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The Effect of Current Ratio, Debt to Equity Ratio on Return on Assets Case Study of Pt.Tiga Pilar Sejahtera Food Tbk Period 2016-2024

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Abstract

PT Tiga Pilar Sejahtera Food Tbk (AISA) is facing financial challenges that affect its performance, including a decline in ROA. This study aims to investigate and assess the impact of the relationship between short-term liquidity ratio (CR) and debt to equity ratio (DER) on the rate of return on assets (ROA) at PT Tiga Pilar Sejahtera Food Tok from 2016 to 2024. The methodology in this research is a quantitative approach that applies various statistical analysis techniques, such as descriptive statistics, single linear regression, multiple linear regression, t-test, and F-test. The data source used in this research is the company's official financial documents, which are accessed through the website www.idx.co.id,i with an observation period of 9 years which resulted in 35 data. The main data source is the company's financial position report and income statement for the period. The results identified that CR has a considerable influence on ROA, while DER has no significant influence. When analyzed simultaneously, neither CR nor DER has a significant influence on ROA.

Keywords: Current Ratio, Debt-to-Equity-Ratio, Return on Assets

1. Introduction

In the Indonesian domestic market, PT Pilar Sejahtera Food Tbk (AISA), which operates in the food and beverage industry sector, is facing various financial challenges that affect its performance, including getting the worst rating in the sector. AISA experienced difficulties in managing its liquidity and financing structure, which led to a decline in profitability and an inadequate Return on Assets (ROA). The rating assigned by Indonesian Securities Rating (Pefindo) to PT Tiga Pilar Sejahtera Food's (AISA) debt securities and sharia instruments, which are about to expire, has been downgraded from BB+ to CCC. The downgrade reflects the Company's liquidity, which could affect its ability to settle its debt obligations and increase the likelihood of default. In its report to the Indonesia Stock Exchange, Pefindo downgraded the rating and assigned a "credit watch with negative implications" as a form of caution against the possibility of further downgrades due to the risk of inability to pay bonds and sukuk.

The rating. If the CompanyCompany fails to meet its principal or interest obligations, the rating may drop further to "Default"(Ekarina, 2018). Comparison with companies in Indonesia that also experienced a decline in performance includes PT Mayora Indah Tbk (MYOR); although this Company managed to record an increase in revenue of 3.41% in the first quarter of 2022, the net profit earned actually experienced a sharp decline of 62.81%. This factor was triggered by the increase in material prices and shipping costs. In addition, operating profit also decreased due to an increase in operating expenses. MYOR revealed that the uncertainty of global commodity prices is a challenge, and they are trying to find more economical sources of raw materials, improve efficiency in the production process, and consider raising product prices if necessary (Tempo, 2022). PT Mayora Indah Tbk (MYOR) recorded an increase in sales of 14.57% to Rp 36.07 trillion in 2024, but net profit fell 6.05% to Rp 3 trillion. Increased production and operational costs resulted in operating profit shrinking 8.93% to Rp 3.91 trillion. Total equity increased by 11.91%, reaching a value of IDR 17.10 trillion, while liabilities increased by 31.9% to reach IDR 12.6 trillion. MYOR's share value decreased by 1.8% to Rp 2,120 per share (Melani, 2025).

Internationally, McDonald's, an international company specializing in the food and beverage industry, one of the leading brands in the fastfood industry worldwide, has also experienced a significant decline in ratings and has even recorded the worst ratings in the world in recent times. McDonald's reported its first global sales decline in more than three years, for 13 consecutive quarters. The decline was driven by several factors, including consumer boycotts and

declining purchasing power. According to a report from Reuters, McDonald's sales in the US decreased by 0.7% in the quarter ended June 30, in contrast to the 10.3% increase recorded in the previous year. Sales in international markets, which account for nearly 50% of 2023 revenue, declined by 1.1%, largely influenced by weak purchasing power in France. Rising inflation caused low-income consumers to opt for cheaper food to consume at home, to which major fast-food chains with branches in various countries responded by offering more affordable options. The COVID-19 pandemic in 2020 further accelerated this transformation as demand for cashless transactions surged to minimize physical contact. In response, Bank Indonesia introduced the QRIS standard in 2019, enabling multiple payment methods to be consolidated into a single QR code for easier transactions (Brankas, 2024). saving package menu. McDonald's global sales fell 1% in the second quarter, in contrast to an estimated 0.5% increase. However, overall revenue rose 1%. McDonald's maintained its projected operating margin in 2024 in the range of 40%-50%, with more selective pricing to maintain profitability. A slower-than-expected recovery in China and political tensions in the Middle East adversely impacted the performance of McDonald's businesses, which are run by local partners, with a 1.3% decline in sales compared to a 14% increase in the previous year. In addition, consumer boycotts related to the Gaza conflict affected McDonald's sales in various Middle Eastern markets. Despite this, the Company remains committed to investing US\$2.7 billion, with most of the funds going towards new store openings in the US as well as expansion into various international markets. McDonald's faced major challenges in managing liquidity, which affected ROA and lowered the Company's rating(Puspadini, 2024)

Throughout 2022, FKS Food Sejahtera (AISA) suffered a loss of Rp 62.36 billion or a drastic drop of 1,184 percent. Other income was recorded at Rp12 billion, down drastically from Rp 144 billion compared to the same period the previous year. As a result of this, the operating loss recorded reached IDR 27.51 billion, a significant decrease of 154% compared to 2021, in the year 2021. The Company recorded an operating profit of IDR 50.06 billion. Receipts from financial activities declined to Rp 605 million. down drastically from Rp 2.75 billion, while finance costs also reduced to Rp29.58 billion from Rp 38.71 billion. Deficit before income tax surged by 500%, reaching Rp 56.48 billion, compared to a profit of Rp14.10 billion in the previous year. Tax on income was recorded at IDR 5.87 billion, 29% lower compared to IDR8.34 billion in 2021. Total loss for the whole year reached IDR 62.35 billion, a sharp drop of 1,182% compared to the profit of IDR5.76 billion in the same period of 2021. The total loss for the whole reached IDR 62.35 billion, a sharp drop of 1,182 percent compared to the profit of IDR 5.76 billion in the same period of 2021. Total equity also shrank to IDR 777.86 billion from IDR 833.75 billion at the end of 2021(Shodik, 2023). The determination of variables in this study aims to analyze the effect of liquidity ratio (CR) and debt to capital ratio (DER) on ROA in a business context, where the lowest rating provides brighter information for investors, shareholders, and creditors in assessing potential risks.

ROA is a metric that evaluates the profitability of the Company's total earnings used by the organization(Kasmir, 2019a, p. 203). ROA shows the extent to which a business entity is effective in using its resources to achieve net income. In general, this ratio assesses the level of effectiveness of investment against total assets in generating net income(Hery, 2023, p. 144). The liquidity indicator is a financial tool used to evaluate the extent to which an organization is able to overcome its short-term debt within a predetermined time by utilizing easily liquid assets owned(Hery, 2023, p. 142). On the other hand, the Debt-to-Capital Ratio assesses the relationship between the total loans owned by the Company and the value of existing capital. The calculation of this value is done through the comparison of total debt, including short-term loans, to the amount of capital available to investors. Therefore, this indicator presents an overview of the portion of funding sources that come from lenders relative to investments made by business owners(Kasmir, 2019b, p. 112).



Figure 1: Sales Data of PT. Tiga Pilar Sejahtera Food Tbk for the Period 2016-2024 Source: id.tradingview.com



Figure 2: Stock Prices of Food and Beverage Companies Listed on the Indonesia Stock Exchange Source: IDX



Figure 3: Data Global Comparable Sales at McDonald's Drop for First Time in the Year Source: LSEG, company releases

Previous research conducted by Widya Novita Sari et al. (2022) found that CR (X1) did not contribute significantly to ROA (Y). Similarly, quick ratio (X2) did not show a meaningful influence on ROA (Y). However, this study shows that ROA (X3) has a significant impact on ROA (Y), and the same condition also applies to DER (X4), which also has a strong effect on ROA (Y).

According to research by Deti Susilawati et al (2022) states that DER has a negative impact on ROA, while CR has a positive impact on ROA.

According to researchers Anggraini Syahputri et al. (2020), CR has a positive but irrelevant impact on ROA, while DER has a positive and relevant effect partially on ROA. Dela Nadia Alfiani (2022) states that the study indicates that CR and DER simultaneously contribute 14.5% to ROA, while the remaining 85.5% is influenced by other factors. Based on the results of the t-test, CR has no relevant effect on ROA, as indicated by the t value of 0.849, which is smaller than the t table of 2.306. In addition, the significance value is 0.424 > 0.05, so the null hypothesis (Ho) is accepted, and the alternative hypothesis (Ha) is rejected. Likewise, DER also does not make a contribution.

On ROA, the t value of 0.988 is much lower than the critical t value of 2.306, and the significance level of 0.356 is greater than 0.05. Therefore, the null hypothesis (Ho) is accepted, and the alternative hypothesis (Ha) is rejected. Furthermore, the joint test (F-test) resulted in an F-value of 0.594, which is smaller than the figure on the Ftable of 4.74, with a statistical significance level of 0.578, which exceeds 0.05. This finding strengthens the argument that Ha is not proven, while Ho is proven. Therefore, it can be concluded that together, liquidity ratio (CR) and debt-to-equity ratio (DER) do not have a significant impact on RO.

Looking at the issues at hand, the research questions in this study include: To what extent does CR affect ROA in major food and beverage companies during 2016-2024? How does DER relate to ROA in leading food and beverage companies during 2016-2024? How did CR and DER contribute to ROA in major food and beverage companies during 2016-2024?

2. Literature Review

2.1. Return on Asset (ROA)

Return on Assets (ROA) measures how effectively a company generates profits from all of its assets. The higher this ratio, the better the company's ability to generate profits that can improve its financial performance. (Susilawati et al., 2022). This ratio describes how effective a company is in generating profits from every rupiah of assets used. ROA reflects the company's ability to obtain unbalanced results from the assets used. The higher this ratio, the healthier the company's condition. However, if ROA is low, it does not always mean that the company's condition is worsening. This can happen because the company deliberately chooses to use a large debt burden, so that high interest expenses suppress the amount of net profit (Brigham, 2010: 149 in Tangngisalu, 2022) . In termssimple, this ratio assesses the capacity of a business entity when utilizing all of its asset resources in creating surplus. According to (Yamin, 2024), Return on Asset (ROA) is a financial measure that describes how optimally a company utilizes its assets to generate profits, while also acting as a benchmark in assessing the results of asset management as a whole.

According to (Sari et al., 2022 in Kuniawan, Arifati, and Andini, 2016), ROA, Is used to evaluate the extent to which a company can maximize the utilization of existing resources to create profitsIt indicates the corporation'. s performance in operating its assets to create net profit after levies. Therefore, this is an indicator vital for managers in assessing the performance and efficiency of managing their data resources. The higher the return on assets, the more efficiently the firm's assets are used and, consequently, the higher its earnings. Conversely, a low ROA value indicates that the company is not optimally utilizing its assets. In general, the rate of return on assets illustrates the capacity of a business to earn profits through the resources it has invested.

Based on the views of the experts above, ROA is a financial measure that serves to assess how effective the company is in utilizing its assets to generate net profit. This indicator measures the rate of return obtained from investment in assets and reflects the efficiency in managing the company's assets. If ROA is high, this indicates that assets have been managed efficiently to create maximum profits. Conversely, a low ROA value indicates a less-than-optimal use of assets. therefore, ROA is an important indicator to assess how much profit a company can make based on the resources invested.

Return on asset (ROA) formulas include (Agung Anggoro Seto et al, 2023):

ROA = Income Net / Total Assets

(1)

2.2. Current Ratio

According to (Siti Aminah, 2021), Current Ratio (CR) is a financial indicator used to evaluate the extent to which a company is able to pay its short-term liabilities using available current assets. The calculation of this ratio is done by comparing the amount of current assets with total current liabilities. A higher CR value indicates that the company has a better capacity to meet short-term financial obligations. According to (Kasmir, 2016 in Siagian et al., 2021), Current Ratio is a ratio used to assess the extent to which a company is able to pay off all short-term obligations or debts that are due immediately when billed. According to (Prakoso, 2018 in Aji and Pangestuti, 2012), liquidity ratio (CR) this is the company's ability to pay off its debt in the shortest possible time. The higher the liquidity ratio, the greater the company's power to pay off its debts. However, if this ratio is too high, it can indicate that there are funds that are not managed optimally, which can reduce the profitability and profit level of the company as a whole. Since the stock price represents the capitalization of anticipated future earnings, a decrease in the price leads to a company's price-to-earnings ratio (PER).

According to (Nadia Alfiani, 2022), Munawir (2014) states that an increase in the current ratio indicates that the business entity can better pay off short-term liabilities. However, a current ratio that is too large indicates that there are excess current assets that are not managed efficiently, which in turn can reduce profitability. Value A high current ratio indicates that the amount of cash or other current assets exceeds the need for short-term liabilities.

According to these experts' perspectives, CR is a measurement tool that reflects a company's potential to manage its current assets, including debt, that is, payments close to payment time. The higher this indicator, the more it indicates that the business has the capacity to pay off these obligations. However, a very high number of CRs shows that there is an abundance of current assets that are not utilized efficiently, which can lead to a decrease in revenue or profitability. A (CR high Current Ratio indicates that the company has more cash or liquid assets than necessary. On the other hand, a current ratio that is too low indicates that the company risks facing challenges in meeting short-term financial commitments, which can negatively impact creditor confidence and increase liquidity risk. Thus, the current ratio is an important measurement tool in assessing a company's liquidity, but it needs to be managed in a balanced manner to maintain optimal efficiency and financial performance.

The Current Ratio (CR) formula includes (Agung Anggoro Seto et al, 2023):

CR = Current DebtAssets/Current

(2)

2.3. Debt to Equity Ratio

According to Annisa & Hamzah (2021 in Riyanto, 2011), DER describes the ratio of debt to equity, which indicates an organization's ability to settle all its liabilities, both for short and long periods. DER shows an indicator of a company's health and wealth. Everyone recognizes that businesses need capital to operate. External financing can be used to meet this need, which has implications such as interest and repayment terms.

According to (Irawan, 2021) in Brigham, Eugene, and Houston (2011) DER is used to measure the proportion of funds provided by creditors, by defining DER as the ratio of total debt to total assets.

According to (Seto, 2023, p. 47 in Kasmir, 2019), DER is an indicator used to evaluate the ratio of total debt to equity held by a company.

From the views of the experts mentioned earlier, DER is a financial indicator that compares the amount of the company's financial burden with its equity, both debts that have immediate and longer deadlines, with the capital owned. A large DER indicates that the company's debt burden exceeds the value of its equity, which increases the likelihood of financial risk. Companies with high DER may face challenges in paying their debt est and obligations, which may worsen financial conditions. However, greater use of debt can provide opportunities for faster growth if managed well. Conversely, if DER is too low, optimally, it may indicate that the company is not utilizing its external funding sources to hinder expansion and development. Therefore, companies need to keep the DER at a reasonable ratio level to avoid excessive financial risk or lost growth opportunities.

The Debt to Equity Ratioi (DER) formula includes (Fahmi, 2012:18):

DER = Total Debt/Equity

(3)

2.4. Framework of Thought



Figure 3: Thinking Framework

2.5. Hypothesis

(Rapingah, 2022, p. 26 in Yusuf, 2014) states: "Hypotheses theses can be defined as statements that are not yet provisional proven conclusions, or unfinished opinions because they need to be ." The following are the research hypotheses including:

H1: At PT Tiga Pilar Sejahtera Food Tbk for the periodi 2016-2024, the Current Ratio has a significant impact on the Return on Assets

H2: At PT Tiga Pilar Sejahtera FoodiTbk for the period 2016-2024, the Debt to Equity Ratio has a significant impact on Return on Assets.

H3: At PT TigaiPilar Sejahtera Food Tbk for the period 2016-2024, simultaneously Current Ratio and Debt to Equity Ratio have a significant impact on the Return on Assets.

3. Materials and Methods

For purpose of the study, CRi(X1) and DERi(X2) serve as independent factors, while ROA (Y) serves as the dependent factor. PT Tiga Pilar Sejahtera FoodiTbk was selected as the object of study, and information was taken for 9 years, resulting in 35 data observations. The main data sources include the company's financial statements and

income statements for the period 2016-2024. The analysis steps used consist of descriptive statistics, classical assumption tests, simple linear regression, imultiple linear regression, T statistical tests, and F statistical tests using SPSSi26 software.

4. Results and Discussion

4.1. Result

4.1.1. Descriptive Statistics

Table 1:	Descriptie	Statictic	Result
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		Descripti	ve Statistics		
	N	Minimum	Maximum	Mean	Std. Deviation
CR	35	1763083 6	23755511 45	784733140. 97	629799852. 171
DER	35	1193448 32	26363332 07	127189512 8.89	596575470. 656
ROA	35	49789	59902453 7	34782595.9 4	100786805. 991
Valid N (listwise)	35				

Source: Data processed 2025, output 26

Based on the information presented in the table, the total sample to be analyzed is 35, sourced from research for 9 years, from the time span of 2016 to 2024 at PT Tiga Pilar Sejahtera Food Tbk. In the variable (X1) CR, the lowest number (minimum) was recorded at 17,630,836, which reflects that the Company Company was unable to complete short-term responsibilities using existing current capital. Conversely, the highest (maximum) value of 2,375,551,145 indicates that the Company Company is able to easily meet short-term debt through current assets, reflecting a stable financial condition. The Current Ratio has an average of 784,733,140.97 so every Rp 1 of short-term liabilities can be met with 784,733,140.97 of the Company'sCompany's current assets. The standard deviation of 629,799,852.171 shows that the figure is lower than the standard value (*mean*), which implies that the data distribution tends to be concentrated and does not show significant variation. This happens because the standard deviation value reflects the relatively large level of deviation.

The descriptive statistical test results for (X2) DER produce the lowest (minimum) number, namely 119344832. This situation shows that most companies get funding from their own capital, with greater capital ownership than total debt.

Therefore, the available funds can pay off all the Company's obligations. The highest value (Maximum) of 2636333207 indicates that the CompanyCompany is more dependent on liabilities as a source of financing than its own capital, which may increase the risk if the CompanyCompany faces obstacles in paying off its debt obligations. The Mean value of debt to equity (DER) is 1271895128.89; in other words, business capital is able to cover its debts by 1271895128.89 times. The standard deviation of 596575470.656 < 1271895128.89 shows that the data has a normal or good distribution and there is no gap, this is because the standard deviation value is a reflection of a very high deviation.

Return on Asset produces the lowest value (Minimum) of 49789 This shows that the profit generated by the CompanyCompany is only 49789 or 4.98% of the total assets used, which means that the CompanyCompany has not maximized the efficient use of its assets. The highest value (Maximum) of 599024537 indicates that the CompanyCompany managed to earn a profit of 599024537 or 59,902.45% of the total assets used, which indicates that the CompanyCompany has managed its assets very efficiently and achieved extraordinary results. Average (Mean) with the amount of 34782595.94 indicates that thus the CompanyCompany makes a profit of 34782595.94 or 3,478,259,594% of the total assets utilized. The standard deviation of 100786805.991 > mean 34782595.94 explains the information has a wider spread or variation than the average. This means that there is a higher level of irregularity or significant fluctuation in the data, which can indicate an imbalance or gap in the variable.

4.1.2. Classical Assumption Test

a. Normality Test



Source: Data processed 2025, output 26

Based on the histogram Gaussian distribution test, if the curve has a mountain-like peak, this indicates a distribution pattern that follows a standard distribution.

This can be observed through the P-Plot normality test, which forms a straight line and leads to the conclusion that the data distribution follows a normal pattern. In addition, the bar chart also shows a pattern that is in line with the Gaussian distribution.



Figure 6: P-Plot Result Source: Data processed 2025, output 26

Table 2: One-Sample Kolmogorov-Smirnoc Test Result

		Unstandardi
		zed Residual
N		35
Normal Parameters ^{a,b}	Mean	.0000000
	Std.	1.92034348
	Deviation	
Most Extreme	Absolute	.102
Differences	Positive	.102
	Negative	096
Test Statistic		.102
Asymp. Sig. (2-tailed)		.200 ^{c.d}
a. Test distribution is Non	mal.	
b. Calculated from data.		
c. Lilliefors Significance C	orrection	

Source: Data processed 2025, output 26

Based on the normality test output using Kolmogorov-Smirnov, the Asymptotic. significance (2-tailed) value is 0.200 > 0.05. Therefore, it can be stated that the difference follows a normal distribution, which indicates that the application of the regression model is possible because it has concluded the normality hypothesis.

b. Multicollinearity Test

Table 3: Multikolinearity Test Result



Source: Data processed 2025, output 26

Based on the multicollinearity test output, the LNX1 CR variable shows a tolerance number of 0.959 > 0.01 and a variance inflation factor number of 1.042 < 10. Likewise, the LNX2 DER factor shows a tolerance number of 0.959 > 0.01 and a variance inflation factor number of 1.042 < 10. Thus, our data does not show multicollinearity, which indicates that the independent variables are not interconnected.

c. Autocorrelation Test

Table 4: Autocorrelation Test Result

		I	Model Summary	,b	
Mode I	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.354ª	.125	.070	1.97944	1.140
a. Predicto	ors: (Constant), LNX2, LNX1			

b. Dependent Variable: LNY

Source: Data processed 2025, output 26

n = 35 (sample)

k (2)(independent variable)

There is no requirement for autocorrelation:

- DU < D < 4 DU
- dL = 1.3433

dU = 1.5838

d = 1.140

4 - DU = 4 - 1.5838 = 2.4162

1.538 > 1.140 < 2.4162 (No Autocorrelation)

d. Heterocedacity Test

Variance inequality testing is conducted to assess whether there is variation in the differences between each observation in the regression model. In order for the regression model to be optimal, heteroscedasticity should not materialize, or in other words, it must be homoscedasticity, because the presence of heteroscedasticity can cause the regression model to be less efficient and inaccurate. The following are the results of testing heteroscedasticity using the scatterplot graph method and the Park test through SPSS 26.



Figure 7: Heterocedasticity Test Result

Source: Data processed 2025, output 26

According to the results of the heteroscedasticity analysis shown by the scatter diagram, it appears that the data is distributed with a random pattern on both sides of the zero axis. From the resulting output, it means that heteroscedasticity does not occur or has passed the heteroscedasticity test.

Table 5: Uji Park

				Coefficien	its ^a		
			Unstandar	dized Coefficients	Standardized Coefficients		
Mod	del		В	Std. Error	Beta	t	Sig.
1	(C	onstan	-1.755	7.176		245	.808
	t)						
	LN	IX1	208	.193	183	-1.074	.291
	LN	IX2	.356	.255	.238	1.395	.173
a D	lonondo	nt Variable	DEG 3				

a. Dependent Variable: RES_3

Source: Data processed 2025, output 26

Based on the available table, the LNX1 CR variable has a feasibility level (Sig.) of 0.291 > 0.05. This shows that there is no indication of heteroscedasticity in this variable. In addition, the LNX2 DER variable has a relevance number of 0.173, which exceeds 0.05, so there is no inequality of residual variances. Thus, both independent variables are proven to be free from symptoms of heteroscedasticity and have met the classical assumptions.

Simple Linear Regression Analysis

 Table 6: Simple Linear Regression Analysis Test Result X1



Source: Data processed 2025, output 26

From the calculation results, an F-value of 4.714 was obtained at a relevance level of 0.037 < 0.05, which reflects that the simple linear regression model can be applied to project the effect of variable X on the variable in question.

Table 7: Simple Linear Regression Analysis Test Result X1

			Coefficier	ntsª		
		Unsta	andardized	Standardize		
		Coeffi	icients	d Coefficients		
Mo	del	В	Std. Error	Beta	t	Sig.
1	(Consta	2.063	6.293		.328	.745
	nt)					
	LNX1	.679	.313	.354	2.171	.037

a. Dependent Variable: LNY

Source: Data processed 2025, output 26

Y = a + bX + e

Y = 1.826 + 0.694X + e

The regression equation model is meaningful:

- The constant value a shows a value of 2.063, indicating that when there is no variation in the explanatory variable (X = 0), the influence variable (Y) will be 2.063.
- The variable regression coefficient value = 0.679 (positive) indicates that every time there is a one-level increase in the current ratio, it contributes to an increase in the rate of Return of funds worth 0.067.

Hypothesis Proving:

- Significance number 0.037 < 0.05
- The t-count > t-table (2.171 > 1.693)

Based on the two decision parameters in question, it can be stated that "<u>Current Ratio has a positive influence on</u> <u>Return on Assets.</u>" This means that an increase in the current ratio <u>will</u> cause the rate of Return of funds to also increase.

Table 8: Simple Linear Regression Analysis Test Result X2

			ANOVAª			
Mod	fel	Sum of Squares	df	Mean Square	F	Sig.
1	Regressio n	.728	1	.728	.169	.684 ^t
	Residual	142.564	33	4.320		
	Total	143.293	34			

a. Dependent Variable: LNY

b. Predictors: (Constant), LNX2

Source: Data processed 2025, output 26

From the output above, that F count = 0.169 with a significant level of 0.684 > 0.05 indicates that DER does not have a statistically significant impact on ROA.

Table 9: Simple Linear Regression Analysis Test Result X2

			Coefficier	ntsª		
		Unsta	indardized	Standardize		
		Coeffi	Coefficients			
Mo	del	В	Std. Error	Beta	t	Sig.
1	(Consta	19.467	9.160		2.125	.041
	nt)					
	LNX2	181	.441	071	411	.684

a. Dependent Variable: LNY

Source: Data processed 2025, output 26

Y = a + bX + e

Y = 19.467 - 0.181X + e

The regression equation model is meaningful:

- The constant (a) has a value of 19.467, this indicates that the baseline value of the participant variable is 19.467.
- The number regression coefficient x -0.181 indicates that every 1% the Trust level increase in will reduce the number of participants, namely -0.181. Since the regression coefficient is negative, this condition indicates that the contribution of variable X to Y is negative.

Hypothesis Testing:

- Significance number 0.684 > 0.05
- The t-count < t-table (-411 < 1.693)

Referring to two parameters of this decision-making, it can state, <u>"Debt to Equity Ratio negatively affects Return</u> on Assets". This means that the lower the level of DER is implemented, the more ROA will decrease.

Analysis Multiple Linear Regression

 Table 10: Analysis Multiple Liear Regression Test Result

Coefficients^a

		Unsta	Unstandardized			
		Coeffi	cients	d Coefficients		
Mo	del	В	Std. Error	Beta	t	Sig.
1	(Consta	2.058	12.050		.171	.865
	nt)					
	LNX1	.680	.324	.354	2.094	.044
	LNX2	.000	.429	.000	.000	1.000

a. Dependent Variable: LNY

Source: Data processed 2025, output 26

The following is an explanation of theimultiple linear regressionianalysis equation:

- The constant (a) value of 2.058 indicates that when the explanatory variable is fixed (X1 and X2 = 0), the value of the dependent variable will be 2.058.
- The CR regression coefficient for the variable of 0.680 indicates a positive influence on ROA. Thus, each additional unit of CR will increase ROA by 0.680, assuming that other factors are not considered in this study.
- The X2 coefficient or regression coefficient for the DER variable of 0.000 indicates that this variable has a positive on ROA. Impact That is, every one-point increase in DER will increase the amount of 0.000, assuming there is no influence from other variables in this study.

T Statistical Test

			Coefficien	ts ^a		
				Standardized		
		Unstandardi	zed Coefficients	Coefficients		
Model		В	Std. Error	Beta	t	Sig.
1	(Constant)	2.058	12.050		.171	.865
	LNX1	.680	.324	.354	2.094	.044
	LNX2	.000	.429	.000	.000	1.000

Table 11: T Statistical Test

a. Dependent Variable: LNY

Source: Data processed 2025, output 26

The t value of table 2.03693 is obtained at a significance value of 0.05, n = 35, and k = 2. Based on these calculations, t at $(\frac{a}{2}, n - k - 1)$ is obtained or t at (0.025; 32). Referring to the table t-statistic table above, the partial test results reveal that the CR is 2.094 > t factor 2.03693, which means H0 is rejected and H1 is accepted. Therefore, it can be seen that the CR factor has an has impact on ROAA number of Significance 0.044 < 0.05 indicates H0 is rejected and H1 is approved, which indicates CR factor significant impact on ROA in this case.

The t-stat of the DER variable reaches 0.000, < t table 2.03693. This indicates that Ho2 is accepted and Ha2 is rejected, so the DER variable does not have a meaningful impact on ROA. In addition to this, the relevance figure of 1.000 > 0.05 confirms the acceptance of Ho2 and the rejection of Ha2, which means that partially DER is not related to ROA.

F Statistical Test

Table 12: F	Statistical	Test
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	ANOVAª					
		Sum of		Mean		
Model		Squares	df	Square	F	Sig.
1	Regression	17.910	2	8.955	2.286	.118 ^b
-	Residual	125.382	32	3.918		
-	Total	143.293	34			
a. Dej	pendent Variable:	LNY				

b. Predictors: (Constant), LNX2, LNX1

Source: Data processed 2025, output 26

The F value of Table 3.29 is obtained with a sample size (n) of 35. The degree of freedom (df1) for the total independent variables (k) is 2, while the degree of freedom (df2) for the error term is calculated as n - k - 1.35 minus 2 and 1, so the result is 32 (35 - 2 - 1 = 32). Thus, the F table value is 3.29. From the data presented in the table, the calculated F value is 2.286, which is lower than the F value of 3.29 in the table. addition, the significance level (Sig.) is 0.118, greater than 0.05. The findings indicate that the null hypothesis (Ho) is confirmed, and the alternative hypothesis (Ha) is rejected. This implies that the two factors, CR and DER, together have no meaningful impact on ROA.

4.2. Discussion

According to the analysis conducted, this study revealed that the current ratio (CR), debt-to-equity ratio (DER), and return on assets (ROA) of PT Tiga Pilar Sejahtera Food Tbk during the period 2016 to 2024 showed non-optimal financial performance. The low CR value indicates the difficulties faced by the company in settling short-period arrears by utilizing available assets, so improvements in liquidity management are needed. In addition, the decrease in DER indicates that the company has more equity than debt. However, if the equity is not handled effectively, this situation may result in a decline in the company's financial performance. Meanwhile, the low ROA indicates that the company has not maximized the use of its assets to generate profits, and there may even be unproductive assets. Although there is a significant relationship between CR and ROA, DER does not show a significant contribution to ROA. Overall, the company needs to make improvements in the management of cash flow, debt, and assets to improve its financial performance in the future.

5. Conclussion

The summary of this study can be described through a review of the results and discussion conducted, among others:

The average Current Ratio in the period 2016-2024 was 0.830189132, with the smallest figure in 2018 at 0.170195798 and the largest in 2016 at 1.792192237. The comparison between current assets and current liabilities shows that every Rp 1 of of current current liabilities is only guaranteed by 0.83 assets. Figure This is lower than the ideal (>2) standard, indicating that the company still has limitations in fulfilling its short-term responsibilities for liabilities. Therefore, improvements in financial management are needed so that the company can provide superior cash and pay off its current dependents more optimally.

The average debt-to-equity ratio during 2016-2024 is 1.390447644, with the highest value in 2020 at 2.277453906 and the lowest in 2024 at 0.911537326. figure This indicates that the company has a debt of 1.40 times its capital total, which means that financing depends more on debt than equity. Since the DER value exceeds 0.5, this condition explains that the thatcompany is categorized as less solvable. Although this ratio is not too far from the standard book, the company is still considered unable to fully fulfill its obligations to creditors based on its total equity.

The average Return on Assets during the 2016-2024 period was 0.036556059, with the largest value in 2019 at 1.161237955 and the smallest in 2023 at 0.005611119 value. This indicates that the company is not maximizing the utilization of its assets to generate profits effectively because the ideal standard is more than 0.2. The ROA low indicates that the business property has not been taken care of optimally or that there are assets that are less productive. Therefore, the company needs to increase the effectiveness of asset utilization in order to generate higher

profits and improve overall financial performance.

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