International Journal of Economics, Business and Accounting Research (IJEBAR)
Peer Reviewed – International Journal
Vol-7, Issue-4, 2023 (IJEBAR)
E-ISSN: 2614-1280 P-ISSN 2622-4771
https://jurnal.stie-aas.ac.id/index.php/IJEBAR

THE INFLUENCE OF CAPITAL STRUCTURE, CASH TURNOVER, LEVERAGE, LIQUIDITY, COMPANY ACTIVITIES, AND COMPANY SIZE ON PROFITABILITY IN MANUFACTURING COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE

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Abstract: The purpose of conducting this research is to find out how variables such as capital structure, cash turnover, liquidity, leverage, company size and company activities influence the level of profitability of manufacturing companies on the BEI. Statistics collected from 76 manufacturing companies on the IDX were used in this research, which was carried out using a quantitative approach. This test uses data from financial reports published by sample companies at www.idx.co.id. The research was applied using multiple linear regression. The findings from this study indicate that capital structure, cash turnover, Leverage, Liquidity, company activities, and company size influence the level of individual company profitability. Overall, all these elements influence the level of profitability of a manufacturing company.

Keywords: Capital Structure, Cash Turnover, Leverage, Liquidity, Company Activities, Company Size and Profitability

1. Introduction

When wanting to measure its performance, every company will definitely try to achieve profit or profitability. However, the level of profitability is influenced by several factors, such as capital structure, cash turnover, liquidity, leverage, business activity and company size. Capital structure, which is long-term funding, can influence financial conditions and business intentions. Then cash turnover which is part of current assets can affect liquidity, where the higher the cash turnover, the company's operations can run smoothly. A company's rate of return and profits can be influenced by leverage, which shows the company's debt-capital relationship. Another factor that is very important for business is liquidity, which means the company's skill in carrying out their financial obligations in the short term.

The activity ratio, usually calculated by total asset turnover (TATo), shows how efficiently a business uses its assets. Firm size is also used to evaluate market power and efficiency. The level of profitability of companies that are efficient and have large market power tends to be higher.

The research entitled "The Influence of Capital Structure, Cash Turnover, Leverage, Liquidity, Company Activities and Company Size on Profitability in Manufacturing Companies Listed on the Indonesian Stock Exchange" will be carried out based on the explanation above.

2. Literature Review

Theory of the Influence of Capital Structure on Company Profitability

"Capital structure is a reflection of the financial part of capital obtained through long-term debt

and own capital as a source of funding," said Fahmi (2014: 175). Titin Herawati (2013) conducted research where he found that debt policy affects companies. This opinion is in line with this test. To determine the capital structure, the Debt-to-Equity Ratio (DER) calculation is used:

$$DER = \frac{total\ Amoun\ of\ debt}{total\ equity}$$

Source: Simamora, B. (2016). Chapters 3-4, Thesis Research Guide (Revised Edition).

Theory of the Influence of Cash Turnover on Company Profitability

Cash turnover is a very important financial force because cash is an unproductive asset, Harmono (2014),. As explained by James O. Gill (2015), cash turnover has a function in determining the normal level of working capital required by the company, namely paying debts and financing sales.

Leverage Influence Theory on Company Profitability

The Leverage ratio used in this research is Debt to Ratio (DR), which has a negative influence regarding Return on Assets (Marusya and Magantar, 2016). Leverage, or debt ratio, is a ratio that is usually used to compare the difference between total debt and total company assets. Thus, this ratio describes the extent to which company assets are funded by debt and the magnitude of the influence of debt on company asset management (Kasmir, 2016). According to Kasmir (2014: 158), mathematically calculating Debt

Ratio (DR) is as follows:

$$DR = \frac{\text{Total Debt}}{\text{Total Assets}}$$

Theory of the Influence of Liquidity on Company Profitability

Harjito and Martono (2014:55), the liquidity ratio is something that describes the influence of the relationship between company cash and other current assets and current liabilities. However, companies also need to seek the maximum level of liquidity in order to increase profitability and minimize the risk of bankruptcy by implementing good liquidity management (Simamora, B. 2015). The formula for measuring a good level of liquidity:

$$Current\ Ratio = \frac{\text{Total Current Assets}}{\text{Total Current liabilities}}$$

Source: Harjito and Martono (2014:55-56). Financial Performance Analysis.

Theory of the Influence of Company Activities on Company Profitability

The level of company activity describes how efficient the company is in utilizing its wealth. For this reason, company activity figures are generally known through turnover or efficiency levels. One of the proxies used is TATo. According to Brigham and Ehrhardt (2016), Total Asset Turnover (TATo) is an indicator of company activities that calculates the company's efficiency when getting sales while utilizing its assets. using methods to increase all company activities and maximize the energy resources they have so that the company achieves optimal profits (Dwiyanthi and Sudiartha, 2017).

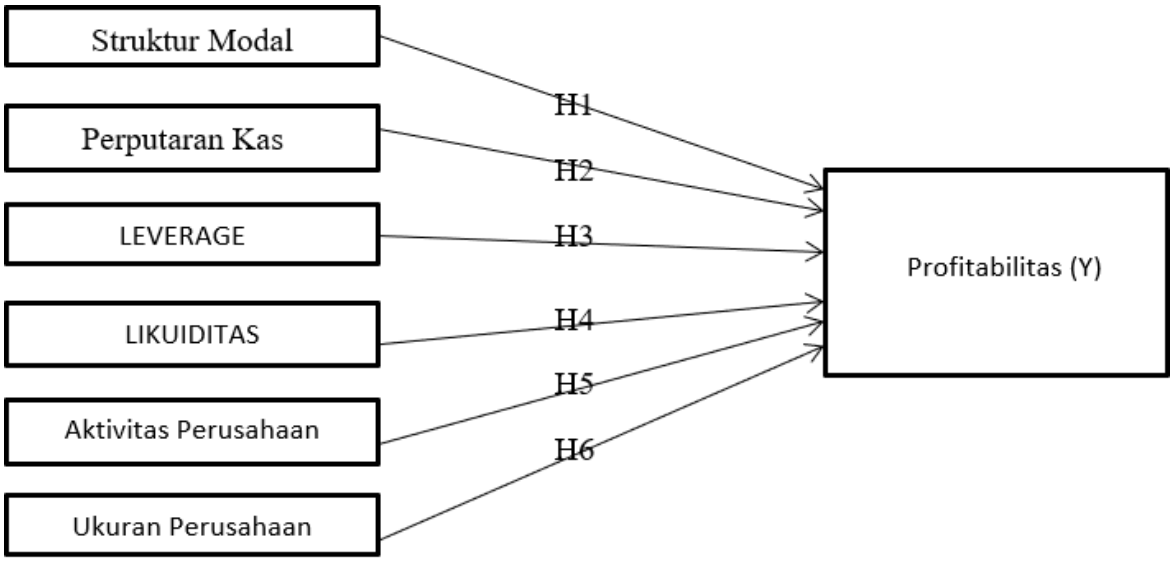
Theory of the Influence of Company Size on Company Profitability

The capacity of a company has an influence on profitability. In line with company growth, potential profits will also increase. This will contribute to the growth of company profitability (Simbolon, 2019). Previous research stated by Prasetyorini (2013: 191) also states that company scale has a good and substantial influence on the company. To measure company scale, the following formula can be used:

Company Profitability Theory

Profitability Ratio Determines the company's performance in generating profits from its standard business activities (Hery, 2016:104). Effective use of assets Shows the extent to which a company can manage its assets efficiently to achieve maximum profits. The wider the ROA ratio, the better the company's financial condition tends to be, and vice versa (Kasmir, 2017). In this research, profitability is calculated through the Return on Assets (ROA) ratio:

Framework Conceptual



Gambar 2.1 Kerangka Konseptual

Hypothesis Study :

Following is hypothesis study Which developed based on study This :

H 1 : Structure Capital influence profitability company manufacture Which Registered in BEI 2015-2016 Period
H 2 : Rotation Cash influence profitability company manufacture Which Registered in BEI Period 2015 - 2016
H 3 : Leverage influence profitability company manufacture Which Registered in BEI 2015-2016 Period
H 4 : Liquidity influence profitability company manufacture Which Registered on the IDX for the 2015-2016 period

H 5 : Activity Company influence profitability company manufacturing which Registered on the IDX for the 2015-2016 period

H 6 : Size Company influence profitability company manufacture Which Registered on the IDX for the 2015-2016 period

H 7 : Structure Capital, Rotation Cash, LEVERAGE, LIQUIDITY, Activity Company , and Company Size Influences Profitability in Manufacturing Companies Listed on the IDX for the 2015-2016 Period

3. Research Methods

This research was conducted using quantitative research methods that collect information in the form of data, which uses secondary data, namely company financial reports. In this research, a quantitative approach was used to measure the influence of several variables on profitability manufacturing companies in BEI. This approach involves multiple regression analysis. Data Which used on study This nature secondary as well as originate from literature, previous research journals, and company financial reports, as well as using documentary data. This research has an associative nature, namely analyzing how two or more variables correlate with each other (Sugiyono, 2010).

Population And Sample

This research covers all manufacturing companies listed on the IDX, a total of 76 companies. For the purposes of this research, the sample was selected by purposive sampling. Research requirements is company manufacture Which one recorded in BEI And emit complete financial report for 2015-2016.

Technique Collection Data

Secondary data obtained in the research is the financial reports of manufacturing companies which are listed on the IDX.

Source Data Study

Data This obtained from website IDX Via access to Internet Data Exchange (IDX).

Analysis Data

The data analyzed applies the multiple linear regression method. Then, the classical assumption test was carried out using the normality test, multicollinearity test, autocorrelation test and heteroscedasticity test.

Test Assumption Classic

The classical assumption test is used to verify what might be a form of regression can be used validly to identify the influence of research variables on profitability and whether the model can be considered a good representation of the phenomenon under study. Classic assumption tests include heteroscedasticity tests, normality tests, multicollinearity tests, and autocorrelation tests.

Test Normality

This test is needed to test whether other variables in the regression or residual form have normal distribution. Data has a normal distribution if it has good results and can be

trusted to support the research model.

Test Multicollinearity

This test is needed to determine the independent variable in a correlated regression form or No. Model regression the good one not will show correlation Which significant in between variable independent. Mark tolerance < 0.10 or factor inflation variant/ VIF > 10 is a value that is usually used to display the presence of multicollinearity.

Test Heteroscedasticity

This test is needed to ensure whether the regression form is homoscedastic or does not experience heteroscedasticity. This shows whether there may be an inequality of residual variance between one observation and another in the form of regression.

Test AutoCorrelation

This test is needed to identify whether there is a relationship between residuals that show non-independence in the regression example. The Durbin-Watson test can find autocorrelation in a good regression model.

Model Analysis Data Study

Model Study

Model Study Which used in study This is Model Study Descriptive.
Following is equality regression obtained:

$$Y = a + b1X1 + b2X2 + b3X3 + b4X4 + b5X5 + b6X6 + e$$

Information:

Y	= Profitability
a	= Constant
b1, b2, b3, b4, b5, b6	= Circumstances Regression
X1	= Structure Capital
X2	= Rotation Cash
X3	= Leverage
X4	= Liquidity
X5	= Activity Company
X6	= Size Company
e	= Estimate Error (0.05)

Testing Hypothesis

a. Test Coefficient Regression By Simultaneous (F Test)

The F test is used to test the overall effect between independent variables in relation to the dependent variable. This test is intended to compare significance Fcount And Ftable, with condition : If Fcount < Ftable, It means hypothesis zero (H_0) is approved as well as hypothesis alternative (H_a) is refuted, with significance level $\alpha > 0.05$. And If Fcount > Ftable, it means that the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is approved, where the significance level $\alpha < 0.05$.

b. Test Coefficient regression in a way Partial (Test t)

The t test is used to partially test the influence between the independent variable and the dependent variable. This test is intended to compare the significance of Tcount and Ttable, with condition : If Tcount < Table, It means hypothesis zero (H_0) Approved as well as alternative hypothesis (H_a) refuted, with level significance $\alpha > 0.05$. And If Tcount > Table, meaning the null hypothesis (H_0) is refuted as well as alternative hypotheses (H_a) is approved, where the significance level $\alpha < 0.05$.

Definition Operational Variable Study

Variable	Definition	Indicator	Scale
Capital Structure (X1)	Structure capital influence to what extent company finance need fund with use debt.	DER = Total debt / Total Equity	RATIO
Turnover (X2)	Cash turnover measure how much often it spins cash on period certain ones marked with sales.	CTR = Revenue/(Cash + Cash Equivalents)	RATIO
Leverage (X3)	According to Harahap (2013:106), leverage is bond between debt capital, which reflects the extent to which the company is funded by debt or source external other Which describe ability company.	$DR = \frac{\text{Total Debt}}{\text{Total Asset}}$	RATIO
Liquidity (X4)	Liquidity is the ability of a company to be able to meet its obligations finance period short with fast and efficient.	*Current Ratio= Current Assets / Current Liabilities*	RATIO
Company Activities (X5)	Activity Company is operational activities carried out by a company in frame reach objective.	$TATo = \frac{\text{Sale Net}}{\text{Total Asset}}$	RATIO
Company Size (X6)	Putu Ayu and Gerianta (2018) stated that the scale used to classify the size of a company is called company size. Total assets, amount sales, value shares, and variable other can used for make this scale .	SIZE = Logs Annual Sales	RATIO

Profitabilit y s (Y)	Profitability refers on ability something company for make a profit.	$ROA = \frac{\text{Profit Clean}}{\text{Total Asset}}$	RATIO

Statistics Descriptive

In this research, the sample (N) includes financial reports from 76 manufacturing companies listed on the IDX in the 2015-2016 period. Statistical tables are used as a reference for this sampling.

Tabel 1. Descriptive Statistic

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
DER	152	.15	13.54	1.3061	1.64645
CTR	152	.89	93.12	12.6463	14.60238
DR	152	.13	.93	.4766	.18245
CR	152	.41	10.71	2.1324	1.58453
TATO	152	.14	3.42	.9263	.62675
SIZE	152	9.88	14.27	12.6677	.74482
ROA	152	.00	.46	.0815	.08648
Valid N (listwise)	152				

Based on Table 1, yes seen details mark maximum, mark minimum And mark mean as well as the standard deviation of the variables Capital Structure, Cash Turnover, Leverage, Liquidity, Company Activities, Company Size and Profitability as follows:

The Capital Structure variable (X1) has a sample size of 76, with the lowest number as much 0.15 that is Wheel Vivatex Tbk in year 2016 as well as number highest as much 13.54 ie Tower Together Infrastructure Tbk in 2016

The Cash Turnover variable (X2) has a sample size of 76, with the lowest number as much 0.89 Wheels Vivatex Tbk at year 2016 as well as number highest as many as 93.12, namely Lautan Luas Tbk in 2016

The Leverage variable (X3) has a sample size of 76, with the lowest number being 0.13, namely Indocement Tunggal Prakarsa Tbk in 2016 and the highest number being 0.93, namely Tower Bersama Infrastructure Tbk in 2015

The Liquidity Variable (X4) has a sample size of 76, with the lowest number being 0.41 that is Clairvoyant Concrete Precast Tbk in year 2015 as well as number highest as much 10.71 ie Chandra Beautiful Petrochemical Tbk year 2015

Variable Activity Company (X5) have amount sample that is 76, with The lowest figure was 0.14, namely Alam Sutera Realty Tbk in 2016 and the highest figure was 3.42, namely Bumi Teknokultura Tbk in 2015.

The Company Size variable (X6) has a sample size of 76, with the lowest number being 9.88, namely Jasa Marga (Persero) Tbk in 2015 and the highest number being 14.27, namely Astra International Tbk in 2015

Variable Profitability (Y) have amount sample that is 76, with number the lowest was 0.00, namely in 2015, Tjiwi Kimia Tbk Paper Factory, and the highest figure was 0.46, namely Matahari Department Store Tbk in 2015

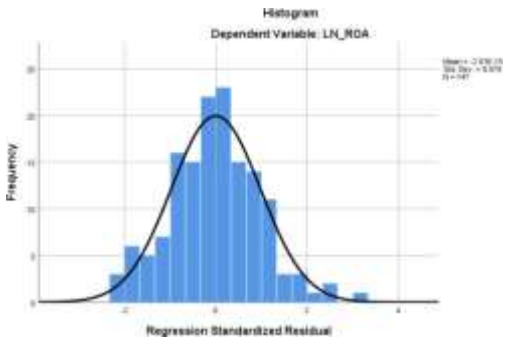
Results Test Classical Assumptions

All requirements for implementing the classical assumption test have been fulfilled, including the implementation of autocorrelation testing, heteroscedasticity testing, multicollinearity testing, and normality testing.

Test Normality

According to base condition, probability Which more big than 0.05 considered normal as well as lower probabilities are considered abnormal.

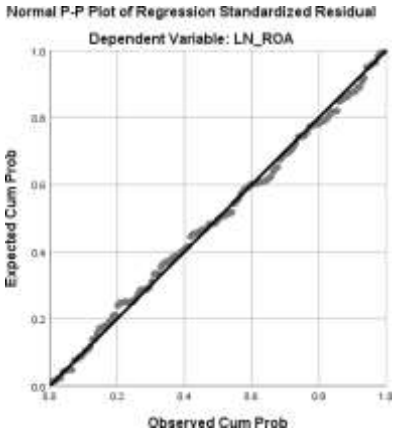
Picture.1



Test Normality Histograms

The graph above depicts a rising curve so that it can be concluded that the data is normally distributed as indicated by the direction of the diagonal graphic pattern.

Picture 2



Test Normality P- Plot

The sample above shows that all the points are scattered diagonally, based on this, it can be said that the data is normally distributed. which can be calculated and applying Kolmogorov

Smirnov non-parametric statistics where the substantial number is greater than 0.05.

Table 2.

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		147
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.74768054
Most Extreme Differences	Absolute	.038
	Positive	.036
	Negative	-.038
Test Statistic		.038
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Table 2 shows the results of normality calculations using Kolmogorov statistics Smirnov that is variable Structure Capital (X1), Rotation Cash (X2), Leverage (X3), Liquidity (X4), Company Activity (X5), Company Size (X6) and Profitability (Y) are normally distributed because the substantial figure is 0.200 > 0.05, so the regression model studied deserves further analysis.

Test Multicollinearity

Table.3

Uji Multikolinearitas

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-.245	.337		-.728	.468		
	SQRT_DER	.054	.040	.204	1.369	.173	.241	4.157
	SQRT_CTR	-.016	.006	-.204	-2.462	.015	.777	1.287
	SQRT_DR	-.431	.148	-.470	-2.923	.004	.207	4.838
	SQRT_CR	-.002	.025	-.007	-.072	.942	.653	1.531
	SQRT_TATO	.119	.036	.282	3.314	.001	.738	1.355
	SQRT_SIZE	.191	.093	.157	2.060	.041	.922	1.084

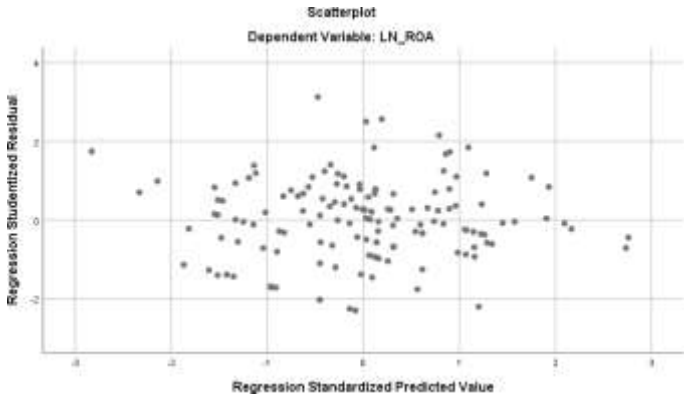
a. Dependent Variable: SQRT_ROA

In Table 3 the tolerance values for the variables Capital Structure, Cash Turnover,

Leverage, Liquidity, Company Activity, and Company Size ≥ 0.10, while the VIF figure variable Structure Capital, Rotation Cash, leverage, Liquidity, Activity Company, and Company Size is smaller than 10. The tolerance limit is ≥ 0.1 and the VIF number is ≤10, so the conclusion is that there is no multicollinearity in the independent variables.

Test Heteroscedasticity

Picture.3



In Figure III.3 you can see irregularly scattered dots that spread upwards and do not gather together and are below point 0 with the axis Y, so the conclusion is that there is no heteroscedasticity in the regression model.

Table 4 Results Test Statistics t

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-11.394	2.824		-4.035	.000
	LN_DER	.718	.312	.673	2.302	.023
	LN_CTR	-.279	.078	-.310	-3.602	.000
	LN_DR	-1.958	.578	-.994	-3.391	.001
	LN_CR	-.128	.129	-.089	-.992	.323
	LN_TATO	.425	.115	.331	3.690	.000
	LN_SIZE	3.056	1.083	.207	2.823	.005

a. Dependent Variable: LN_ROA

Test Autocorrelation

Table 5. Autocorelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.549[a]	.301	.271	.76353	2.193

a. Predictors: (Constant), LN_SIZE, LN_CR, LN_CTR, LN_TATO, LN_DER, LN_DR

b. Dependent Variable: LN_ROA

Findings from Test Autocorrelation Durbin Watson

n = 152
dw = 2.193
dL = 1,708
dU = 1.761
4-dL = 4 - 1,708 = 2,292
4-dU = 4 - 1,761 = 2,239
Results = dU < d< 4- dU
The result = 1,761 < 2,193 < 2,239 (No autocorrelation occurs)

4. Results Of Research Data Analysis

Research Model

The purpose of this analysis is to analyze the research hypothesis. The research was carried out by applying a regression model, namely;

Table 6
Results Analysis Regression Linear Multiple

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-11.394	2.824		-4.035	.000
	LN_DER	.718	.312	.673	2.302	.023
	LN_CTR	-.279	.078	-.310	-3.602	.000
	LN_DR	-1.958	.578	-.994	-3.391	.001
	LN_CR	-.128	.129	-.089	-.992	.323
	LN_TATO	.425	.115	.331	3.690	.000
	LN_SIZE	3.056	1.083	.207	2.823	.005

a. Dependent Variable: LN_ROA

Seen from Table 6, so the regression formula is ROA = (-11.394) + 0.718 DER + (-0.279) CTR + (-1.958) DR + (-0.128) CR + 0.425 TATTOO + 3.056 SIZE

1. The a value of (-11.394) units represents the variables DER, CTR, DR, CR, TATO, SIZE has a value of zero so ROA is (-11,394).
2. Mark coefficient variables DER as big as 0.718 unit with mark positive shows that every 1 unit increase in DER results in an increase in ROA of 0.718 units.
3. The coefficient value of the CTR variable is (-0.279) units with a positive value indicating that every increasing CTR 1 unit result ROA decreased by 0.279 units.
4. The DR variable coefficient value is (-1.958) units with a positive value indicating that every 1 unit increase in DR results in a decrease in ROA of 1.958.
5. The CR variable coefficient value is (-0.128) units with a positive value indicating that every 1 unit increase in CR results in a decrease in ROA of 0.128.
6. The coefficient value of the TATO variable is 0.425 units with a positive value indicating that every 1 unit increase in TATO results in an increase in ROA of 0.425 units.
7. Mark coefficient variables SIZE as big as 3,056 unit with mark positive shows that every 1 unit increase in SIZE results in an increase in ROA amounting to 3,056.

Coefficient Determination hypothesis

Table 7. Coefitient Determenation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.549[a]	.301	.271	.76353	2.193

a. Predictors: (Constant), LN_SIZE, LN_CR, LN_CTR, LN_TATO, LN_DER, LN_DR

b. Dependent Variable: LN_ROA

Adjusted R Square obtained from table III.7 is 0.271. This figure means that variable X has an impact on variable Y of 27.1%

Testing Hypothesis

a. Test Coefficient in a way Stimulants (Test F)

Table 8. F Test Result

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.130	6	5.855	10.043	.000[b]
	Residual	81.618	140	.583		
	Total	116.748	146			

a. Dependen Variable: LN_ROA

b. Predictors: (Constant), LN_SIZE, LN_CR, LN_CTR, LN_TATO, LN_DER, LN_DR

Is known that mark Sig. For influence simultaneous from X1, X2, X3, X4, X5, And X6 towards Y is 0,000, < 0.05. Besides That, mark F count as big as 10,043 > F table 2.16. Because That, it can be concluded that the testing hypothesis can be accepted, which means there is a simultaneous influence of variable Structure Capital , Rotation Cash, leverage, Liquidity, Activity Company, and Company Size on Profitability.

b. Test Coefficient in a way Partial (Test t)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-11.394	2.824		-4.035	.000
	LN_DER	.718	.312	.673	2.302	.023
	LN_CTR	-.279	.078	-.310	-3.602	.000
	LN_DR	-1.958	.578	-.994	-3.391	.001
	LN_CR	-.128	.129	-.089	-.992	.323
	LN_TATO	.425	.115	.331	3.690	.000
	LN_SIZE	3.056	1.083	.207	2.823	.005

a. Dependent Variable: LN_ROA

1. On testing hypothesis First (H1)
   it was found that the Sig value. the (partial) influence of X1 on Y is 0.023 < 0.05. Besides That, mark t count 2,302 > t table 1,975. So he concluded if H1 is accepted, which means there is an influence of Capital Structure on Profitability.
2. On testing hypothesis second (H2)
   it was found that the Sig value. the (partial) influence of X2 on Y is 0.000 < 0.05. Apart from that, the calculated t value (-3.602) < t table 1.975. So it is concluded that H2 is refuted, which means there is no effect of Cash Turnover on Profitability.
3. On testing hypothesis third (H3)
   it was found that the Sig value. the (partial) influence of X3 on Y is 0.001 < 0.05. Apart from that, the calculated t value (-3.391) < t table 1.975. So he concluded that H3 was

rejected, which means there is no influence of Leverage on Profitability.

4. Testing hypothesis fourth (H4)
   show that mark Sig. on influence (Partial) X4 to Y is 0.323 > 0.05. Apart from that, the calculated t value (-992) < t table 1.975. So he concluded that H4 was rejected, which means there is no influence of liquidity on profitability.
5. In testing hypothesis fifth (H5)
   it was found that the Sig value. the (partial) influence of X5 on Y is 0.000 < 0.05. Besides That, mark t count 3,690 > t table 1,975. So he concluded if H5
   approved, which means there is an influence of Company Activities on Profitability.
6. On testing hypothesis sixth (H6)
   it was found that the Sig value. the (partial) influence of X6 on Y is 0.005 < 0.05. Besides That, mark t count 2,823 > t table 1,975. So he concluded if H6 approved, Which It means exists influence Size Company to Profitability.

5. Discussion Research Result

DER And ROA

Based on the results of the analysis above, it is concluded that there is influence Capital Structure (DER) on Profitability (ROA).
These results indicate that the majority of companies in this research sample have strong capital, therefore the level of debt has a significant influence on profitability.

CTR And ROA

Based on the results of the analysis above, it is concluded that there is no influence of Cash Turnover (DER) on Profitability (ROA).
Which could indicate that there is a lack of cash management efficiency in these companies. Riyanto (2010) said that the greater the cash turnover rate, the better the level of efficiency in cash operations. Therefore, it can be stated that the companies in this study need to make improvements in cash management in order to increase their efficiency and potential profitability.

DR and ROA

Based on the results of the analysis above, it is concluded that there is no influence of Leverage (DR) on Profitability (ROA).
Sample companies need to pay attention to other factors that can contribute to profitability, for example operational efficiency, risk management, and better financial strategies to increase company profitability.

CR and ROA

Based on the results of the analysis above, it is concluded that there is no influence of Liquidity (CR) on Profitability (ROA).
Companies are required to carry out an Evaluation of financial resources Check in a way comprehensive structure capital company, including ratio debt, interest rates, and debt repayment schedules. Ensure that the company has sufficient financial resources to meet financial obligations and manage debt costs efficiently.

TATTOO And ROA

Based on results analysis on, concluded that exists influence Company Activities (TATO) on Profitability (ROA).

A higher TATo value indicates how efficiently a company utilizes its assets and increases sales, which ultimately causes the company to be more profitable.

SIZE And ROA

Based on the results of the analysis above, it is concluded that there is an influence of company size on profitability (ROA).

Based on the research results, there is evidence that says that company size is relevant (significant) to profitability. Which is indicated with the more big size company, possibility company profitability tends to increase.

6. Conclusion

a. The variables Capital Structure (DER), Cash Turnover (CTR), Leverage (DR), Liquidity (CR), Company Activity (TATO), Company Size (SIZE), and Profitability (ROA) have a normal distribution which can be seen using a histogram and PP Plots.
b. There is no multicollinearity problem in the independent variables in the regression form. Which can be seen through number Tolerance And The VIF is satisfactory limitation set.
c. No There is heteroscedasticity in model regression. Picture scatterplot shows that the points are distributed randomly and irregularly.
d. The autocorrelation test shows that there is no correlation with the error for period t on error Which There is on period previously (t-1). It means, there is no autocorrelation in the regression model.
e. Based on multiple linear regression analysis, it was found that the variables DER, CTR, DR, CR, TATO, and SIZE significantly influence the ROA variable. The regression coefficient indicates the direction and level of influence of each variable on ROA.

Suggestion

a. Company management needs to pay attention to capital structure (DER) and manage the proportion of debt and equity well to influence profitability (ROA).
b. Companies need to improve cash turnover management (CTR) to optimize cash use and influence profitability (ROA).
c. Management needs to be wise in managing leverage (DR), because high debt levels can have a negative impact on profitability (ROA).
d. Liquidity (CR) company need guarded to stay balanced, because Adequate levels of liquidity are important in influencing profitability (ROA).
e. Company needs increase his activities (TATTOO) through management Which efficient and effective to influence profitability (ROA).
f. Company size as a part that can influence profitability (ROA). Companies must consider the operational scale appropriate to their industry and business environment.
g. Company management needs to evaluate these factors and take strategic steps to

increase profitability (ROA).

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