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The Effect of Current Ratio, Total Asset Turnover, and Debt to Asset Ratio on Return on Assets in Food and Beverage Companies Listed in Indonesia in 2019-2021

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Abstrak

This study aims to test and prove the Current Ratio, Total Asset Turnover, and Debt to Asset Ratio to Return on Asset. This type of research uses a quantitative approach to secondary data. The population in this study is Food and Beverage companies listed on the Indonesia Stock Exchange in 2019-2021 as many as 30 companies. The sampling method uses documentation techniques so as to produce 10 samples of the company. The data analysis techniques used are multiple linear regression analysis, classical assumption testing, and hypothesis testing. The results of this study show that simultaneously Current Ratio, Total Asset Turnover and Debt to Asset Ratio have a significant effect on Return on Assets. While partially Current Ratio has a significant effect on Return on Asset, Total Asset Turnover does not have a significant effect on Return on Asset and Debt to Asset Ratio has a significant effect on Return on Asset.

Keywords:
Current Ratio, Debt to Asset Ratio, Return on Asset, Total Asset Turnover

1. Introduction

The expansion of the food and beverage sector is an example of how business people must run their organizations effectively and efficiently in order to survive in a competitive market. A business is considered healthy if it can continue to operate normally and expand its operations regardless of economic circumstances. This can be determined by looking at the company's ability to meet its financial obligations, leverage its assets to generate profits from sales, and meet other financial obligations. Due to these circumstances, business managers have to compete to attract investors who will put money into food and beverage companies. One of the important sectors for the growth of the national economy is consumer goods. This and the businesses that produce consumer goods go hand in hand.

The Ministry of Industry highlighted that between 2015 and 2019, the performance of the food and beverage business increased by an average of 8.16%, higher than the average growth of the non-oil and gas processing industry of 4.69%. Due to the rapid spread of coronavirus infection, which was originally identified towards the end of 2019 in Wuhan, Hubei Region, China, it has since spread throughout the planet. This condition is very difficult for F&B companies to change their methodology to the current state of keeping up with the public interest in their goods. Despite this, the food and beverage industry is developing faster than normal times. Even though they are in a bad industry, it is still a good industry for the time of the Covid-19 pandemic. In the midst of the impact of the pandemic, this industry still recorded positive growth in 2020-2021.

According to the theory of microeconomics, the main goal of the enterprise is to maximize profits. Profit, in this view, is a way for companies to be compensated for risk-taking; The greater the risk, the higher the profit. In all industries, a company that maximizes profits must decide on three options: how much product to offer, how to make from spending, and how much to spend on. If allowed to continue, the company may go bankrupt if revenues fall and investors start to think twice about investing in the company in question. Because the success of an enterprise is largely determined by its net profit.

Tabel 1. Net Profit of Food and Beverage companies Listed on the IDX in 2019-2021 (In Millions of Rupiah)

NO	CODE	2019	2020	2021	MEAN
1.	AISA	IDR 1,134,776	IDR 1,204,972	IDR 8,771	IDR 782,840
2.	CAMP	IDR 76,758	IDR 44,046	IDR 100,067	IDR 73,624
3.	CEKA	IDR 215,459	IDR 181,812	IDR 187,067	IDR 194,779
4.	DLTA	IDR 317,815	IDR 123,466	IDR 187,992	IDR 209,758
5.	DMND	IDR 366,863	IDR 205,589	IDR 351,470	IDR 307,974
6.	GOOD	IDR 435,766	IDR 245,104	IDR 492,638	IDR 391,169
7.	MLBI	IDR 1,206,059	IDR 285,617	IDR 665,850	IDR 719,175
8.	MYOR	IDR 2,051,404	IDR 2,098,168	IDR 1,211,052	IDR 1,786,875
9.	BREAD	IDR 236,518	IDR 168,610	IDR 281,341	IDR 228,823
10.	STTP	IDR 482,590	IDR 628,629	IDR 617,574	IDR 576,264
MEAN		IDR 652,401	IDR 518,601	IDR 410,382	IDR 527,128

Source: IDX Secondary Data

It can be seen from table 1.1 that the average net profit value of Food and Beverage companies listed on the Indonesia Stock Exchange during the 2019-2021 period has decreased. In 2019 the average net profit value was IDR 652,401 in millions, then fell in 2020 to IDR 518,601 in millions, and fell again in 2021 by IDR 410,382 in millions. Then for the average net profit for 3 periods of RP 527,128 in millions. This below-average net profit value is due to high expense and tax costs. This has an impact on profits with declining sales, if allowed to continue, there will be a possibility that the company will go bankrupt. Because the decisive factor in the success of an enterprise is net profit.

The balance sheet and income statement are generally the two financial statements used in the calculation of ratio analysis. The balance sheet describes the current state of the company's assets, liabilities and capital. An income statement is a financial statement that describes the results of a company's operations over a certain period and determines whether the company makes a profit or a loss. The two components of financial statements can be used by companies to make decisions or set a new policy for the company's future progress. Management should look at the elements that significantly affect the profitability of the enterprise in order to maximize profits. Profitability is indicated by the return on assets. Financial paramater which includes current ratio. Total asset turnover, and debt to asset ratio were used as benchmarks in this study.

Current Ratio is one of the liquidity ratios calculated by dividing current assets by current liabilities. The Current Ratio shows the extent to which current assets exceed current liabilities, and has a fairly close relationship with the percentage of the company's net profit against total assets (Return On Assets) because the Current Ratio is used to evaluate the company's ability to meet its obligation commitments. If the Current Ratio has a low value, it can be interpreted that the company's inability to fulfill its short-term obligations, which can have an impact on the company's profitability level. Total Asset Turnover is also known as the activity ratio, which is an efficient ratio that assesses a business's capacity to generate sales from its total assets. Debt to Asset Ratio is one of the solvency ratios whose assets are calculated by dividing total liabilities by total assets. We can then assess how much debt is used to finance the company's assets or how much debt affects asset management.

Profitability is considered important because it is a metric that measures a company's financial performance and can be used as a benchmark for assessing a company. Return on equity is the rate of return on equity of a company. Owner's equity is the total net worth of the company. Return on equity is an important metric for company owners because this ratio describes management's return on capital provided by the company owner. The increase in Return on Equity shows that the company's prospects are improving, meaning that the company has the potential to increase its revenue. Based on the background description above, the following problem formulation is obtained:

1. Does the Current Ratio have a significant effect on Return on Assets?
2. Does Total Asset Turnover have a significant effect on Return on Assets?
3. Does the Debt to Asset Ratio have a significant effect on Return on Assets?
4. Does Current Ratio, Total Asset Turnover, and Debt to Asset Ratio have a significant effect on Return on Assets?

2. Literature Review

2.1. Financial Ratios

According to kariyoto, (2017) ratio analysis is used to show the relationship between elements in the financial statements that are needed to examine and compare the relationships present in the information units in the financial statements. Financial ratio is a way by calculating that produces a number, the number can be obtained from a process of comparison from one post to another that has a relevant and significant relationship (Sofyan Syafari Harahap, 2016). According to Kasmir, (2016) explaining that financial ratios are an activity of comparing the numbers in the financial statements by dividing one number by another.

2.2. Return On Asset

Return On Asset according to Lukman Syamsuddin, (2016) represent a measure of the company's overall capacity to generate profit using its total assets Return On Assets is a ratio that shows the magnitude of the contribution of an asset in generating net profit, according to Hery, (2018a). Kasmir, (2016) claims that Return on Asset is a ratio that displays the yield (return) on all company assets. According to (Kasmir, 2016b) Return On Asset can be measured by the following formula:

$$Return\ On\ Asset = \frac{\text{Net profit}}{\text{Total assets}}$$

2.3. Current Ratio

Current Ratio is one of the financial ratios that is often used according to (Lukman, 2016). By comparing current assets and current liabilities, one can calculate the Current Ratio. Current Ratio is an indicator of a company's widely used short-term solvency or its capacity to pay off its debts at maturity according to (Fahmi, 2017). The Current Ratio Kasmir, (2016) is a ratio used to assess a company's ability to repay short-term debt that will mature at the time of its entirety. According to Kasmir, (2016) the current ratio calculation formula can be applied as follows:

$$Current\ Ratio = \frac{Current\ asset}{\text{Current liabilities}}$$

2.4. Total Asset Turnover

According to Hery, (2018b) states that Total Assets Turnover is a ratio used to measure the effectiveness of a company in using its assets, including to measure the level of company efficiency in utilizing existing resources. Total Asset Turnover, Lukman Syamsuddin, (2016) shows the effectiveness of using all company assets to generate a certain sales volume. The more effectively all assets are used to generate sales, the higher the Total Asset Turnover. Total Asset Turnover according to Kasmir, (2016) is a ratio used to measure the turnover of all company assets and calculate the value of each rupiah contribution to sales. The formula for measuring Total Asset Turnover according to Kasmir, (2016) is:

$$Total\ Asset\ Turnover = \frac{\text{Seller}}{\text{Total Assets}}$$

2.5 Debt to Asset Ratio

The ratio used to compare total debt to total assets is called *the Debt to Asset Ratio* according Hery, (2018a). *Debt to Asset Ratio* according to Lukman Syamsuddin, (2016) is a ratio used to determine the size of a company's assets financed by creditors. *Debt to Asset Ratio* is a debt ratio used to measure the relationship between total debt and total assets, according to Kasmir, (2016) *Debt To Asset Ratio* is calculated by the following formula:

$$Debt\ to\ Asset\ Ratio = \frac{\text{Total Amoun of Debt}}{\text{Total Assets}}$$

2.6. Conceptual Framework

The financial statements used in this study are profit and loss and balance sheet. This research was conducted on the company food and beverage which is listed in the Indonesian Stock Exchange in 2019-2021. The report that I researched is presented in the form of financial ratios, namely Current Ratio, Total Asset Turnover, Debt to Asset Ratio and Return on Asset. Below is a conceptual framework where the function is to find out variables free partial and simultaneous effect on variables Bound.

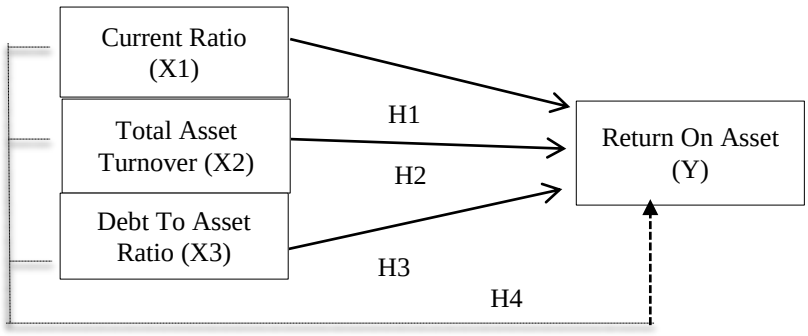

Figure 1. Conceptual Framework

Information:

Partial Test

Simultaneous Test

Hypothesis

H1: Current Ratio has a significant effect on Return on Asset

H2: Total Asset Turnover has a significant effect on Return on Asset

H3: Debt to Asset Ratio has a significant effect on Return on Asset

H4: Current Ratio, Total Asset Turnover, and Debt to Asset Ratio have a significant effect on Return on Asset

3. Metode Research

The object of this study is a Food and Beverage company using a financial ratio analysis unit, which includes Current Ratio, Total Asset Turnover, Debt to Asset, and Return on Asset. This type of research uses quantitative with an associative approach and secondary data sources in the form of financial statements of profit and loss and balance sheets. Data collection techniques use documentation techniques by downloading financial statements on the official website of the Indonesia Stock Exchange.

The population in this study is the entire Food and Beverage companies listed on the Indonesia Stock Exchange in 2019-2021 with a total research population of 30 Food and Beverage companies. The sample was a subset of only members of the population who used the Purposive Sampling technique. The sample used in this study was limited to Food and Beverage companies listed on the IDX only. The variables used are also only limited to three independent variables because they want to focus research on these variables. This research is only limited to 3 years, namely 2019-2021. The criteria for companies in this study are: 1.) Food and Beverage companies listed on the Indonesia Stock Exchange in 2019-2021, 2.) Food and Beverage companies that publish financial statements for the period 2019-2021, 3.) Food and Beverage companies that have positive net income and, 4.) Food and Beverage companies that did not experience consecutive increases in net profit.

The data analysis techniques used in this study are Classical Assumption Test, Multiple Linear Regression, Hypothesis Test (t Test and F Test) and Coefficient of Determination with the help of research data processing program, namely using SPSS software version 25. are a data analysis method chosen as a solution to the formulation of the problem under study. Finding a causal relationship between a free variable and a bound variable is the goal of the multiple linear regression approach Data analysis is performed using multiple linear regression with the following equation:

$$Y = \beta0 + \beta1X1 + \beta2X2 + \beta3X3 + e$$

Information:

Y: Return on Asset

X1: CR

X2: TATO

X3: DAR

E: Error

β0: Intercept (Constant)

β1, β2, β3: Regression coefficient.

4. Results and Discussion

4.1. Test Classical Assumptions

4.1.1. Normality Test

This normality test is used with the aim of assessing data on a group of normally distributed variables or not. In this study using the Kolmogorov-smirnov test. Data is normally distributed when the significance value > 0.05. The results of tests related to the normality test are:

Table 2.
Normality Test Results

	Unstandardized Residual	Criterion	Decision	Conclusion
N	30			
Test Statistics	0,121	Value sig > 0.05	0.200 > 0.05	Usual
Asymp. Sig. (2-tailed)	0,200			

Source: SPSS Output Data

Based on the Kolmogorov-smirnov table above the Asymp values. Significance is 0.200. So based on the decision making in the normality test, this study is normally distributed. Indicated by the value of Asymp. Signikasnsi > 0.05.

4.1.2 Heteroskedasticity Test

The heteroskedasticity test aims to test whether in the regression model there is a variance inequality from the residual of one observation to another. If you are significant above the 0.05 confidence level, it does not contain heteroskedasticity.

Table 3.
Heteroskedasticity Test Results

Type	t	Sig	Criterion	Conclusion
Current Ratio (X1)	-2,26	0,32	Sig value > 0.05	No Heteroskedasity
Total Asset Turnover (X2)	-1,457	1,57		
Debt to Asset Ratio (X3)	0,809	0,426		

Source: SPSS Output Data

It can be seen from the table above that the results of the heterokedesticity test using the glacier test are that the three free variables have a siginifikasn value of more than 0.05. Then it can be concluded that the data do not experience heterochedasticity.

4.1.3. Autocorrelation Test

The autocorrelation test aims to test whether in the liner regression model there is a correlation between the disruptor error in the t period and the disruptor error in the t-1 (previous) period. This study used the Durbin Watson (DW) test. The regression model can be said to be free of autocorrelation if the dL value < DW > dU or dL < (4-DW) > dU. The following are the results

Table 4.
Autocorrelation Test Results

Type	Durbin-Watson	Criterion	Conclusion
1	1,771	dL < DW > Du	No Autocorrelation occurs

Source: SPSS Output Data

Based on the autocorrelation test results in the table above, the DW value = 1.771. The dL value in the durbin watson table is known to be 1.2138 and for the dU value is known to be 1.6498. Then the value of 4 -DW is 4 - 1.771 = 2.229. Then it can be concluded that the dL value < DW > dU (1.2138 < 1.771 > 1.6498) which means that no autocorrelation occurs.

4.1.4. Multicholinearity Test

The multicholinearity test is used to test whether a research regression model has a correlation between free variables. The values used to indicate the presence of symptoms of multicholinearity are the VIF value < 10.00 and the Tolerance value > 0.10. The following are the results related to the multicholinearity test.

Table 5.
Multicholinearity Test Results

Variable	Colinearity Statistics		Criterion	Conclusion
	Tolerance	VIF		
Current Ratio (X1)	0,976	1,025	Tolerance > 0.10 VIF < 10.00	Non-occurrence of Multicholinearity
Total Asset Turnover (X2)	0,929	1,076	Tolerance > 0.10 VIF < 10.00	
Debt to Asset Ratio (X3)	0,908	1,101	Tolerance > 0.10 VIF < 10.00	

Source: SPSS Output Data

Table 4.4 shows that no free variable has a VIF value greater than 10.00 and no tolerance value smaller than 0.10. Therefore, it can be concluded that from all three free variables there is no multicholinearity.

4.2. Hypothesis Testing

4.2.1. Model Fit Test (F Test)

This test is carried out to find out together whether free variables have a significant effect or not on bound variables. A regression model is considered fit if it has a significance value of less than 0.05. with the following examiner criteria:1.) If Fhitung > Ftabel and the p-value of F-statistical < 0.05 then H0 is rejected and Ha is accepted. 2.) if Fhitung < Ftabel and the p-value of F-statistical > 0.05 then H0 is accepted and Ha is rejected.

Table 6.
Model Fit Test Results (F Test)

Type	Sum of Squares	Df	Mean Square	F	Sig.
Regression	0,204	3	0,068	4,147	0,016
Residual	0,427	26	0,016		
Total	0,631	29			

Source: SPSS Output Data

Based on table 6. it can be seen that and the significance value is 0.016 which is less than 0.05 and the calculated F value of 4.147 is greater than the Ftabel value of 2.98. So, it can be concluded that the calculation is greater than the Ftabel and the significant value is smaller than 0.05, then H0 is rejected and Ha is accepted or Current Ratio (X1), Total Asset Turnover (X2), and Debt to Asset Ratio (X3) together affect the Return on Asset (Y).

4.2.2 Partial Test (t-test)

This test is used in knowing the truth of the researcher's hypothesis, because the presence or absence of the influence of independent variables on dependent variables can be seen from their calculated and ttable values. Then to see whether he is significant or not judging by his significance value. It is said to be significant if the sinification value is less than 0.05 with the examiner's criteria used as follows: 1.) if the calculation < tabel and the p-value > 0.05 then H0 is accepted and H1 is rejected, 2.) If the calculation > tabel and p-value < 0.05 then H0 is rejected and H1 is accepted

Table 7.
t Test Results

Variable	tcount	Sig.	Conclusion
Current Ratio (X1)	-2,353	0,026	H1 accepted
Total Asset Turnover (X2)	-0,242	0,811	H2 rejected
Debt to Asset Turnover (X3)	2,768	0,010	H3 accepted

Source: SPSS output, processed by researchers

First Hypothesis = to test the effect of the Current Ratio variable on the Return on Asset. Based on the results of the t test in the table above, it is known that the calculated value is -2.353 with a significance of 0.026. The calculated value of -2.353 < 2.056 and a significance level of 0.026 < 0.05 so it can be concluded that H0 is rejected and H1 is accepted, meaning that CR has a significant effect on ROA.

Second Hypothesis = to test the effect of the variable Total Asset Turnover on Return on Asset. Based on the results of the t test in the table above, it is known that the calculated value is -0.242 with significance is 0. 811.The calculated value is -0.242 < 2.056 and the significance level is 0.811 > 0.05 so it can be concluded that H0 is accepted and H2 is rejected, meaning that TATO does not have a significant effect on ROA.

Third Hypothesis = to test the effect of the Debt to Asset Ratio variable on Return on Asset. Based on the results of the t test in the table above, it is known that the calculated value is 2.768 with significance is 0.010. The calculated value of 2.768 > 2.056 and a significance level of 0.010 < 0.05 so it can be concluded that H0 is rejected and H3 is accepted, meaning that DAR has a significant effect on ROA.

4.2.3. Coefficient of Determination (R2)

The R^2 coefficient of determination looks at the ability of free variables to describe bound variables and the proportions and bound variables explained by their variations and free variables. The value of the coefficient of determination is between zero and one. A small R^2 value means that the ability of free variables to describe bound variables is very limited.

Table 8.
Determination Coefficient Test Results

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,569	0,324	0,246	0,12815

Source: SPSS output, processed by researchers

It can be seen from table 8. that the adjusted r square value of 0.246 or 24.6% and the remaining 75.4% is explained outside of other free variable factors. The result of the coefficient of determination obtained from the R value of 0.569 because the coefficient is in the range of 0.400 – 0.599 and the coefficient of determination is quite strong.

4.2.4. Multiple Linear Regression Analysis

The data analysis technique used is the answer to the formulation of the problem to be studied is a multiple linear regression analysis technique. The purpose of the multiple linear regression technique is to determine the causal relationship between a free variable and a bound variable. Here are the results of the multiple linear regression test:

Table 9.
Multiple Linear Regression Test Results

Type	Unstandardized Coefficients		Stadardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0,130	0,072		1,799	0,084
Current Ratio (X1)	-0,015	0,007	-0,384	-2,353	0,026
Total Asset Turnover (X2)	-0,010	0,041	-0,041	-0,242	0,811
Debt to Asset Ratio (X3)	0,187	0,067	0,469	2,768	0,010

Source: SPSS output, processed by researchers

Return On Asset = 0.130 – 0.015CR – 0.010TATO + 0.187DAR + e

1. The constant shows a number of 0.130 and if the variables Current Ratio (X1), Total Asset Turnover (X2), and Debt to Asset Ratio (X3) are zero, the Return on Asset (Y) is 0.130.
2. The Regression coefficient of Current Ratio (X1) has a value of -0.015. This means that the Current Ratio variable has decreased by 0.015. A negative coefficient means that there is a negative relationship between the Current Ratio and the Return on Asset, so that a decrease in the Current Ratio variable will decrease the Return on Asset variable.
3. The regression coefficient of Total Asset Turnover (X2) has a value of -0.010. This means that the variable Total Asset Turnover has decreased by 0.010. A negative coefficient means that there is a negative relationship between Total Asset Turnover and Return on Asset, so that a decrease in the Total Asset Turnover variable will decrease the Return on Asset variable.
4. Debt to Asset Ratio (X3) coefficient = 0.187 means that the Debt to Asset Ratio variable has increased by 0.187. The coefficient of positive value means that there is a negative relationship between Debt to Asset Ratio and Return On Asset, so that an increase in the Debt to Asset Ratio variable will increase the Return On Asset variable.

4.4. Discussion

4.4.1. Effect of Current Ratio on Return on Asset

From the results of the hypothesis test, it shows that the direct effect of the Current Ratio on Return On Asset is -.0.015 (sig. 0.026 < 0.05), this means that the contribution of the Current Ratio variable to the Return On Asset value is very low, which can be said that many assets are unproductive, although its influence is significant and also has a negative correlative direction (H0 is rejected and H1 is accepted). The Current Ratio describes the size of short-term liabilities, which means that the greater the short-term liabilities that must be borne by the company so that the ability of current assets to cover its short-term liabilities is very small. But if the current ratio is too high, it is also not a positive sign because it reveals how much money is saved, idle money and many unproductive assets that can hinder the company's ability to make a profit. Since profits are often used to pay off short-term debt, a decrease in profits and a decrease in short-term yields led to an increase in the Current Ratio and a decrease in Return on Assets. This is the desired Current Ratio level for the business. Negative influences indicate that management's ability to cover its short-term debt is less effective, which means it has not been able to meet its short-term obligations that are at risk of company failure. If the Current Ratio is low, it will give a bad image.

4.4.2. Effect of Total Asset Turnover on Return on Asset

From the results of the hypothesis test, it shows that the direct effect of Total Asset Turnover on Return on Asset is -0.010 (sig. 0.811 > 0.05), this means that the contribution of the variable Total Asset Turnover to the value of Return on Asset is very low so that the effect is not significant and also has a negative correlative direction (H0 is accepted and H2 is rejected). Total Asset Turnover describes a small number of sales, which means that it is inefficient in managing the assets owned so that it is not good enough to return capital and generate profits. The higher the Total Asset Turnover, the company in its business is able to generate profit from all its assets and can optimize its profit for the better in the future. Negative influences indicate that management ability in sales is less effective, which means that it cannot generate high sales so that it gets a decreased profit. If the Total Asset Turnover is low, the company can be said to be ineffective and efficient in supporting the company's profits generated from the assets it owns.

4.4.3. Effect of Debt to Assset Ratio on Return on Asset

From the results of the hypothesis test, it shows that the direct effect of the Debt to Asset Ratio on Return On Asset is 0.187 (sig. 0.010 < 0.05), this means that the contribution of the Debt to Asset Ratio variable to the Return On Asset value is very high so that the effect is significant and also has a positive correlative direction (H 0 is rejected and H3 is accepted). Debt to Asset Ratio describes a company being able to cover its debt with the assets it owns.

A positive influence shows that management's ability to cover company debt is effective in being able to cover the company's debt with the assets it has. It is more difficult for a company to get more loans because the debt-to-asset ratio is high because this indicates an increased dependence on loans because it is anticipated that the company will not be able to pay off its debt with the assets it owns. Conversely, if it is low, the smaller the company, the more likely it is to be financed by debt and able to pay off its debts with the assets it has.

4.4.4 Effect of Current Ratio, Total Asset Turnover, and Debt to Asset Ratio on Return on Asset

Based on the results of the research above regarding the effect of Current Ratio, Total Asset Turnover, and Debt to Asset Ratio on Return on Asset in food and beverage companies which produces regression coefficient results shows positive numbers. A significance level of 0.016 < 0.05 can be obtained, meaning that H

0 is rejected and Ha is accepted. So, it can be concluded that simultaneously the variables Current Ratio, Total Asset Turnover and Debt to Asset Ratio have a significant effect on Return on Asset.

5. Conclusions and Suggestions

5.1. Conclusion

1. The first hypothesis states that the Current Ratio has a significant effect on the Return on Assets of Food and Beverage companies with a significant value of 0.026 < 0.05. So, it can be concluded that H0 is rejected and H1 is accepted, which means that the Current Ratio has a significant effect on Return on Asset.
2. The second hypothesis states that Total Asset Turnover has a significant effect on Return on Assets in Food and Beverage companies with a significant value of 0.811 > 0.05. So, it can be concluded that H0 is accepted and H2 is rejected, which means that Total Asset Turnover does not have a significant effect on Return on Asset
3. The third hypothesis states that the Debt to Asset Ratio has a significant effect on the Return on Assets of Food and Beverage companies with a significant value of 0.010 < 0.05. So, it can be concluded that H0 is rejected and H3 is accepted, which means that the Debt to Asset Ratio has a significant effect on Return on Asset.
4. The fourth hypothesis states that the Current Ratio, Total Asset Turnover, and Debt to Asset Ratio have a significant effect on the Return on Assets of Food and Beverage companies with a significant value of 0.016 < 0.05. So, it can be concluded that H0 is rejected and Ha is accepted, which means that Current Ratio, Total Asset Turnover, and Debt to Asset Ratio have a significant effect on Return on Asset.

5.2. Suggestion

1. We recommend that the Dividend Payout Ratio level should always be considered so that it remains high and does not decrease. Because from the results of research, the dividend policy proxied through the Dividend Payout Ratio can effectively attract investors to invest, resulting in an increase in the company's value.
2. We recommend that efficiency in debt repayment and the use of equity must always be considered so that profits or profits continue to increase. The higher the debt-to-equity ratio, the lower the price book value. And also improving the capital structure also needs to be done because a good capital structure allocation can increase the value of the company and if the company value is high then investors will be interested in investing.
3. We recommend that the amount of equity owned is better managed to increase productivity. The higher the return on equity, the higher the company value (price book value). And also, in increase in profitability also needs to be done because the level of profitability can affect the value of the company and if the value of the company is high it will give a positive signal for investors to invest.
4. We recommend maximizing asset management or funding optimally, because the Dividend Payout Ratio Debt to Equity Ratio, and Return on Equity affect the Price Book Value and also further increase the ability to obtain profits that can increase the value of the company.

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