Analysis of Company Characteristics on Financial Performance through Efficiency Ratio in Food & Beverage Companies on the Indonesia Stock Exchange

Nevia Fitriyani, Tri Kartika Pertiwi and Dhani Ichsanuddin Nur
Master of Management Study Program at the East Java "Veteran" National Development University

Abstract: The purpose of this study was to analyze and determine the effect of asset structure on profitability, to analyze and determine the effect of leverage on profitability, to analyze and determine the effect of asset structure on profitability through efficiency ratios and to analyze and determine the effect of leverage on profitability through efficiency ratios.

The population used in this study are Food & Beverage companies listed on the Indonesia Stock Exchange in 2017-2021, totaling 43 companies. Based on predetermined criteria, a sample of 20 Food & Beverage companies for the 2017-2021 period (appendix II) was obtained. So that this study has a limited number of samples, the authors added the panel data procedure shown based on 20 companies and 5 periods (20 x 5) and obtained a total of 100 observation data. The test used in this study is path analysis.

Based on the research that has been done, it can be concluded: Asset structure contributes to the profitability of Food & Beverage companies listed on the Indonesia Stock Exchange. Leverage contributes to the profitability of Food & Beverage companies listed on the Indonesia Stock Exchange. Efficiency ratios are capable of mediating the indirect effect of asset structure on the profitability of Food & Beverage companies listed on the Indonesia Stock Exchange. The efficiency ratio is capable of mediating the indirect effect of leverage on the profitability of Food & Beverage companies listed on the Indonesia Stock Exchange.

Keywords: asset structure, leverage, profitability and efficiency ratios

1. Introduction

The Food & Beverage industry sector is one of the business sectors that continues to experience growth, in line with the increasing growth in Indonesia's population. Growth in the industrial sector can be shown by the growth in the number of food and beverage companies in Indonesia. Food and beverage companies are a sector that is in great demand by investors because this sector is able to withstand unstable economic conditions. The more companies in the Food & Beverage sector are expected to be able to meet human needs.

Food & Beverage companies are very important because these companies meet people 's needs in supplying food and drinks in everyday life . Food and Beverage companies were chosen by the authors because they have an important role in meeting consumer needs. The need for food and drink will not run out because it is a basic need for the community, so food and beverage companies will be considered to continue to survive .

The Indonesian economy is currently causing fierce competition in various industrial fields. Therefore, this competitive business competition requires business actors to improve their performance in order to maintain the viability of the company and achieve company goals, namely maximizing company value or maximizing shareholder prosperity. The company's success in achieving its goals can be seen from the company's growth and performance which can also be used as a basis for making decisions for company owners or shareholders.

The company's financial performance is a reflection of how well the company's management refers to the financial statements that have been published for a certain period which is usually measured from the aspects of capital adequacy, liquidity and profitability (Jumingan, 2017). To evaluate a company's financial performance can be done by perform financial ratio analysis. This financial ratio analysis allows management to identify the success of a company in carrying out its operational activities. Financial performance can provide a relative picture of the company's financial condition and achievements, it can also be simply referred to as a comparison with the hope that later answers will be found which will then be used as study material for analysis and decision.

In order to know the development of a company, a financial manager must be able to analyze the financial condition of a company. The analysis is carried out on the financial statements issued by the company, namely balance sheets, income statements and other financial reports. The measurement tool that can be used is by using several ratios, namely Liquidity Ratios, Leverage/solvability Ratios, Activity Ratios, Profitability Ratios and Valuation Ratios.

The importance of the company's financial performance according to Munawir (2016) is as follows: 1) To determine the level of liquidity, namely the company's ability to obtain its financial obligations that must be

fulfilled immediately or the company's ability to meet its finances when billed. 2) To determine the level of solvency, namely the company's ability to fulfill its financial obligations if the company is liquidated both short term and long term financial obligations. 3) To determine the level of profitability or profitability, which shows the company's ability to generate profits during a certain period. 4) To determine the level of business stability, namely the company's ability to carry out its business stably, which is measured by considering the company's ability to pay interest on its debts including repaying the principal of the debt on time and the ability to pay dividends regularly to shareholders without experiencing financial difficulties or crises.

Financial performance can be demonstrated by achieving company profitability. Company profitability is a measure of the company's financial performance in generating profits for the company from investments made by the company. An indicator of a company's performance is profit, because the main objective of the operational activities carried out by the company is to maximize profits. According to Brigham and Huston (2018) one of the Profitability Ratios that can be used to measure the profit earned by the company is *Return on Equity* (ROE). Because *Return on Equity* (ROE) has a positive relationship with profit (Khoirah, 2019).

According to Kasmir (2019) Return *On Equity* (ROE) or return on equity is a ratio for measuring net profit after tax with own capital. The higher Return On Equity indicates the more efficient the company is in managing its own capital to generate profits or net income (Jumi n gan , 2017) .

ROE for Food & Beverage companies in 2017 was 18.57 % , down 1.67 % to 16.90 % in 2018. From 2018 to 2019 it had increased by 2.12 % to 19.02 %. In 2020 it decreased quite drastically by 6.72 % so that the average ROE was 12.30 %. Then it will rise again in 2021 by 4.03 % so that the average ROE is 16.33 %. From the explanation above, it can be seen that the average ROE of Food & Beverage companies has increased and decreased (fluctuated) every year. This fact is different from the purpose of the company being founded which is to maximize profits/profits every year.

From this phenomenon, researchers want to know which company characteristics can affect the financial performance of Food & Beverage companies listed on the Indonesia Stock Exchange in the 2017-2021 period. Company characteristics are a characteristic or characteristic inherent in an usana which can be seen from several aspects, between types of business or industry, ownership structure, level of liquidity, level of profitability, company size (Lestari & Srimindarti , 2022).

Characteristics of the first selected company, namely the variable asset structure. The asset structure was chosen because it relates to the fixed assets owned by the company to be used as collateral when the company issues debt. Food & Beverage companies have a relatively small asset structure below 0.50%, meaning that the company's capital in the form of fixed assets is of little value compared to its total assets. In contrast to the theory put forward by Lukas Atmaja (2012) that manufacturing companies tend to have high fixed assets because many of their assets are in the form of machinery, land and buildings. Because of this difference, the authors chose asset structure as the first variable to be studied.

Munawir (201 6) asset structure is the proportion of the company's investment in the form of fixed assets . The composition of the company's tangible fixed assets which are large in number will have the opportunity to obtain additional capital with debt, because fixed assets can be used as collateral to obtain debt (Sitanggang, 2014) . Brigham and Houston (2018) state that in general companies that have collateral for debt will find it easier to get debt than companies that do not have collateral. Investors will trust companies that have collateral for large amounts of debt because if the company goes bankrupt, the fixed assets available can be used to pay off the company's debts.

The higher the asset structure of a company shows the higher the company's ability to be able to guarantee long-term debt borrowed (Coal, et al.. 201 7). This means that companies that have a large asset structure will easily increase their profitability because they will not experience funding difficulties to finance their operational activities. According to Handayani and Zulyanti's research (2022) Asset structure affects the Profit Performance (ROE) variable of the airline PT Garuda Indonesia. Meanwhile, according to research Mudjijah and Hikmanto (2018) show that asset structure does not directly affect the profitability of companies in the plantation sub-sector for the 2013-2017 period.

Asset structure is one of the important variables in determining funding decisions. The use of assets in the company either in nominal form or as a percentage must be balanced according to the allocation of funding. To find out the level of asset turnover, the source of the inflow of assets that have been embedded in investments originating from the company's operational activities, uses the Total Asset TurnOver ratio. Total Asset TurnOver is a ratio that measures the effectiveness of using all assets in generating sales, and the greater this ratio means the more effective management of all assets owned by the company (Sudana, 2019) . According to research by Nurdin, et al. (2018) the independent variable asset structure has an effect on the efficiency ratio of PT. Garuda Indonesia.

The second variable chosen for further research is leverage because a Food & Beverage company is one of the companies that applies leverage in its operational activities. In Food & Beverage companies, the average

International Journal of Latest Research in Humanities and Social Science (IJLRHSS)
Volume 06 - Issue 01, 2023
www.ijlrhss.com || PP. 194-208

leverage value is quite small, below 50%, meaning that the amount of assets financed by debt is relatively small.

leverage ratio can measure the capital structure of a company, one of which uses the *Debt to Asset Ratio* (Subramanyam and Wild, 2017) . *Debt to Asset Ratio* (DAR) is a ratio used as a parameter between total debt and total assets (Kasmir, 2019). This means that the Debt to Asset Ratio shows the magnitude of the total cost of assets whose financing comes from debt . The greater the Debt to Asset Ratio , the greater the portion of the use of debt in financing investment in assets , which also means that the company's financial risk increases and vice versa (Sudana , 2019) .

The higher the Debt to Asset Ratio, the more debt a company has, so that the interest expense that must be paid is greater. If the interest expense is large, it will reduce net income so that it can reduce profitability, vice versa. If the Debt To Asset Ratio is low, then the interest expense that must be met is also low so that it can increase net income and increase profitability. According to the research of Febriana and Budhiarjo (2021) the Debt to Asset Ratio (DAR) has a significant negative effect on the Return on Equity (ROE) of PT. Sampoerna Agro Tbk . Whereas in the research of Septiyani, et al. (2020) the *Debt to Equity Ratio* (DAR) variable partially has a non-significant negative effect on *Return on Equity Ratio* (ROE) in property and real estate companies in 2013-2017 .

The Debt to Assets Ratio (DAR) is a debt ratio that is used to measure how much a company's assets are financed by debt or how much the company's debt affects asset management (Kasmir, 2019) . According to Kasmir (2019), Total Assets Turn Over (TATO) is a ratio that describes asset turnover as measured by sales volume. According to Brigham and Houston (2001) a company is considered risky if it has a large portion of debt in its capital structure, but conversely if a company uses little or no debt then the company is considered unable to take advantage of additional external capital that can improve the company's operations. This means that the company's debt is used to improve the company's operations. If the company's operations run smoothly, sales will increase. The higher the sales achieved, the greater the *Total Assets Turn Over* . Thus, the higher the Debt to Assets Ratio , the higher the *Total Assets Turn Over value* because the company uses debt as a funding solution for both the company's operations and the company's basic capital needs. According to Handayani and Zulyanti's research (2022) the leverage-free variable has no effect on the dependent variable on the efficiency ratio of PT Garuda Indonesia which is listed on the IDX.

From the explanation above, it can be seen that there is a research gap , which is a state of research gap that comes from differences in the results of previous studies which will become a gap for further research. Therefore the researcher adds one intervening variable which can weaken and strengthen the relationship between variables . Sugiyono (2019) said that an intervening variable is a variable that influences the relationship between the independent (independent) variable and related (dependent) variables to an indirect relationship . The intervening variable used is the efficiency ratio.

The efficiency ratio is the ratio used to measure the efficiency of a company in using its assets (Nasution, et al. 2018). The efficiency ratio can be calculated using *Total Assets Turn Over* . Total Asset Turnover is the ratio used to measure the turnover of all assets owned by the company, then it also measures the amount of sales obtained from each rupiah of assets (Kasmir, 2019).

According to Sudana (2019) the higher the *Total Assets Turn Over* , the more effective the management of all assets owned by the company. That is, the greater this ratio, the better. Assets can turn around faster for profit and show more efficient use of all assets in generating sales, so that it can be said that the profit generated is also high and thus the financial performance is getting better. According to Siregar and Harahap's research (2021) Total Asset Turnover has a significant effect on the Return on Equity of retail trade sector companies listed on the Indonesia Stock Exchange for the 2015-2019 period. Meanwhile, according to research by Angelina, et al. (2020) Total Asset Turnover (TATO) has no effect and is not significant on the Profitability (ROE) of Food & Beverages Companies listed on the Indonesia Stock Exchange (IDX) for the 2012-2017 period.

2. Literature Review

Funding Theory

Husnan (2015) explains the company's funding decisions regarding decisions about the form and composition of the funding that will be used by the company. In general, funds can be obtained from within the company (*Internal Financing*) or from outside the company (*External Financing*). Internal funding can be obtained from sources of retained earnings and depreciation, while external funding can be obtained from creditors or what is known as debt from owners, participants or participants in the company. Funding decisions can be interpreted as decisions concerning the company's financial structure *(Financial Structure)*. The company's financial structure is a composition of funding decisions that include short-term debt, long-term debt and equity. One theory of debt financing is:

Signaling Theory
This theory was developed by Ross in 1979. Ross suggested that companies with large leverage could be used by managers as an optimistic signal about the company's future. This signaling theory emerged because of the problem of information asymmetry (a situation where managers know more about the company's operations and future prospects than outside investors). In other words, a company that gets credit gives a positive signal that the company is trusted by the bank, so debt will increase the company's profitability.

Signaling theory explains that companies that increase debt can be seen as companies that are confident about the company's prospects in the future. An increase in debt can also be interpreted by outsiders about the company's ability to pay its obligations in the future or low business risk, so that additional debt will give a positive signal (Brigham and Houston, 2018). Companies with favorable prospects will give a positive signal to investors by showing that these companies tend to avoid selling shares and will seek other ways to obtain the required new capital by using more debt.

Trade Off Theory
The trade off theory was first introduced in 1963 by Modigliani and Miller, this theory explains that how much debt a company has and how much equity the company has, so that there is a balance between costs and profits. *The trade off theory* assumes that there are tax benefits due to the use of debt, so companies will use debt to a certain level to maximize firm value. The essence of *Trade Off Theory* in capital structure is to balance the benefits and sacrifices that arise as a result of using debt. As long as the benefits are greater, additional debt is still permitted. If the sacrifice due to the use of debt is greater, then additional debt is not allowed.

Trade off theory also explains that the optimal capital structure is based on a balance between the benefits and costs of financing with a loan. The biggest benefit of a financing with a loan is the tax reduction obtained on loan interest, which can reduce the amount of taxable income in calculating. Thus, there is a strong comparison for companies to determine their funding either through shares or debt. If the company chooses financing through shares, on the one hand, the cost of financial pressure increases due to the payment of dividends paid after tax

Pecking Order Theory
The explanation *of the Pecking Order Theory* Myers and Majluf (1984) above is followed by the presence of information asymmetry, where management has more information than investors. (Husnan, 2015) explains in the Pecking Order Theory that profitable companies generally borrow in small amounts. This is not because these companies have a low target debt ratio, but because they require little external financing. The pecking order theory is often also called the predator order theory which is an alternative to the trade off theory. Companies prefer internal financing because by issuing securities to obtain sources of funds, and it would make sense for companies to avoid it. If a company has very high profits, it is possible not to use external financing assistance, so it only has little or no debt.

Company Characteristics
The characteristics of the company are the characteristics or characteristics that are inherent in a business which can be seen from several aspects, including the type of business or industry, ownership structure, level of liquidity, level of profitability, and size of the company. So in conclusion, the characteristics of the company are classified into three groups, namely the company structure which consists of variables of firm size and leverage. The company's performance is reflected in profitability and liquidity. And the market for companies that are go public or non-public companies.

Asset Structure
According to (Weston, 2015) in Handayani and Zulyanti's research (2022) asset structure is the ratio between fixed assets and total assets. In order for the company to have a good asset structure, the method is to reassess the fixed assets owned by the company so that it is not a high risk for the company in facing the problem of depreciation of its assets. The meaning of assets (assets) is all the resources and assets owned by the company are used for the company's operations. A company generally has two types of assets, namely current assets and fixed assets. The two elements of these assets will form an asset structure. According to Kasmir (2019), asset structure is the assets or wealth owned by the company, both at a certain time and for a certain period. According to Subramanyam and Wild (2017) define assets as assets, assets are resources controlled by a company with the aim of making a profit. According to Brigham and Huston (2018) the formula for knowing the ratio of Asset Structure is:

$$StrukturAktiva = \frac{Aktiva\ Tetap}{Total\ Aktiva} x\ 100\% = ... \%$$

From some of the definitions above, it can be concluded that asset structure is wealth or assets owned by a company for a certain period, either from its own capital or foreign capital, which will be the company's guarantee if the company cannot pay its obligations to creditors. Asset structure is a comparison between fixed assets and total assets that can determine the allocation of funds for each component.

Leverage Ratio

The leverage ratio is the ratio used to measure the extent to which a company's assets are financed with debt. This means how much the debt burden borne by the company compared to its assets. In a broad sense it is said that the solvency ratio is used to measure a company's ability to pay all of its obligations, both short term and long term if the company is liquidated (Kasmir, 2019). According to Kasmir (2019), the *Debt to Asset Ratio* (DAR) is a debt ratio to measure the ratio 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. The *Debt to Asset Ratio* (DAR) shows the proportion between debt owned and all assets (Siregar, 2021). *Debt to Asset Ratio* (DAR) will affect asset management. A high DAR value can also indicate a high risk because there are concerns that the company will not be able to cover its total debt with its assets so that it will be increasingly difficult to obtain additional loans (Kasmir 2019). According to Hery (2018) the *Debt to Asset Ratio* (DAR) is calculated using the following formula:

$$Debt\,to\,asset\,ratio = \frac{Total\ Debt}{Total\ asset} X\ 100\% = ...\%$$

From the explanation above, it can be concluded that the extent to which the company's assets are financed by debt can be described through the use of debt turnover ratios (*solvability* or *leverage*) using ratios to calculate the presentation of the amount of funds originating from debt, both short term and long term (*debt ratio*).

Activity Ratio

According to Hornedalam Handayani (2022) activity ratios are the ratios used to measure how effectively the company's funds are used. Where this ratio measures how effective the company is in utilizing all the resources it has. All activity ratios involve a comparison between the level of sales and investment in various types of assets. In the activity ratios assume there should be a proper balance between sales and various elements of assets. Included in the activity ratio are as follows (Elaga, et al. 2018):
1) *Total Asset Turn Over* (Asset Turnover)
2) *Working Capital Turnover* (Working Capital Turnover Ratio)
3) *Fixed Assets Turnover* (Fixed Assets Turnover Ratio)
4) *Inventory Turnover* (Inventory Turnover Ratio),
5) Average Age of Receivables
6) Receivable Turnover

Efficiency Ratio (Total Asset Turnover)

Turnover of total assets (*Total Asset Turnover*) shows how the effectiveness of the company's overall use of assets to create sales and earn profits. This turnover rate is also determined by the turnover of the asset elements themselves (Sartono, 2014). Total asset turnover is the ratio used to measure the turnover of all assets owned by the company and measures the amount of sales obtained from each rupiah of assets (Kasmir, 2019).

According to Prastowo (2014) *Total Assets Turnover* is also known as total asset turnover. This ratio looks at the extent to which the overall assets owned by the company rotate effectively. According to Kasmir (2019) *Total Asset Turnover* is useful for estimating the company's results and sales of the company's asset value. So this asset turnover ratio is used for how efficiently a company uses its assets to generate sales, this means that the higher the *Total Asset Turnover* ratio means the better, because the effectiveness of using assets in generating sales, so that it can be said that the profit generated is also high and thus financial performance getting better (Siregar & Harahap, 2021). *Total Asset Turnover* is measured by the following formula (Brigham and Huston, 2018):

$$Total\ Assets\ Turnover = \frac{Penjualan\ Bersih}{Total\ Aktiv} = ...\ X$$

From the explanation above, it can be concluded that *Total Asset Turnover* is a comparison between sales and total assets of a company where this ratio describes the speed of turnover of total assets in a certain period. *Total assets turnover* is important for creditors and company owners, but it will be even more important for company management, because this will show whether or not the efficient use of all assets in the company.

Profitability Ratio

According to Kasmir (2019) *Return On Equity* is the return on equity which is a ratio for measuring net profit after tax with own capital. According to (Kasmir, 2019) states that *Return On Equity* (ROE) is a ratio for measuring net profit after tax with own capital. The higher this ratio, the better. According to Wardiyah (2017) *Return On Equity* is a ratio to measure the ability of equity to generate net income. According to Harahap (2018) Return on equity is the ratio used to show what percentage of net profit is obtained when measured from the owner's capital. According to Hanafi (2016) *Return on Equity* (ROE) measures a company's ability to generate net profit, based on a certain level of equity. ROE is calculated by the formula (Kasmir, 2019):

$$ROE = \frac{laba\ bersih\ setelah\ pajak}{total\ equity} \times 100\% = \dots\dots\dots \%$$

So it can be concluded that *Return On Equity* is the company's ability to return the expected return. Where the results of the calculation of ROE (*Return On Equity*) are close to 100% can show more effective and efficient use of company equity to generate income, and vice versa if ROE (*Return On Equity*) is close to 0% it means the company is not able to manage the available capital efficiently to generate income . Like financial ratios in general, ROE (*Return On Equity*) does not consider the elements of risk and the amount of capital invested because ROE only looks at the profit side and the number of outstanding shares.

3. Methodology

Design of this research is quantitative research by testing the hypothesis. The data used is secondary data by looking at the annual reports of Food & Beverage companies listed on the Indonesia Stock Exchange. The research data was obtained from the company's Annual Report or accessing www.idx.co.id during the period 2017 to 2021.

Population and Sample

According to Sugiyono (2019) population is a generalized area consisting of objects/subjects that have certain qualities and characteristics set by researchers to study and then draw conclusions. The population used in this study are Food & Beverage companies listed on the Indonesia Stock Exchange in 2017-2021, totaling 43 companies .

According to Sugiyono (2019) the sample is part of the number and characteristics possessed by the population. The sample was selected using purposive sampling method. This method was chosen to obtain a representative (representative) sample based on the considerations used to suit the research objectives. In this study, the considerations used were:

a. Food & Beverage companies that have been and are still listed on the Indonesia Stock Exchange as issuers during the 2017-2021 period.
b. Food & Beverage company which has published annual financial reports since December 31 for the 2017-2021 period.
c. Food & Beverage companies that make profits/profits in the 2017-2021 period.

Based on predetermined criteria, a sample of 20 Food & Beverage companies for the 2017-2021 period (appendix II) was obtained . So that this study has a limited number of samples, so the authors added the panel data procedure shown on the basis of 2 0 companies and 5 periods (2 0 x 5) and obtained a total of 1 00 observation data.

Coefficient of Determination

Effect of Error as follows:

$\rho ei = \sqrt{1 - Ri^2}$

Where :

ρei = Error value
Ri^2 = Coefficient of Determination

Thus the error value results for each path equation are:

$\rho e1 = \sqrt{1 - Ri^2} = \sqrt{1 - 0.024} = 0.988$
$\rho e2 = \sqrt{1 - Ri^2} = \sqrt{1 - 0.296} = 0.839$

Total Coefficient of Determination (Rm) = 1- $(\rho e1)^2 (\rho e2)^2$ = 1 – $(0.988)^2 (0.839)^2$ = 0.313. That is, the probability is influenced by the independent variables, namely Asset Structure, Leverage and Efficiency by 31.30 percent while the remaining 68.70 percent is influenced by variables other than the three independent variables in the model.

Path Analysis Test (Path Analysis)

According to Ghozali (2018) path analysis is an extended model of multiple linear regression analysis to measure the relationship between variables that have been previously determined. This path analysis is used to determine the direct and indirect effects between the independent and dependent variables.

Application of the model used in this study:
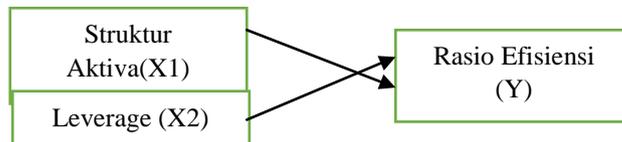
1) Substructure 1 Path Diagram

Figure 1 Substructure 1 Path Diagram

The model in Figure 1 can be expressed in the form of equations so as to form a system of equations. This system of equations can be called a system of simultaneous equations or it is also called the path equation which is written as follows:

$$Y = \rho_{Y,X1}X1 + \rho_{Y,X2}x2 + \rho_Y \epsilon 1$$

Information:

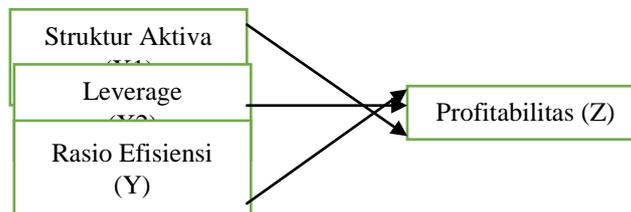|	
Y	= Efficiency Ratio
$\rho_{Y,X1}$	= Path Coefficient X1 To Y
X1	= Asset Structure
$\rho_{Y,X2}$	= Path Coefficient X2 To Y
X2	= leverage
$\rho_Y \epsilon 1$	= Standard Path Coefficient of Error Z

2) Substructure 2 Path Diagram

Figure 2 Substructure 2 Path Diagram

The model in Figure 2 can allegedly be expressed in the form of the following path equation:

$$Z = \rho_{Z,X1}x1 + \rho_{z,x2}x2 + \rho_{Z,y}z + \rho_z \epsilon$$

Information :

Z = Profitability	
$\rho_{Z,X1}$	= Path Coefficient X1 To Z
X1	= Asset Structure
$\rho_{Z,X2}$	= Path Coefficient X2 To Z
X2	= leverage
$\rho_{Z,y}z$	= Path Coefficient Y To Z
Y	= Efficiency Ratio
$\rho_Z \epsilon$	= Standard Path Coefficient of Error Z

Based on the equation formed, it will be known whether the independent variable (independent), the intervening (mediation) variable has a significant influence or not on the company's profitability, so it can be concluded whether the research hypothesis is accepted or rejected.

4. Results And Discussion

Path Analysis _

Path analysis or path analysis is an extension of multiple linear regression, or path analysis is the use of multiple linear regression analysis to estimate the effect of quality between variables (casual model) that has been previously defined before the theory. Multiple linear regression analysis is used to see the effect of the independent variables on the dependent variable. The results of multiple regression analysis using the SPSS program are as follows:

Test the hypothesis of the Structure of the Regression Equation I
Multiple Regression Analysis Structure of Regression Equation I

Multiple linear regression analysis is used to determine the direction and how much influence the independent variables have on the dependent variable. The results of the multiple linear regression analysis of the Structure of the Regression Equation I will test how much influence the asset structure (x1) and leverage (x2) have on the efficiency ratio (Y).

Table 1 Multiple Regression Results Structure of the Regression Equation I

Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.369	.163		8.373	.000		
	Struk Aktiva	-.458	.357	-.143	-1.280	.204	.848	1.179
	Leverage	-.082	.399	-.023	-.206	.837	.848	1.179

a. Dependent Variable: Efisiensi

Source: processed data

Path Equation :

$$\text{Y }_{\text{Efficiency}} = -0.143 \text{ Z }_{\text{Asset Structure}} - 0.023 \text{ Z }_{\text{Leverage}}$$

The interpretation of the multiple linear regression equation above is as follows:
   a. The asset structure has a regression coefficient of -0.143 with a negative value. The negative regression coefficient value indicates that for every increase in asset structure by 1, efficiency will decrease by 0.143 assuming the other variables are constant.
   b. Leverage has a regression coefficient of -0.023 with a negative value. The negative regression coefficient value indicates that for every increase in leverage by 1, efficiency will decrease by 0.023 assuming the other variables are constant.

Multiple Regression Analysis Structure of Regression Equation II

Multiple linear regression analysis is used to determine the direction and how much influence the independent variables have on the dependent variable. The results of multiple linear regression analysis will test how much influence the asset structure (x1), leverage (X2) and efficiency ratio (Y) have on profitability (Z).

Table 2 Results of Multiple Regression Structure of the Regression Equation II

Coefficientsᵃ

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	16.883	2.785		6.063	.000		
	Struk Aktiva	-3.813	1.350	-.092	-2.824	.012	.833	1.200
	Leverage	-7.456	2.157	-.162	-3.457	.001	.848	1.180
	Efisiensi	.338	.150	.026	2.253	.023	.976	1.024

a. Dependent Variable: Probabilitas

Source: processed data

Path Equation :
$$\text{Z }_{\text{Profitability}} = -0.092 \text{ Z }_{\text{Asset Structure}} - 0.162 \text{ Z }_{\text{Leverage}} + 0.026 \text{ Z }_{\text{Efficiency}}$$

The interpretation of the multiple linear regression equation above is as follows:
   a. The asset structure coefficient value is -0.092 with a negative value. This indicates that for every increase in asset structure by 1 time, profitability will decrease by 0.092 assuming the other variables are constant.
   b. The leverage coefficient value is -0.162 with a negative value. This indicates that for every increase in leverage by 1 time, profitability will decrease by 0.162 assuming the other variables are constant.
   c. The efficiency coefficient value is 0.026 with a positive value. This indicates that for every increase in efficiency by 1 time, profitability will increase by 0.026 assuming the other variables are constant

Model Fit Test
      The F test is used to see the effect of the independent variable on the dependent variable simultaneously, where if the calculated F value is greater than the F table then the model used is fit or good. The calculated F value can be seen in the regression results and the table F value is obtained through sig. $\alpha = 0.05$.

1) The results of the F test Structure of the Regression Equation I

Table 3 F test results Regression Equation Structure I

ANOVAᵃ

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.675	2	.337	1.113	.333ᵇ
	Residual	27.896	92	.303		
	Total	28.571	94			

a. Dependent Variable: Efisiensi
b. Predictors: (Constant), Leverage, Struk Aktiva

Source: processed data

      Based on the results of testing with the F test, it shows that the significance value (Sig) = 0.333 is greater than 0.05 which means significant, this can be concluded if the use of the regression model in this study is not appropriate.

2) Result of F test Structure of Regression Equation I I
Table 4. The results of the F-test Structure of the Regression Equation II

ANOVAᵃ

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1413.373	3	471.124	1.544	.013ᵇ
	Residual	3361.537	91	36.940		
	Total	4774.910	94			

a. Dependent Variable: Probabilitas
b. Predictors: (Constant), Efisiensi, Leverage, Struk Aktiva
Source: processed data

      Based on the results of the test with the F test, it shows that the significance value (Sig) = 0.013 is less than 0.05 which means significant, this can be concluded if the use of the regression model in this study is appropriate.

Hypothesis testing
      The t test is used to prove a significant influence between the independent variables on the dependent variable partially, where if the calculated t value is greater than t table it indicates that the proposed hypothesis is accepted. The calculated t value can be seen in the regression results and the t table value is obtained through sig. $\alpha = 0.05$.

1) Test the hypothesis of the Structure of the Regression Equation I
   A. Asset structure has a non-significant effect on efficiency, with a path coefficient = -0.457 where the value of Sig. 0.204 is greater than the value of 0.05 (5%).
         Based on the results of hypothesis testing, it can be concluded that when a high asset structure is not necessarily followed by an increase in company efficiency or it can actually reduce company efficiency, and vice versa. When the asset structure is low it is not necessarily followed by a decrease in company efficiency or it can actually increase company efficiency.

B. Leverage has a non-significant effect on efficiency, with a path coefficient = -0.082 where the value of Sig. 0.837 is greater than the value of 0.05 (5%).

Based on the results of hypothesis testing, it can be concluded that when high leverage is not necessarily followed by an increase in company efficiency or it can actually reduce company efficiency, and vice versa. When leverage is low it is not necessarily followed by a decrease in company efficiency or it can actually increase company efficiency.

2) Test the Regression Equation Structure II hypothesis

A. Asset Structure has a Significant Negative Effect on Probability, with a path coefficient = -3.813 where the value of Sig. 0.012 is smaller than the value of 0.05 (5%).

Based on the first hypothesis proposed by the researcher, it shows that the asset structure variable has a significant positive effect on profitability. The results of the Sig. value hypothesis test . 0.012 is less than the value of 0.05 (5%) indicating that asset structure has a significant effect on company profitability and the path coefficient value which is negative indicates that the asset structure variable has a negative effect on company profitability, so the first hypothesis of this study is declared an **accepted** but different **hypothesis** with theory . Based on the results of this study it can be concluded that the higher the asset structure, the lower the profitability of the company.

B. Leverage has a significant negative effect on probability with a path coefficient = -7.456 where the value of Sig. 0.001 is smaller than the value of 0.05 (5%)

second hypothesis proposed by the researcher, it shows that the leverage variable has a significant negative effect on profitability. The results of the Sig. value hypothesis test. 0.001 is less than the value of 0.05 (5%) indicating that leverage has a significant effect on company profitability and the value of the path coefficient which is negative indicates that the leverage variable has a negative effect on company profitability, so the second hypothesis of this study is stated as an **accepted hypothesis.** Based on the results of this study it can be concluded that the higher the leverage, the profitability of the company will decrease.

C. Efficiency significant positive effect on probability with a path coefficient = 0.338 where the value of Sig. 0.023 is less than the value of 0.05 (5%)

Based on the results of the hypothesis testing, it can be concluded that the path coefficient with a positive value indicates that the higher the efficiency, the higher the profitability of the company, and vice versa.

D. Asset structure * efficiency (Intervening- 1) has a significant effect on probability with a path coefficient = -0.154 where the value of Sig. 0.004 is smaller than the value of 0.05 (5%) .

Based on the third hypothesis proposed by the researcher, it shows that the asset structure variable influences the company's profitability through efficiency ratios. The results of the Sig. value hypothesis test. 0.004 is less than the value of 0.05 (5%) indicating that the asset structure has a significant effect on company profitability through efficiency ratios . The efficiency ratio is able to increase the effect of asset structure on profitability, as can be seen from the coefficient of asset structure on profitability which is directly at -3.813 , but after getting intervention from the efficiency ratio the coefficient value rises to -0.154. So, the third hypothesis of this study was declared **the hypothesis accepted.** Based on the results of this study it can be concluded that the efficiency variable is able to intervene in the influence of asset structure on company profitability.

E. Leverage * efficiency (intervening-2) has a significant effect on probability with a path coefficient = -0.027 where the value of Sig. 0.019 is smaller than the value of 0.05 (5%) .

Based on the fourth hypothesis proposed by the researcher, it shows that the leverage variable affects the company's profitability through the efficiency ratio. The results of the Sig. value hypothesis test. 0.019 is less than the value of 0.05 (5%) indicating that leverage has a significant effect on company profitability through efficiency ratios . The efficiency ratio is able to increase the influence of leverage on profitability, as seen from the coefficient of leverage on profitability which is -7.456 directly , but after getting intervention from the efficiency ratio the coefficient value rises to -0.027. So, the fourth hypothesis of this study is declared **the hypothesis accepted.** Based on the results of this study it can be concluded that the efficiency variable is able to intervene in the influence of leverage on company profitability.

Discussion

Effect of Asset Structure on Profitability

Based on the results of hypothesis testing, it can be explained that asset structure has a significant negative effect on the profitability of food & beverage companies on the Indonesia Stock Exchange. The results of the study prove that if the asset structure of a company is getting bigger, it will have an impact on decreasing the company's profitability, and vice versa, the smaller the asset structure of a company, the higher the profitability value of the company itself. Of the several Food & Beverage companies studied, there were those with low asset structure values, however, the company's profitability tended to fluctuate. Vice versa, there are those who have a high asset structure value, but the company's profitability tends to fluctuate every year. So this research can prove that asset structure has a negative effect on Food & Beverage companies listed on the Indonesian Stock Exchange.Asset structure is a determination of how much the allocation of funds for each component of assets, both in current assets and fixed assets. The higher the asset structure of a company, the higher the fixed assets owned, meaning that it shows the higher the company's ability to be able to guarantee long-term debt borrowed. Fixed assets are the amount of money invested by the company in the form of buildings, land, machinery and equipment. Fixed assets are the company's long-term investments that are utilized in operational activities. Long-term investment funding can be obtained from own capital (internal) and loan capital (external).

In accordance with *the trade-off theory* , it explains that there is a relationship between bankruptcy risk and the use of debt caused by the company's funding decisions. Or in essence this theory in funding is to balance the benefits and sacrifices arising from the use of debt. If the benefits are greater then the additional debt is still permitted, but if there are more sacrifices due to the use of debt then the debt is not allowed. The results of this study are also in accordance with the theory put forward by Brigham and Houston (2018) which states that if a company has too many fixed assets, the interest expense will be too high and the profit will be very low.

The results of this study are in line with the results of research conducted by Ramadhani (2022), the results of the study show that asset structure has a significant negative effect on company profitability (ROE).

Effect of Leverage on Profitability

Based on the results of hypothesis testing, it can be explained that leverage has a significant negative effect on the profitability of food & beverage companies on the Indonesia Stock Exchange. This means that if leverage increases it will cause a decrease in profitability. And vice versa if the leverage decreases, the company's profitability will increase. Of the several Food & Beverage companies studied, leverage has fluctuating trends as well as its profitability. When the leverage value fluctuates, some of the profitability increases and some decreases, and vice versa if the profitability fluctuates, the leverage value either increases or decreases. But not all companies are like that, there are several companies which show that when leverage increases, the value of profitability actually decreases, or vice versa when leverage decreases, the value of profitability actually increases. So it can be concluded that leverage has a negative effect on profitability. The use of debt in the company's funding activities can have a negative impact if the proportion of leverage is not considered by the company. A high level of leverage will have a high risk which is indicated by a greater cost of debt. The increased risk in question is the possibility of default because the company is too lots of funding assets for operational activities from debt. With the risk of default, the costs that must be incurred by the company to overcome this problem are getting bigger.

Likewise, when a company has low leverage, it means that the debt used to finance its assets is small. Company assets can be used for operational activities. When the company's capital used in its operational activities does not use a lot of debt, it will not pose a high risk to the company and will have an impact on increasing the company's profitability. very high use debt in relatively small amounts. The high rate of return allows the company to do most of its funding through internally generated funds. This is in accordance with the *Pecking Order Theory* which states that companies with high profitability tend to prefer internal funding compared to external funding.

The results of this study support the results of research conducted by Febriana & Budiharjo, et all.. (2021). The results showed that leverage had a significant negative effect on company profitability (ROE).

Effect of Asset Structure on Profitability through Efficiency Ratios

Based on the results of hypothesis testing, it can be explained that asset structure has a significant effect on the profitability of Food & Beverage companies through the efficiency ratio as an intervening variable. The efficiency ratio is able to increase the effect of asset structure on profitability, as can be seen from the coefficient of asset structure on profitability which is directly at -3.813 , but after getting intervention from the efficiency ratio the coefficient value rises to -0.154. This indicates that the efficiency ratio variable is capable of mediating the indirect effect of asset structure on the profitability of Food & Beverage companies.Companies

with large asset structures tend to have a relatively lower risk of bankruptcy (insolvency) than companies with lower asset structures. This is because companies that have large amounts of fixed assets can use large amounts of debt because large amounts of fixed assets can be used as collateral for the company. Thus, the greater the structure of assets owned by a company, the higher the amount of funding obtained from outside the company. Assets show the assets used for the company's operational activities. The greater the assets, the greater the operational results generated by the company. This means that the company is able to generate high sales from operational activities. If the assets owned by the company are able to generate high net sales, it means that the company's operational activities are running effectively. The higher the efficiency ratio, the more effective the management of all assets owned by the company to generate net sales. That is, the greater this ratio, the better. Assets can turn around faster for profit and show more efficient use of overall assets in generating net sales. If sales increase, it will increase the company's profitability, and vice versa.

The results of this study are in accordance with the *Signaling theory* , where the use of debt is a signal conveyed by managers to investors. It shows that companies with good performance can provide signals in the form of a high proportion of debt in their capital structure. If the company's capital structure consists of very high debt, then investors can analyze how the condition of a company is, so that investors can make a decision whether to invest in the company or not. Usually, investors who have a tendency to like high returns will choose companies with high risks as well. For this reason, companies that increase debt can be seen as companies that are confident about the company's prospects in the future. Because quite sure, company managers are brave enough to use larger debt. Investors are expected to catch the singal, as a signal that the company has good prospects. Thus debt can be considered a positive signal for the company.

The results of this study support the results of research conducted by Nurdin, et all.. (2021). The results showed that the efficiency ratio is able to mediate the indirect effect of asset structure on company profitability.

The Effect of Leverage on Profitability through Efficiency Ratios

Based on the results of hypothesis testing, it can be explained that leverage has a significant effect on the profitability of Food & Beverage companies through the efficiency ratio as an intervening variable. The efficiency ratio is able to increase the influence of leverage on profitability, as seen from the coefficient of leverage on profitability which is -7.456 directly , but after getting intervention from the efficiency ratio the coefficient value rises to -0.027. This indicates that the efficiency ratio variable is capable of mediating the indirect effect of asset structure on the profitability of Food & Beverage companies.

Leverage is used to measure how much a company's assets are financed by debt. This leverage is one of the important factors that affect profitability because leverage can be used by companies to increase company capital in its operational activities. The greater the leverage, the greater the company's assets. High amounts of assets can magnify the operational results produced by the company. This means that the company is able to generate high sales from operational activities. If the assets owned by the company are able to generate high net sales, the company's operational activities will run effectively. The more effective use of assets in generating net sales can increase profitability, and vice versa.

The results of this study support the results of research conducted by Handayani & Zulyanti (2022) . The results showed that the efficiency ratio is able to mediate the indirect effect of leverage on company profitability.

Conclusions and Recommendations

Conclusion

Based on the research that has been done, it can be concluded:

1) The asset structure contributes to the profitability of a Food & Beverage company listed on the Indonesia Stock Exchange. The portion of fixed assets invested by the company in the long term can be utilized in operational activities to increase the company's profitability.

2) Leverage contributes to the profitability of Food & Beverage companies listed on the Indonesia Stock Exchange. The portion of debt owned by the company can be used in operational activities to increase the company's profitability.

3) Efficiency ratios are capable of mediating the indirect effect of asset structure on the profitability of Food & Beverage companies listed on the Indonesia Stock Exchange. It can be seen from the low asset structure of Food & Beverage companies, it will cause the company's efficiency to be low, so that the company's profitability decreases.

4) The efficiency ratio is capable of mediating the indirect effect of leverage on the profitability of Food & Beverage companies listed on the Indonesia Stock Exchange. It can be seen from the low leverage of Food & Beverage companies, it will cause the company's efficiency to be low, so that the company's profitability decreases.

Recommendation
As for suggestions that can be added for better research, namely:
1) The company is expected to maintain the management of its fixed assets in order to increase profitability.
2) Companies are expected to be able to manage their debt and make the best use of it to increase profitability.
3) The company is expected to be able to manage its fixed assets, which are used to increase efficiency ratios, so that profitability can continue to increase.
4) Companies are expected to be able to manage their debts, which are used to increase efficiency ratios, so that profitability can continue to increase.
5) The next researcher is expected to be able to increase the research period, and other variables that can affect profitability so as to produce better research results.

Refeerence

[1]. Andayani, PN, Siregar, MY, & Tarigan, ED (2020). The Effect of Leverage and Company Growth on Profitability (Roe) in Real Estate Property Companies Registered in Bei (2014 – 2018). *Scientific Journal of Management and Business (Jimbi)* , 48-56.
[2]. Angelina, C., Lim, S., Sharon, Lombogia, JY, & Aruan, DA (2020). The Effect of Current Ratio, Debt To Equity Ratio, Cash Turnover and Total Asset Turnover (Tattoo) on Profitability in Food & Beverages Companies Listed on the Indonesia Stock Exchange. *Accounting Research & Journal Volume 4 Number 1* , 16-27.
[3]. Atmaja, L. (2012). *Financial Management Theory & Practice.* Yogyakarta: Andi.
[4]. Baridwan, Z. (2015). *Accounting Information Systems, Ninth Print.* Yogyakarta: Mr.
[5]. Coal , RA, Topowijono, & Z, ZA (2017). The Influence of Asset Structure, Company Size, and Profitability on Capital Structure (Studies of Food and Beverage Companies Listed on the Indonesian Stock Exchange in 2012-2015). *Journal of Business Administration (Jab)/Vol. 50 No. 4* , 2.
[6]. Brigham, & Houston. (2012). *Fundamentals of Financial Management, Book 1.* Jakarta: Salemba Empat.
[7]. Bustami, E., Tan, S., & Zulkifli. (2019). Impact Of Debt To Asset Ratio (Dar), Debt To Equity Ratio (Der),Capital Structure (Sm) For Return On Equity (Roe) At Pt Textile Product Manufacturing Company Registered On Idx. *Journal Of Business Studies And Management Review (Jbsmr) Vol.2 No.2* , 94-101.
[8]. Elaga, MP, Dandi S, WA, & Agung P, MK (2018). Activity Ratio Analysis To Assess Financial Performance At Pt Hanjaya Mandala Sampoerna Tbk. *Sriwijaya International Journal Of Dynamic Economics And Business* , 1-11.
[9]. Fahmi, I. (2012). *Introduction to Financial Management, First Edition.* Bandung: Alphabet.
[10]. Febriana, H., & Budhiarjo, IS (2021). The Effect of Current Ratio (Cr) and Debt To Asset Ratio (Dar) on Return On Equity Ratio (Roe) at Pt Sampoerna Agro Tbk Period 2010-2020. *Civil Journal: Science, Technology, and Humanities, Vol. 4, No. 2* , 100 - 108.
[11]. Ghozali, I. (2018). *"Application of Multivariate Analysis Using the IBM Spss Program" Ninth Edition.* Semarang: Diponegoro University Publishing Agency.
[12]. Hanafi, Mamduh, M., & Halim, A. (2016). *Analysis of Financial Statements 5th Edition.* Yogyakarta: Upp Stim Ykpn.
[13]. Handayani, S., & Zulyanti, NR (2022). Analysis of Financial Structure and Debt Management on Profit Performance (Study at Pt Garuda Indonesia Registered at BEI). *Journal of Accounting and Tax* , 1-13.
[14]. Hope, SS (2018). *Critical Analysis of Financial Statements* . Jakarta: Raja Grafindo Persada.
[15]. Harjito, D., & Martono. (2014). *Financial management. Second Edition. Econosia Campus of the Faculty of Economics, Islamic University of Indonesia.* Yogyakarta.
[16]. Harry. (2018). *Financial Statement Analysis.* Jakarta: Grasindo.
[17]. Husnan, S., & Pudjiastut, E. (2015). *Fundamentals of Financial Management.* Yogyakarta: Upp Stim Ykpn.
[18]. Jumigan. (2017). *Analysis of financial statements.* Jakarta: Earth Script.
[19]. Cashmere. (2019). *Financial Statement Analysis, First Edition. Twelfth Printing.* Jakarta: Pt Raja Grafindo Persada.
[20]. Khoiriah, N. (2019). The effect of Current Ratio, Debt To Equity Ratio and Total Asset Turnover on Return On Equity has implications for Firm Value (Pbv). 82-93.
[21]. Lestari, A., & Srimindarti, C. (2022). The Effect of Company Characteristics on Profitability in Manufacturing Companies in 2018-2020. *Jimat (Scientific Journal of Accounting Students) Ganesha University of Education Vol : 13 No : 03.*

[22]. Mudjijah, S., & Hikmanto, A. (2018). The Influence of Liquidity, Asset Structure and Sales Growth on Profitability Mediated by Capital Structure in Plantation Sub-Sector Companies Listed on the Indonesia Stock Exchange. *Journal of Economics and Management Vol. 7 No. 2* , 113.

[23]. Muhani, Digdowiseiso, K., & Prameswari, KM (2022). The Effects Of Sales Growth, Current Ratio, Total Asset Turnover, Debt To Asset Ratio, And Debt To Equity Ratio On The Return On Equity In Energy And Mining Companies. *Budapest International Research And Critics Institute-Journal (Birci-Journal) Volume 5, No 1* , 240-1246.

[24]. Mulyadi. (2017). *Accounting Systems, Fourth Edition.* Jakarta: Salemba Empat.

[25]. Munawir, S. (2016). *Analysis of Financial Statements, Second Edition.* Yogyakarta: Liberty.

[26]. Nasution, AE, Putri, LP, & Dungga, S. (2018). The Effect Of Debt To Equity Ratio And Total Asset Turnover On Return On Equity In Automotive Companies And Components In Indonesia. *Advances In Economics, Business And Management Research (Aebmr), Volume 92* , 182-188.

[27]. Nurdin, I., & Hartati, S. (2019). *Social Research Methods.* Surabaya: Media Friends of Scholars.

[28]. Nurdin, M., Hamzah, D., & Amiruddin. (2018). Financial Structure and Debt Management on Profit Performance (Case Study at Pt Garuda Indonesia). 2-15.

[29]. Prastowo, A. (2014). *Qualitative Research Methods in Research Design Perspective.* Yogyakarta: Ar-Ruzz Media.

[30]. Priyanto, S., & Darmawan, A. (2017). Effect of Debt To Asset Ratio (Dar), Debt To Equity Ratio (Der), Long Term Debt To Asset Ratio (Ldar) and Long Term Debt To Equity Ratio(Lder) on Profitability (Roe) in Manufacturing Companies on the Indonesia Stock Exchange Period 2012 -2014. *Journal of Economic Media Management and Business Volume XVII* , 25-32.

[31]. Putri, HT (2018). The Effect of Total Inventory, Total Assets and Total Capital on Net Income in the Property and Real Estate Sub-Sector Listed on the Indonesia Stock Exchange (IDX) for the 2012-2016 period. *Journal Of Economics And Business 2(2)* , 2016–2217.

[32]. Rahmiyatun, F., & Nainggolan, K. (2016). Effect of Asset Structure, Capital Turnover and Funding on the Profitability of Pharmaceutical Companies. *Ecdemica, Vol. IV, No. 2* , 156-166.

[33]. Ramadhani, D. (2022). Effect of Capital Structure and Asset Structure on Profitability at Pt. Garuda Indonesia (Persero) Tbk Period 2012-2018. *Equity Stie* .

[34]. Riyanto, B. (2016). *Corporate Spending Fundamentals.* Yogyakarta: Bpfe-Yogyakarta.

[35]. Sari, DP, Suryani, W., & Sabrina, H. (2021). The Effect of Debt To Asset Ratio and Debt To Equity Ratio on Financial Performance in Automotive Companies Registered in Bei for the 2015-2018 Period. *Scientific Journal of Management and Business (Jimbi)* , 72-80.

[36]. Sartono, A. (2014). *Financial Management Theory and Applications.* Yogyakarta: Mr.

[37]. Septiyani, YR, Kristianingsih, & Mai, MU (2020). The Effect of Debt To Asset Ratio and Debt To Equity Ratio on Return On Equity in Property and Real Estate Companies. *Indonesian Journal Of Economics And Management Vol. 1, No. 1* , 184 – 194.

[38]. Siregar, QR, & Harahap, DD (2021). Influence Current Ratio, Debt To Equity Ratio And Total Asset Turnoveron Return On Equity In The Transportation Sector Industry. *International Journal Of Business Economics (Ijbe) Vol, 2 Issue 2* , 99-112.

[39]. Sitanggang, JP (2014). *Corporate Financial Management Edition 2.* Jakarta: Partners of Media Discourse.

[40]. Skousen , & Stice . (2005). *Fundamentals of Accounting, Publisher Library Of Congres Catalogging In Publication Data Thomas Sumarson, Basic Accounting.* Jakarta: Pt. Jakarta Index.

[41]. Subramanyam, KR, & John, JW (2017). *Financial Statement Analysis.* Jakarta: Salemba Empat.

[42]. Sudana, I. (2019). *Corporate Financial Management Theory And Practice.* Surabaya: Airlangga University Press.

[43]. Sugiyono. (2019). *Statistics For Research.* Bandung: Cv Alfabeta.

[44]. Sujarweni, & Wiratna. (2019). *Business and Economic Research Methodology Quantitative Approach.* Yogyakarta: New Library.

[45]. Sunyoto, D. (2013). *Analysis of Financial Statements for Business, Theory and Cases. First Print.* Yogyakarta: Caps (Center of Academic Publishing Service).

[46]. Syamsuddin, L. (2009). *Corporate Financial Management.* Jakarta: King of Grafindo Indonesia.

[47]. Wardiyah, & Lasmi, M. (2017). *Money and Capital Market Management. First Printing, 1 (1).* Bandung: The Faithful Library of Bandung.

[48]. Warren, CS, Reeve, JM, & Feess, PE (2017). *Introduction to Indonesian Adapted Accounting (Based on Newest PSAK) Edition 25.* Jakarta: Salemba Empat.

[49]. Weston, & Copeland. (1997). *Financial Management, Volume 2, Translated by Jaka Wasana and Kibrandoko.* Jakarta: Script Binarupa.

[50]. Weston, , FJ, & T, EC (2010). *Financial Management Volume 2*. Jakarta: Binarupa Script Publisher.

[51]. Wikardi, LD, & Wiyani, NT (2017). The Effect of Debt To Equity Ratio, Firm Size, Inventory Turnover, Assets Turnover and Sales Growth on Profitability (Case Study in the Food and Beverage Industry Listed in Bei for the 2011-2015 Period). *Online Journal of Accountants, Vol.2, No.1* , 99 – 118 .

[52]. Yelnim,, & Yanita, P. (2020). Analysis of the Effect of Debt To Asset Ratio (Dar) and Debt To Equity Ratio (Der) on Return On Equity (Roe) at Pt Metrodata Electronics Tbk in 2011-2018. *Journal of Sakti Economics (Jes) Volume 9 No* , 283-303.