Bachelor Thesis
Management Study Programme
Even Semester 2017/2018

ANALYSIS THE INFLUENCE OF LIQUIDITY, SOLVENCY RATIO, FIRM SIZE, AND CASH RATIO TO PROFITABILITY OF COMPANIES LISTED IN INDONESIAN STOCK EXCHANGE

NPM: 1441025
Peter Staven

Abstract

The target of research is for analyze the impact of liquidity, solvency ratio, firm size, and cash ratio on the companies that listed in Indonesian Stock Exchange. Current ratio, quick ratio, debt to asset, debt to equity, firm size, and cash ratio are defined as independent variable, while return on asset and return on equity is defined as dependent variable.

Research population is using the company that listed in Indonesian Stock Exchange from year 2013-2017. This study provides 231 companies with 1006 data. This study use multiple regression method to analyze the result effect of dependent variables when effected by independent variables. Statistical package for social sciences (SPSS) version 23 use for analyze model sample.

Results for this study show that there is a positive significant impact on return on asset from current ratio, firm size, and cash ratio, while a negative significant impact on return on asset from debt to asset, and quick ratio, while insignificant impact on return on asset from debt to equity. There is a positive significant impact on return on equity from current ratio, firm size, debt to equity, and cash ratio while negative significant impact on return on equity from quick ratio, while insignificant impact on return on equity from debt to asset.

Keywords: current ratio, quick ratio, debt to asset, debt to equity, firm size, cash ratio, return on asset, and return on equity