets (ROA).

Debt to asset ratio The decrease could be due to a decrease in total debt and ineffective asset management so that the profit generated has not been maximized and resulted in a decreased net profit. The company must pay attention to, namely in the company's operations itself. From the measurement results, if a high ratio means that funding with more debt, it is difficult for the company to obtain additional loans because it is feared that the company will not be able to cover its debts with its assets. This research is supported by Hery (2016, p. 198) which states that the debt to asset ratio is a large measurement of the proportion of debt to assets. This ratio serves to determine the company's ability to cover its debts with its assets. This result is supported or in line with the results of research conducted by Sihaan (2019, p. 129) and (Thoyib et al. 2018, p. 21) concluding that the Debt To Asset Ratio (DAR) has a significant effect on Return On Assets (ROA). But this study is not supported or is not in line with research (Kamal, 2016, p. 80) concluding that the Debt To Asset Ratio (DAR) has no significant effect on Return On Assets (ROA).

Effect of Current Ratio and Debt To Asset Ratio and Return on Assets

Based on the results of research on the effect of Current Ratio (CR) and Debt To Asset Ratio (DAR) on Return On Assets (ROA) in food and beverage companies listed on the Indonesia Stock Exchange for the period 2014-2019. The results of the F test can be seen in table 4.9 shows that the value of Fcount is 14.100 and Ftable with (N = 42, k = 2, = 5%) is known to be 3.24. So that the results of Fcount are compared with the results of Ftable, it is obtained that Fcount > Ftable (14.100 > 3.24) with a significant level of 0.000 < 0.05. It can be concluded that simultaneously Current Ratio (CR) and Debt To Asset Ratio (DAR) have a

significant and significant effect on Return On Assets (ROA) in food and beverage companies listed on the Indonesia Stock Exchange for the period 2014-2019. This shows that the company's activities in completing its short-term obligations stated in the Current Ratio (CR), as well as the company's debt activities to maximize its total assets with the Debt To Asset Ratio (DAR), simultaneously affect the Return On Assets (ROA) company. Therefore, the company's managers so that the company can monitor the company's operational activities to increase company profits.

According to Hani (2014, p. 119) which states that Return On Assets (ROA) is the ability of capital invested in overall assets to generate net profits. Return on Assets (ROA) is a measure of the efficiency of the use of capital in a company. For companies in general, the problem of efficiency in the use of capital is more important than the problem of profit, because large profits are not a measure that the company has been able to work efficiently. These results are supported or in line with the results of research conducted by (S. Sanjaya & Sipahutar, 2019, p. 150) concluding that the Current Ratio, Debt To Asset Ratio and Total Asset Turnover simultaneously have a significant and significant effect on Return On Assets.

CONCLUSION

Based on the results of research and discussion conducted on the effect of Current Ratio (CR) and Debt To Asset Ratio (DAR) on Return On Assets (ROA) in food and beverage companies listed on the Indonesia Stock Exchange for the period 2014-2019. With a sample of 7 companies. Then the following conclusions can be drawn:

1. *Current Ratio* (CR) partially and significantly has no effect on Return On Assets (ROA) in food and beverage companies listed on the Indonesia Stock Exchange for the 2014-2019 period.
2. *Debt To Asset Ratio* (DAR) partially and significantly affects the Return On Assets (ROA) in food and beverage companies listed on the Indonesia Stock Exchange for the 2014-2019 period.
3. *Current Ratio* (CR) and Debt To Asset Ratio (DAR) simultaneously have a significant and significant effect on Return On Assets (ROA) in food and beverage companies listed on the Indonesia Stock Exchange for the 2014-2019 period.

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