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THE EFFECT OF CURRENT RATIO, DEBT TO EQUITY RATIO, FIRM SIZE, AND NET PROFIT MARGIN ON COMPANY VALUE
(Study on Fast Moving Consumer Goods Company (FMCG) In 2016-2020)

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Abstract: *The purpose of this study was to examine the effect of Current Ratio, Debt to Equity Ratio, Firm Size, and Net Profit Margin on firm value (Tobin's Q) in the food and beverages sub-sector listed on the Indonesian stock exchange in the 2016-2020 period. The phenomenon that is the main focus in this study is the decline in the average company stock price on the Jakarta Consumer Index (JKCONS) in the last 5 years which is inversely proportional to the growth in total assets and company profits in the food and beverages sub-sector which increased. The population in this study amounted to 87 companies. The sampling technique used purposive sampling, total sample is 23 companies. The analysis technique uses the Multiple Regression analysis method and the classical assumption is tested first. The results of the analysis in this study is: Current Ratio has insignificant effect on firm value, debt to equity ratio has positive and significant effect on firm value, firm size has negative and significant effect, and net profit margin has insignificant effect. This research is expected to contribute to the development of the science of Financial Management, especially in research on Company Value (Tobin's Q).*

Keywords: *Tobin's Q, Current Ratio, Debt to Equity Ratio, Firm Size, Net Profit Margin*

1. Introduction

Capital market investors in Indonesia are currently opening 7.3 million people in 2021 with an average growth of 68% in 2018-2021 showing a significant increase in investors who will invest in stocks. This trend shows that more and more people understand the importance of investing in its role in building and providing benefits that are good for the community and the country, namely the availability of jobs, and people's purchasing power as well as equitable economic turnover, investment is closely related to national income (GDP). Investment investment has a positive impact on the production process and has an impact on household consumption. Through investment, you can improve business equipment, add employees, and expand the company. When the company is able to generate large taxes, the country's economic growth target can be achieved.

GDP growth data in 2018-2020 of 1% shows GDP projections will grow and have a direct impact on future economic growth. Indonesia is a country with the largest source of income generated by taxes which account for more than 80% of total state revenue. This state income is supported by economic sectors such as transportation and warehousing, mining, construction and real estate, trade finance services, manufacturing industry, as well as consumption and household industries.

This GDP growth is in line with increasing household consumption and population growth in Indonesia. Household consumption in Indonesia which has a positive trend from 2011-

2019 with an average growth of 1% and is estimated to continue to increase. IHS Markit 2022 data shows a positive trend in the Purchasing Manager Index (PMI) where Indonesian manufacturing companies report an increase in their workforce capacity to support increased demand and production. The PMI is in line with the development of Indonesia's GDP because it indicates a decrease or increase on the supply and demand sides. This increase is a positive signal for investors to invest because the economy is projected to be good. This positive investor response is in line with signaling theory which explains investors' perceptions of the company's future growth which affects the response of potential investors to the company (Brigham & Houston, 2018).

The Fast Moving Consumer Goods (FMCG) sector is one sector that contributes to economic growth. This company sells products quickly with relatively cheap product prices, namely Consumer Packaged Good (CPG) (products sold in the form of packaging). The types of products sold are products with a short shelf life because consumer demand is very high or because the goods are easily damaged. The FMCG business has a large scope and has its own challenges, where the FMCG business challenges come from its products because on average they have a small profit margin and short product life.

The choice of the Fast Moving Consumer Goods Sector, especially the Food and Beverages sub-sector, has good prospects in the long term and provides very high consumer demand with an increasing consumer growth rate. Indonesian people's consumption contributed 54.42% of the total GDP which reached Rp 16.97 quadrillion (Central Bureau of Statistics (BPS)). Although in the long term the company's shares have high potential due to the expanding household consumption market. The trend of stock prices in the last 5 years has experienced a decline in average stock prices in the Jakarta Consumer Goods (JKCONS) index. The decline in stock prices has a value of -14% in the last 5 years which shows that the company's stock price performance has decreased by -2.8% each year. This indicates that the stock price chart has decreased.

The decline in stock prices is not in line with the increasing growth of company assets and revenues, where the total asset growth of all issuers of the Food and Beverages sub-sector has a value of 10% in the last 5 years while income growth has a value of 2.62% in the last 5 years. The difference between the price and the company's fundamental value in the FMCG sector creates uncertainty for investors and therefore it is important to analyze it in order to determine the optimal investment steps. Investors must analyze and make various considerations to minimize the risk of choosing the wrong company in the FMCG sector. Investor consideration can be done by analyzing the stock based on the valuation or value of the company being invested.

The value of the company can be interpreted as the selling value of the company/company share price. If the selling value is above the liquidity value, the company's management has carried out its functions well (Brigham & Houston, 2018). One of the indicators used to measure the company's valuation is using the Tobin's Q ratio. Tobin's Q is the ratio of the market value of the company's assets as measured by the market value of the number of shares outstanding and debt (enterprise value) to the replacement cost of company assets (Fiakas, 2007). 2005), firm value (Tobin's Q) can be influenced by various variables, namely Current Ratio, Debt to Equity Ratio (DER), Firm Size (Company Size), and Net Profit Margin (NPM).

Studies in previous research by Hung Ngoc Dang et al tested firm value (Enterprise Value (EV) and Tobin's Q) using the variables of Growth, Firm Size, Capital Structure, and Profitability. A study conducted on 216 companies listed on the Vietnam stock exchange showed that growth (Growth) had a negative effect on firm value. Firm size (Size) has a positive effect on value. Capital structure (LV) has a negative effect on firm value. Profitability, Return on Equity and Return on Assets (ROE and ROA) have a positive effect on firm value.

The research of Hung Ngoc Dang, et al (2019) is not in line with the research results of Juliatul Hidayah et al (2021) and Amanda Puspitasari Dewi et al (2022), Firm size has no effect on firm value. Debt to Equity Ratio is not in line with the results of research by Renal Alvian et al (2022) and Amanda Puspitasari Dewi et al (2022), Debt to Equity Ratio has no effect on firm value. Based on the research results of Achmad Hilal et al (2019), the Current Ratio has no effect on firm value which is not in line with the research of Debi Eka Putri et al (2020) and Amanda Puspitasari Dewi et al (2022). Net Profit Margin based on the research results of Debi Eka Putri et al (2020) is not in line with the research results of Julitul Hidayah et al (2021), namely Net Profit Margin has no effect on firm value.

Based on the phenomena that occurred and the findings of previous studies, the results showed inconsistencies. The independent variables used in testing the firm value in each of the previous studies showed different results. Therefore, the researcher wants to test the inconsistency of research results from previous researchers who tested the firm value (Tobin's Q) in the Fast Moving Consumer Goods sector, especially in the Food and Beverages sub-sector.

2. Literature Review

Tobin's Q

Tobin's Q is the ratio of the market value of the company's assets as measured by the market value of the number of outstanding shares and debt (enterprise value) to the replacement cost of the company's assets (Fiakas, 2005). Tobin's Q is an indicator used to measure company performance, especially company value by showing management's ability to manage company assets (Hermuningsih, 2019), a low Tobin's Q 1 indicates that the company's stock value is lower than the cost to replace company assets or is said to be management asset management by the company's management is not effective and shows that the company's shares are currently undervalued. In contrast, a high Tobin's Q > 1 indicates that the company's shares are more expensive than the cost of replacing its assets or it is said that asset management by the company's management is effective and indicates that the company's shares are currently overvalued (Hossain, et al., 2020).

There are 3 advantages of Tobin's Q in assessing a company, namely reflecting the assets of a company as a whole because Tobin's Q calculates the intangible assets owned by the company, so that the assets reflected are more complete. Tobin's Q reflects market sentiment, such as an analysis seen from the company's prospects or speculation. Market assessment is the key to Tobin's Q, so the company's prospects or speculations are clearly reflected. Tobin's Q can overcome the problem of estimating the level of profit or marginal cost of a company. Tobin's Q uses the balance sheet as the basis for calculating, so that problems related to the level of profit or marginal costs can be avoided (Smithers & Wright, 2002).

Current Ratio

The current ratio is the most commonly used measure to determine the ability to meet short-term obligations because this ratio shows how far the demands of short-term creditors are met by assets that are estimated to be cash in the same period as the debt maturity (Sawir, 2015). The current ratio is calculated by dividing current assets by current liabilities. This ratio shows the extent to which current liabilities are covered by assets that are expected to be converted into cash in the near future (Brigham & Houston, 2018).

Debt to Equity Ratio

Debt to Equity Ratio / debt to equity ratio is used to measure the proportion of debt to capital. This ratio is calculated by dividing total debt by capital/equity. (Brigham & Houston, 2018). Creditors prefer a low debt ratio because the lower the ratio, the greater the level of company protection against creditor losses in the event of liquidation (Fahmi, 2015).

Firm Size

Firm size describes the size of a company which is indicated by the number of sales, average sales, and total assets (Riyanto, 2010). Company size is a scale that determines the size of the company which can be seen from the value of equity, sales value, number of employees and total asset value which are context variables that measure the demands of the organization's services or products (Sawir, 2015).

Net Profit Margin

Net Profit Margin/Mmargin laba bersih mengukur besarnya laba bersih perusahaan dibandingkan dengan penjualannya. Rasio ini menghitung sejauh mana kemampuan perusahaan menghasilkan laba bersih pada tingkat penjualan tertentu (Brigham & Houston, 2018). Net Profit Margin merupakan keuntungan penjualan setelah menghitung seluruh biaya dan pajak penghasilan. Margin ini menunjukkan perbandingan laba bersih setelah pajak dengan penjualan (Harjito & Martono, 2018).

Hypothesis Development

The Relationship between Current Ratio and Firm Value

Investors will assess whether the company has the ability to pay its short-term obligations because this ability can describe the company's performance. Investors tend to choose companies with high current assets because they are considered to be able to pay their obligations on time (Brigham & Houston, 2018). The higher the value of the current ratio, the higher the company's liquidity capability, which can affect the value of the company (Tobin's Q) positively and vice versa, the lower the value of the current ratio, the lower the company's liquidity ability where this can affect the value of the company (Tobin's Q) significantly negative.

The Relationship between Debt to Equity Ratio and Firm Value

Investors will assess the composition of the company's use of debt using the debt to equity ratio to assess the company's financial condition. Investors tend to choose companies with good financial health because they are considered to be able to manage their debt well, so that the risk of excessive use of debt can be overcome, but the composition of the use of debt that is slightly does not indicate an expansion or increase in the company's operating activities (Fahmi,

2015). A good financial condition or not exceeding the limit can be used as an opportunity by the company to expand its business by increasing the composition of its debt use. The lower the value of the debt to equity ratio, the better the company's debt management ability, where this can positively affect the value of the company (Tobin's Q) and the decision of investors to buy shares because the company is considered good. Conversely, if the higher the value of the debt to equity ratio can affect the value of the company (Tobin's Q) negatively and the decision of investors not to buy shares because it is considered a bad company (Brigham & Houston, 2018).

The Relationship between Firm Size and Firm Value

Investors will assess the size of a company to determine their investment decisions. Investors tend to choose a company with a large firm size because it is considered good by investors because company size is one of the factors that support the level of company profitability which results in an increase and decrease in the company's stock price (Riyanto, 2013). The larger the size of the company allows them to diversify their business which will encourage the increase in stock prices and positively affect the value of the company (Tobin's Q) (Brigham & Houston, 2018). On the other hand, if the size of the company is getting smaller, it will not allow them to diversify which will push the stock price down and negatively affect the value of the company (Tobin's Q).

The Relationship between Net Profit Margin and Firm Value

Investors will judge whether a company has a high or low level of Net Profit Margin. Investors tend to choose a company with a high level of Net Profit Margin because it is considered good by investors because a high level of Net Profit Margin indicates a good operating performance of the company in supporting the company's success in its business and therefore can affect the value of the company (Tobin's Q) positively (Harjito & Martono, 2018). Conversely, if a low level of Net Profit Margin indicates a poor company's operating performance in supporting the company's success in its business and therefore it can negatively affect the value of the company (Tobin's Q) (Brigham & Houston, 2018).

According the relationship between the current ratio, debt to equity ratio, firm size, and net profit margin to firm value. The hypothesis will be:

H_1: *Current Ratio, Debt to Equity Ratio, Firm Size, and Net Profit Margin simultaneously has a positive effect on Firm Value*

H_2: *Current Ratio has a positive effect on Firm Value*

H_3: *Debt to Equity Ratio has a positive effect on Firm Value*

H_4: *Firm Size has a positive effect on Firm Value*

H_5: *Net Profit Margin has a positive effect on Firm Value*

3. Research Method

Population and sample

The population used is 87 non-Cylical consumer sector companies, Food and Beverages sub-sector with an observation period of 2016-2020. In this study, the sample was taken using a

"purposive sampling method" (Sugiyono, 2019) so that the number of samples was 23 companies.

Definition Operational Variables

Current Ratio (CR) / Current ratio is calculated by dividing current assets by current liabilities. This ratio shows the extent to which current liabilities are covered by assets that are expected to be converted into cash in the near future (Brigham & Houston, 2018).

Debt to Equity Ratio (DER) / Debt to equity ratio is used to measure the proportion of debt to capital. This ratio is calculated by dividing total debt by capital/equity. This ratio serves to measure the percentage of capital used as debt collateral (Fahmi, 2015).

Firm size describes the size of a company as reflected in the number of sales, average sales, and total assets of the company. Firm size can be calculated by Ln of the total assets owned by the company (Riyanto, 2010).

Profit Margin/profit margin or also known as net profit margin (Net Profit Margin) is calculated by dividing net profit by sales. Net profit margin can show the company's ability to earn profit (earnings) (Brigham & Houston, 2018).

Data analysis

The analytical technique used is Multiple Regression Analysis with data processing using SPSS (Statistical Package for Social Science), software that functions to analyze data, perform statistical calculations both parametric or non-parametric (Ghozali 2021). Then the classical assumption test is tested to find out that the multiple regression model used is free from violations of the classical assumptions (Multcolnearity, Autocorrelation, and Heteroscedasticity) so that the test results can be interpreted properly. After that, the hypothesis was tested using the regression model test (F test) and the Coefficient of Determination (R^2), and the regression model significance test was carried out with the t-test.

4. Results and Discussion

4.1. Results

Multiple Regression Analysis

Tabel 2
Multiple Regression Test

Variabel	Koefisien Regresi	t	Sig.	Description
(Constant)	48.333	7.586	.000	
CR (X1)	.081	.479	.634	No significance
DER (X2)	1.388	3.673	.000	significance
Firm Size (X3)	-3.704	-7.365	.000	significance
NPM (X4)	.573	.329	.743	No significance

Based on the results of the multiple regression analysis in table above, the regression equation can be arranged as follows:

$$Y_t = 48.333 + 0.081CR_{1_{t-1}} + 1.388DER_{2_{t-1}} - 3.704Firm\ Size_{t-1} + 0.573NPM_{t-1}$$

Based on the regression equation above regarding the factors that affect firm value (Tobin's Q), it can be interpreted as follows: *Current Ratio* (X_1), *Debt to Equity Ratio* (X_2), *Firm Size* (X_3), *dan Net Profit Margin* (X_4).

a. Constant (α)

The constant value of 48,333 shows that if the Current Ratio (CR), Debt to Equity Ratio (DER), Firm Size, and Net Profit Margin (NPM) are considered constant and do not change, then the firm value (Tobin's Q) is 4833%.

b. Coefficient Value Current Ratio (X_1) (b_1)

The coefficient value (b_1) is 0.081, meaning that the Current Ratio (CR) variable has a regression coefficient that has a positive effect on firm value (Tobin's Q). this means, if the Current Ratio (CR) increases by 1% then the value of the company (Tobin's Q) will increase by 8.1% and vice versa, if the Current Ratio (CR) decreases by 1% then the value of the company (Tobin's Q) will decrease by 8.1 % with a record of constant Debt to Equity Ratio (DER), Firm Size, and Net Profit Margin (NPM)

c. Coefficient Value Debt to Equity Ratio (X_2) (b_2)

The coefficient value (b_2) of 1.388 means that the Debt to Equity Ratio (DER) variable has a regression coefficient that has a positive effect on firm value (Tobin's Q). this means, if the Debt to Equity Ratio (DER) increases by 1% then the value of the company (Tobin's Q) will increase by 138.8% and vice versa, if the Debt to Equity Ratio (DER) decreases by 1% then the value of the company (Tobin's Q) up and down by 138.8% if the Current Ratio (CR), Firm Size, and Net Profit Margin (NPM) are constant.

d. Coefficient Value Firm Size (X_3) (b_3)

The coefficient value (b_3) is -3.704, meaning that the Firm Size variable has a regression coefficient that has a negative effect on firm value (Tobin's Q). this means, if the Firm Size increases by Rp. 1,000,000 then the value of the company (Tobin's Q) will decrease by 370.4% and vice versa, if the Firm Size decreases by Rp. 1,000,000, the value of the company (Tobin's Q) will increase by 370.4% with Note Current Ratio (CR), Debt to Equity Ratio (DER), and Net Profit Margin (NPM) constant.

e. Coefficient Value Net Profit Margin (X_4) (b_4)

The coefficient value (b_4) of 0.573 means that the Net Profit Margin (NPM) variable has a regression coefficient that has a positive effect on firm value (Tobin's Q). this means, if the Net Profit Margin (NPM) increases by 1% then the value of the company (Tobin's Q) will increase by 57.3% and vice versa, if the Net Profit Margin (NPM) decreases by 1% then the value of the company (Tobin's Q) will decrease of 57.3% with a record of the Current Ratio (CR), Debt to Equity Ratio (DER), and constant Firm Size.

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Classical Assumption Test

The results of the classical assumption test (Multicolonierity, Autocorrelation, and Heteroscedasticity) in this study can be explained as follows:

a. Multicolonierity

Multicolonierity Test

Variabel	Collinearity Statistics		Description
	Tolerance	VIF	
(Constant)			
CR (X1)	.819	1.221	No Multicolonierity
DER (X2)	.801	1.248	No Multicolonierity
Firm Size (X3)	.979	1.021	No Multicolonierity
NPM (X4)	.983	1.018	No Multicolonierity

Based on the results of table above, the tolerance value is above 0.10, which is 0.819 for the Current Ratio (X_1) variable, 0.801 for the Debt to Equity Ratio (X_2), 0.979 for the Firm Size variable (X_3), and 0.983 for the Net variable. Profit Margin (X_4). While the VIF value is less than 10.00, which is 1.221 for the Current Ratio variable (X_1), 1.248 for the Debt to Equity Ratio (X_2), 1.021 for the Firm Size variable (X_3), and 1.018 for the Net Profit Margin (X_4) variable. so it can be concluded that the data after the improvement in this study were free from multicollinearity symptoms.

b. Autocorrelation

Autocorrelation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.691[a]	.478	.454	3.21371846	1.924

Based on the table above, the Durbin-Watson (DW) value is 1,924. This value will be compared with the table du value with a significance of 5%, the number of samples (n) = 91, and the number of independent variables (k) = 4, then the du table value is 1.751. The DW value of 1.924 is greater than du i.e. 1.751 and smaller than 4-du or 4-1.751 = 2.248, so it can be concluded that after the repair, there is no autocorrelation.

c. Heteroscedasticity

Heteroscedasticity

Spearman's rho	**Unstandardized Residual**	**Description**

CR (X1)	Sig. (2-tailed)	0.881	No Heteroscedasticity
DER (X2)	Sig. (2-tailed)	0.986	No Heteroscedasticity
Firm Size (X3)	Sig. (2-tailed)	0.709	No Heteroscedasticity
NPM (X4)	Sig. (2-tailed)	0.788	No Heteroscedasticity
Unstandardized Residual	Sig. (2-tailed)	-	-

From the results of the calculations in table above, it is known that the significance value is 0.881 for the Current Ratio variable (X_1), 0.986 for the Debt to Equity Ratio (X_2), 0.709 for the Firm Size variable (X_3), and 0.788 for the Net Profit Margin variable (X_4). it can be concluded that after the repair, there are no symptoms of heteroscedasticity

Uji Hipotesis

Hypothesis testing in this study uses the regression model test and the coefficient of determination (R^2) with the F test and the regression coefficient test with the t test which is explained as follows:

Model Regression Test with F Test and Coefficient of Determination (R^2)

F Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	813.886	4	203.472	19.701	.000[a]
	Residual	888.207	86	10.328		
	Total	1702.093	90			

Based on the results of data processing the calculated F value = 19,710 with a significance value of 0.000 level of significant (0.05), it can be concluded that the independent variables (Current Ratio, Debt to Equity Ratio, Firm Size, and Net Profit Margin) jointly affect the value company (Tobin's Q) Fast Moving Consumer Goods (FMCG) listed on the Indonesia Stock Exchange (IDX) in 2016-2020, thus H_1 "Proven".

Coefficient of Determination (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.691[a]	.478	.454	3.21371846	1.924

Based on the results of data processing, the coefficient of determination (Adjusted R^2) is 0.454 which indicates that 45.4% of the variation in firm value (Tobin's Q) can be explained by the variable Current Ratio(X_1), Debt to Equity Ratio (X_2), Firm Size (X_3), and

Net Profit Margin (X_4) while the remaining 64.6% is explained by other variables not included in this research model.

Uji koefisien Regresi dengan Uji t

Uji t

Variabel	Koefisien Regresi	t	Sig.	Description
(Constant)	48.333	7.586	.000	
CR (X1)	.081	.479	.634	No significance
DER (X2)	1.388	3.673	.000	significance
Firm Size (X3)	-3.704	-7.365	.000	significance
NPM (X4)	.573	.329	.743	No significance

Test t basically shows how far the influence of one independent variable partially explains the variation of the dependent variable.

a. Testing the variable Current Ratio (X_1) to Firm Value
   The results of the Current Ratio test have a t value of 0.479 and a significance value of 0.634 which is greater than a significance level of 0.05 (5%). This shows that H_2which states that the Current Ratio has a positive effect on the value of the company "Not Proven"
b. Testing the variable Debt to Equity Ratio(X_2) to Firm Value
   The results of the Debt to Equity Ratio test have a t value of 3.673 and a significance value of 0.000 which is smaller than a significance level of 0.05 (5%). This shows that H_3 which states that the Debt to Equity Ratio has a positive effect on firm value "Proven"
c. Testing the variable Firm Size (X_3) to Firm Value
   The results of the Firm Size test have a t value of -7.365 and a significance value of 0.000 which is smaller than a significance level of 0.05 (5%). This shows that H_4 which states that Firm Size has a negative effect on firm value "Not Proven"
d. Testing the variable Net Profit Margin (X_4) to Firm Value
   The results of the Net Profit Margin test have a t value of 0.329 and a significance value of 0.743 which is greater than the significance level of 0.05 (5%). This shows that H_5 which states that Net Profit Margin has a positive effect on firm value "Not Proven"

4.2. Discussion

The results of this study indicate that there is no effect of the Current Ratio on the value of the food and beverages sub-sector companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020. The results of this study are in line with research by Achmad Hilal (2019) where the current ratio has no effect on firm value. The results of this study are not in accordance with the findings of Debi Eka (2020), Renal Alvian (2022), and Amanda Puspita Dewi (2022) where the Current Ratio has a positive effect on firm value.

The results of this study indicate that there is a positive influence between the Debt to Equity Ratio on the value of the food and beverages sub-sector companies listed on the Indonesia

Stock Exchange (IDX) in 2016-2020. The results of this study are in accordance with the findings of Debi Eka (2020) and Shafira Khoerun Nisa (2021) which show that the Debt to Equity Ratio has a positive effect on firm value. This research does not support the research of Hung Ngoc Dang (2019) and Dwi Putri Kartika Sari (2022) which shows the Debt to Equity Ratio has a negative effect on firm value and the research of Achmad Hilal (2019), Renal Alvian (2022), and Amanda Puspita Dewi (2022) which shows the Debt to Equity Ratio has no effect on firm value.

The results of this study indicate that there is a negative influence between Firm Size on the value of the food and beverages sub-sector companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020. The results of this study are in accordance with the results of research by Shafira Khoerun Nisa (2021) which shows that firm size has a negative effect on firm value. The results of this study are not in accordance with the results of research by Hung Ngoc Dang (2019) which shows that firm size has a positive effect on firm value and is not in line with research by Juliatul Hidayah (2021) and Amanda Puspita Dewi, which shows firm size has no effect on firm value.

The results of this study indicate that there is no influence between Net Profit Margin on the value of the food and beverages sub-sector companies listed on the Indonesia Stock Exchange (IDX) in 2016-2020. The results of this study are in line with the results of research by Juliatul Hidayah (2021) where Net Profit Margin has no effect on firm value. The results of this study are not in accordance with the results of research by Debi Eka Putri (2020) and Renal Alvian (2022) where Net Profit Margin has a positive effect on firm value and the results of research by Jonnius Jonnius (2021), where Net Profit Margin has a negative effect on firm value.

5. Conclusion

Based on the analysis that has been carried out the current ratio has insignificant effect to firm value. The current ratio does not affect the value of the company because the current ratio itself only calculates its current assets and does not take into account the company's investment, fixed assets, intangible assets, and other assets, while the component of calculating the company value (Tobin's Q) requires a total asset calculation as the basis for measuring firm value (Hossain, et al,. 2021)., the net profit margin has insignificant effect to firm value. Calculations using the net profit margin show that how much the company's management can maximize net profit from each sale or by reducing the company's operating costs. Net profit margin focuses on the percentage of company sales and does not show management managing or purchasing company assets because the company's profits can also be used to pay off its debts.

The advice that can be given is that the research that will be carried out next should replace variables other than Current Ratio and Net Profit Margin because it is not proven to affect firm value (Tobin's Q) in the food and beverages sub-sector so it is necessary to replace the variable. others in order to explore other factors that can affect the value of the company (Tobin's Q). if the researcher wants to use the same variables in further research, it is advisable to examine different company sectors such as the Property, Real Estate, and Building Construction sectors, the Infrastructure, Utilities, and Transportation sectors and the Mining sector.

Researchers in further research are advised to reuse the Debt to Equity Ratio and Firm Size variables because they are proven to affect firm value (Tobin's Q), besides that they can add other variables namely Fixed Assets Turnover Ratio, Total Assets Turnover Ratio, and Inventory

Turnover Ratio because they can used as a variable that measures the performance of company management in managing company assets.

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