ANALYSIS OF FINANCIAL RATIO OF GROWTH PROFIT WITH COMPANY SIZE AS A VARIABLE MODERATING IN COMPANIES CONSUMER GOODS WHO ARE REGISTERED IN INDONESIA STOCK EXCHANGE

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ABSTRACT
This study aimed to analyze the influence of Current Ratio, Debt to Asset Ratio, Inventory Turn Over, Total Asset Turn Over and Sales Growth on Growth Profit with Company Size as moderating variable in the consumer goods company listed on the Indonesia Stock Exchange. Observation period is 2013 to 2017 with a total sample of 24 companies. The analytical method uses multiple linear regression analysis of panel data models and a moderating variable testing model with residual test. The results showed that Current Ratio and Partial Sales Growth has a negative effect on Profit Growth, while Debt to Asset Ratio, Turn Over Inventory and Total Asset Turn Over partially positive effect on profit growth. Company Size can moderate the influence of Current Ratio, Debt to Asset Ratio, Inventory Turn Over, Total Asset Turn Over and Sales Growth on Profit Growth.

Key Words: Current Ratio, Debt to Asset Ratio, Inventory Turn Over, Total Asset Turn Over, Sales Growth, Profit Growth, Company Size

1. INTRODUCTION
Profit is the most sought after information when the company releases its financial statements in both quarterly and annual periods. Analysts, investors, company management, even governments as policy makers and regulators, utilize earnings information to be analyzed or associated with internal or external factors of the company, or more broadly the relationship between earnings growth of companies going public and domestic economic growth. Through profit growth, company development can be measured year by year by comparing current earnings with previous period earnings. Indonesia is a very potential market for consumer goods sector companies. The performance of the consumer goods sector is strongly influenced by public consumption. This sector is relatively stable from economic fluctuations, because in the condition of public finances, however, the products of this sector cannot be reduced from the public expenditure budget. The shares of the consumer goods sector are non-cyclical stocks, meaning that the products produced by companies in this sector are always needed in economic conditions, however, the demand for these sector products is relatively constant, regardless of price (Sukamulja, 2017). The non-cyclical sector has sticky demand, meaning that demand for its products is always there. When an economic downturn results in a reduction in salary or income, consumers spend their money only on essential goods rather than unimportant goods.

When compared with the growth opportunities and potential possessed by the consumer goods sector in Indonesia, the average consumer goods sector profit growth throughout 2013 to 2017 apparently did not show consistent growth or experienced an increase and decrease. The performance of the consumer goods sector is influenced by many factors that cause profit growth not as smooth as expected.
This research was carried out with the aim to examine the effect of financial ratios on earnings growth in consumer goods companies listed on the Indonesia Stock Exchange to determine changes in the accounts in the financial statements that have an influence on profit growth. The size of the company (size) is used as a moderating variable with consideration that the size of the company becomes invisible when performing ratio analysis. This problem will be encountered when analyzing comparisons between companies of different sizes. The size of the company should be taken into consideration when going to the ratio between the company (Prihadi, 2008).

2. THEORETICAL AND HYPOTHESIS REVIEW

2.1. Agency Theory

Agency theory states that modern companies are owned by shareholders but run by managers, and both have different economic interests. According to Jensen and Meckling (1976), agency relations are defined as contracts between principals and agents, where the principal delegates decision-making authority to the agent. The shareholders as principals have a company and want their wealth to remain sustainable and increase while the manager is an agent, action, and financial decisions to maximize shareholder value, also have a desire to have a high standard of living with a high salary and benefits. This can lead to a conflict of interest or the so-called agency problem that can inhibit profit and is a cost for the principal who employs an agent (Donleavy, 2016).

2.2. Signaling Theory

Theory signals (signaling theory) states that the manager (agent) has the advantages of qualitative information than outside the company, and the manager (agent) to use certain facilities size or quality implies the company (Gumanti, 2009). Signals are interpreted as signals given by managers to outsiders (investors). Wolk et al (2000) explained that giving signals to outsiders is one way to reduce information asymmetry, for example by providing trusted financial information and can reduce uncertainty about future company prospects. Financial reports are often used to signal information about companies to outsiders. The thing that is most highlighted in the financial statements is the profit trend used to predict future earnings. L is a means for companies to send signals to the public. Information in (inside information) in the form of management policies, management plans, product development, business strategies that are kept confidential and so on that are not known by the public, will be reflected in the profit figures published through financial statements (Suwardjono, 2017). Profit is a means to convey management signals that are not conveyed to the public.

2.3. Financial Ratio Analysis

The financial ratio is a ratio calculation that shows a systematic relationship in the form of comparisons between accounts in the financial statements, serves as a measuring tool in assessing financial conditions and company performance (Hery, 2016). Financial ratio analysis is an analysis carried out to link various accounts in financial statements in the form of ratios. Financial ratios have a relationship with one another. The relationship can be positive or negative depending on the type of ratio (Kasmir, 2015). Comparison of financial ratios from year to year will provide information about changes in the composition of components in the financial
statements, the increase or decrease in the company's financial condition and performance (Hery, 2016).

2.4. Growth Profit

Earnings growth is a change in the percentage of increase in profits obtained by the company (Hapsari et al, 2017). Profit growth shows that the company is in good financial condition, so it can increase the value of the company. Earnings growth is a measure of the performance of a company, where the higher the profit achieved by the company, the better the company's performance. The growth of profit is an increase in profits obtained by the company compared to the previous year (Mahaputra, 2012). Factors that affect the company's profit growth internally include, among others is a change in components in the financial statements, for example changes in sales, changes in total assets, changes in debt; and externally, among others increased prices due to inflation and managerial freedom (managerial discretion) in choosing accounting methods and making estimates that can increase profits (Gunawan and Wahyuni, 2013).

2.5. Current Ratio

The current ratio is the ratio used to measure the ability of a company to meet short-term liabilities that are immediately due by using current assets available. Current ratio illustrates the comparison between the amount of current assets owned by the company with total current liabilities (Hery, 2016). The smaller the current ratio indicates that the company is experiencing liquidity difficulties and creates a risk of default that can burden the company with a fine. However, the current ratio that is too high can be caused by less effective cash management, inventories and accounts receivable. Excess cash money should be used for business and investment expansion activities. A high inventory buildup will affect inventory turnover and subsequently at the level of sales. Then, the high trade receivables can be at risk of increasing the balance of bad debts that can cause losses to the company.

2.6. Debt to Asset Ratio

Debt to Asset Ratio is the ratio used to measure the ratio between total debt and total assets (Hery, 2016). Debt to Asset Ratio describes how much corporate debt is used for asset financing. A high debt to asset ratio indicates that most of the company's assets are financed by debt, so that it will create a risk of default and the increasing interest expense that must be borne by the company. However, if the debt can be used to buy productive assets or finance business expansion, the company will have the opportunity to earn large profits (Hery, 2016).

2.7. Total Asset Turn Over

Total Asset Turn Over is a ratio used to measure the effectiveness of total assets owned by a company in generating sales or to measure how much sales are generated from each rupiah of funds embedded in total assets. This ratio is used to find out whether the resources owned by the company have been used optimally (Gunawan and Wahyuni, 2013). A high total Turn Over Asset indicates that the company is effective in utilizing assets to generate high sales and has the opportunity to obtain increased profits. Low Turnover Total Asset indicates that the company has an excess of assets that have not been maximally utilized to generate sales, thereby reducing the opportunity to obtain large profits (Hery, 2016). The more inefficient companies in managing assets, will
increase the burden of the company in the form of unfavorable investments (Barus and Leliani, 2013).

2.8 Inventory Turn Over

Inventory Turn Over is a ratio used to measure how many times the funds embedded in inventory rotate in one period, or how long (in days) the average inventory is stored in a warehouse until it is finally sold (Hery, 2016). This ratio illustrates the ability of management to carry out sales activities and how quickly inventory of merchandise is successfully sold to customers. The higher the Inventory Turn Over means that the inventory of merchandise can be sold in a relatively short time, so that the funds embedded in inventory are not too long as cash. The lower the Inventory Turn Over, the longer the turnover period, the more costs incurred by the company for inventory maintenance so as to minimize profitability (Gunawan and Wahyuni, 2013).

2.9 Sales Growth

Sales growth reflects the manifestation of investment success in the past period and can be used as a tool to predict future growth. Sales growth is an indicator of the demand and competitiveness of an industry's companies. The rate of growth will affect the company's ability to maintain profits to fund future opportunities (Barton et al., 1989). Sales growth is an increase in sales from year to year or from time to time (Kesuma, 2009). According Mahapsari and Garden (2013), the sales growth rate of sales change from year to year. The higher the net sales made by the company, the higher the gross profit obtained, thus encouraging the company's higher profitability (Barus and Leliani, 2013).

2.10 Company Size

Sudarmadji and Sularto (2007) stated that corporate size can be determined through total assets, sales and market capitalization. The greater the total assets, sales and market capitalization, the greater the size of the company. Total assets are considered to be relatively more stable than sales value and market capitalization in measuring company size. This is because the sales value and market capitalization fluctuate relatively quickly and the range of change can be large. The size of the company (firm size) can be measured through the transformation of the company's total assets in the form of the natural logarithm (Murhadi, 2013). Use of Natural Log Total Asset as a proxy for company size, aims to reduce excess data fluctuations.

2.11 Conceptual framework

The concept framework can be described as follows:
Hypothesis

Based on the formulation of the problem and the conceptual framework that has been proposed, the following hypothesis can be formulated:

1. Current Ratio partially positive effect on profit growth.
2. Debt to Asset Ratio partially positive effect on profit growth.
3. Total Turn Over Assets partially have a positive effect on Profit Growth.
4. Turnover inventory partially has a positive effect on profit growth.
5. Sales growth partially has a positive effect on profit growth.
6. Company size can moderate the influence of Current Ratio, Debt to Asset Ratio, Total Asset Turn Over, Inventory Turn Over and Sales Growth on Profit Growth.

3. RESEARCH METHODS

3.1. Population and Sample

The population in this study were all consumer goods sector companies listed on the Indonesia Stock Exchange in the period 2013-2017, namely as many as 38 companies. The sampling technique was carried out using purposive sampling method which establishes criteria: the Company who publish audited financial statements and did not report negative earnings consistently during the 2013-2017 period, so the 24 companies selected consumer goods sector being sampled in this study.

3.2. Multiple Linear Regression Analysis (Model Data Panel)

According to Ghozali (2016), linear regression analysis is an analysis that measures the strength of the relationship between two or more variables and shows the direction of the relationship between the dependent variable and the independent variable. The data used in this study is panel data. Panel data is a combination of time series data and data cross (cross section). Panel data can be defined as data sets (datasets) where cross-sectional unit behavior is observed over time (Ghozali and Ratmono, 2017). The multiple linear regression equation in this study is:

\[ \text{Profit}_G = a + b_1 \cdot \text{CR} + b_2 \cdot \text{DAR} + b_3 \cdot \text{TATO} + b_4 \cdot \text{ITO} + b_5 \cdot \text{Sales}_G + e \]

Winarno (2017) explains that in panel data analysis there are three choices of estimation models that can be used, namely the common effect model, fixed effect model and random effect model, which are tested using the Chow Test and Hausman Test.

This research using company size as moderating variable that will be tested by the method of residual test. Moderating variable regression equation is as follows:

\[ \text{Size} = a + b_1 \cdot \text{CR} + b_2 \cdot \text{DAR} + b_3 \cdot \text{TATO} + b_4 \cdot \text{ITO} + b_5 \cdot \text{Sales}_G + e \]

\[ |e| = a + b_6 \cdot \text{Profit}_G \]

where:\n\[ e = \text{residual error} \]
\[ |e| = \text{absolute residual} \]

Hypothesis testing is done by measuring the accuracy of the regression function.
through the coefficient of determination (R²), the statistical value F (Simultaneous Test) and the statistical value t (Partial Test) (Ghozali, 2016).

4. RESULTS AND DISCUSSION

4.1. Descriptive statistics

The population in this study includes consumer goods sector companies listed on the Indonesia Stock Exchange with an observation period of 2013 to 2017 totaling 38 companies. Of the population, 24 companies were selected as research samples, so that the total observations of the research variables were 120. The results of descriptive statistical analysis of each variable were presented in Table 1 below.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Std.Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROFIT_Gro</td>
<td>-0.70</td>
<td>3.59</td>
<td>0.160</td>
<td>0.538</td>
</tr>
<tr>
<td>CR</td>
<td>0.51</td>
<td>10.25</td>
<td>3,007</td>
<td>2,153</td>
</tr>
<tr>
<td>DAR</td>
<td>0.07</td>
<td>0.75</td>
<td>0.356</td>
<td>0.178</td>
</tr>
<tr>
<td>TATO</td>
<td>0.55</td>
<td>3.06</td>
<td>1,425</td>
<td>0.592</td>
</tr>
<tr>
<td>ITO</td>
<td>1.14</td>
<td>24.06</td>
<td>5,454</td>
<td>4,464</td>
</tr>
<tr>
<td>SALES_Gro</td>
<td>-0.28</td>
<td>1.25</td>
<td>0.112</td>
<td>0.162</td>
</tr>
<tr>
<td>LnSIZE</td>
<td>25.8</td>
<td>32.15</td>
<td>28,844</td>
<td>1,598</td>
</tr>
</tbody>
</table>

N = 120

4.2. Multiple Linear Regression Analysis (Model Data Panel)

The results of the regression model selection through the Chow Test and Hausman Test show that the best estimation model is the fixed effect model.

Based on the regression results in Table 2, the panel data regression equation is obtained as follows:

\[ \text{Profit}_G = -3.021 - 0.18 \text{CR} + 2.10 \text{DAR} + 0.22 \text{TATO} + 0.12 \text{ITO} - 0.29 \text{Sales}_G \]

4.3. Hypothesis testing

**Determination Coefficient Test**

The value of the coefficient of determination (adjusted R-squared) is equal to show that CR, DAR, TATO, ITO, Sales_Gro are able to influence / explain Profit_Gro simultaneously or together by 36.18%, and the remaining 63.82% is influenced by other factors not included in the regression model.

**F Test (Simultaneous Test)**

Test aims to examine the effect of independent variables simultaneously or simultaneously on the dependent variable. Use values Prob. (F-statistics) that is equal to 0.000005 0.05, so it can be concluded that all independent variables, namely CR, DAR, TATO, ITO, Sales Growth simultaneously have a significant effect on the
variable Profit Growth.

**T test (Partial Test)**

T test results based on Table.2 are as follows:

a. The value of the en CR coefficient is h -0.18, it can be interpreted that the CR has a negative effect on Profit Gro. Probability CR is 0.0303, which is <0.05, then CR berpengaruh significantly to Profit Gro h.

b. The DAR coefficient value is h 2.10, it can be interpreted that DAR has a positive effect on Profit Gro. Probability DAR is 0.0288, which is <0.05, so DAR has a significant effect on Profit Gro.

c. The value of the TATO coefficient is 0.22, it can be interpreted that TATO has a positive effect on Profit Gro. Probability TATO is 0.5142, that is> 0.05, then TATO has a significant effect on Profit Gro.

d. The coefficient value of ITO is h 0.12, it can be interpreted that ITO has a positive effect on Profit Gro. Probability ITO is 0.5142, that is> 0.05, then ITO has a significant effect on Profit Gro.

e. The coefficient value of Sales_Gro is h-0, 29, it can be interpreted that Sales_Gro has a negative effect on Profit Gro. Probability Sales_Gro is 0.6469, that is> 0.05, then Sales_Gro has a significant effect on Profit Gro.

**Test Significance of Moderation with Residual Test**

Moderation significance test with Residual Test is done to prove whether the Company Size (Size) can moderate the influence of Current Ratio, Debt to Asset Ratio, Total Asset Turn Over, Inventory Turn Over and Sales Growth on Profit Growth. Regression analysis is carried out with Company Size (Size) as the dependent variable with the results presented in Table.3

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistics</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR</td>
<td>0.053270</td>
<td>0.088834</td>
<td>0.599654</td>
<td>0.5499</td>
</tr>
<tr>
<td>DAR</td>
<td>1.007145</td>
<td>1.113546</td>
<td>0.904448</td>
<td>0.3677</td>
</tr>
<tr>
<td>TATO</td>
<td>0.071279</td>
<td>0.265311</td>
<td>0.268662</td>
<td>0.7887</td>
</tr>
<tr>
<td>ITO</td>
<td>0.007395</td>
<td>0.036724</td>
<td>0.201357</td>
<td>0.8408</td>
</tr>
<tr>
<td>Sales_gro</td>
<td>-1.164317</td>
<td>0.983492</td>
<td>-1.183861</td>
<td>0.2389</td>
</tr>
<tr>
<td>C</td>
<td>28.31383</td>
<td>0.716610</td>
<td>39.51078</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

Based on Table.3, the moderating variable regression equation is as follows:

\[ Size = 28,313 + 0,053 \times CR + 1,007 \times DAR + 0,071 \times TATO + 0,007 \times ITO - 1,164 \times Sales_Gro \]

The results of testing the moderating variables using the residual test are presented in Table.4.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistics</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit_Gro</td>
<td>-0.011138</td>
<td>0.067988</td>
<td>-0.163823</td>
<td>0.8702</td>
</tr>
<tr>
<td>C</td>
<td>1,274 799</td>
<td>0.149339</td>
<td>8.536296</td>
<td>0.0000</td>
</tr>
</tbody>
</table>

Based on Table.4, the residual test moderation equation is obtained as follows:
Discussion

a. Effect of Current Ratio on Profit Growth

The results of this study indicate that Current Ratio has a negative and significant effect on Profit Growth. This means that a high Current Ratio does not necessarily have a positive impact on the company's profit growth, because the higher the Current Ratio, the lower the Profit Growth over time.

A high current ratio can be caused by lack of effective cash management, inventory and accounts receivable, where the company holds large amounts of cash, accumulates inventory in the warehouse, or high accounts receivable (Hery, 2016). Companies that are considered too liquid will have a negative impact on the performance of the company, because management cannot utilize its productive assets, causing costs to the company, which in turn will result in a decrease in profits. The Signal Theory explains that information in financial statements is a means for company management to give signals to the public, especially to investors. A high current ratio can be a negative signal for the sustainability of investments invested by investors, because the higher the Current Ratio the lower the profit growth will be obtained.

Heikal et al stated that the increase in raw materials and goods in the process can cause an increase in Current Ratio but does not increase profits because the company must spend the costs to process raw materials and goods in the process to be finished goods that are ready for sale. The research data show that inventories of raw materials, auxiliary materials, spare parts materials, packaging materials and goods in process have a larger portion when compared with the finished goods (finished goods). Hal showed that an increase in liquidity led to an increase in costs to be borne by the company for processing of raw materials and other supplies, resulting in the decline in profits. The results of this study are in line with research conducted by Umobong (2015) which states that Current Ratio has a negative relationship and contributes significantly to earnings growth.

b. Effect of Debt to Asset Ratio on Growth Profit

The results showed that Debt to Asset Ratio had a positive and significant effect on Profit Growth. This means that a high Debt to Asset Ratio has a positive impact on the company's profit growth, because the higher the Debt to Asset Ratio, the higher the profit growth, and vice versa. Companies that have a high Debt to Asset Ratio indicate that most of the company's assets are financed by debt. However, if the debt can be used efficiently and effectively to buy productive assets (such as machinery and equipment), or finance business expansion, it will provide an opportunity for companies to get large profits (Hery, 2016).

Debt to Asset Ratio is a signal for investors to assess the company's management ability in managing assets to generate profits. The Debt to Asset Ratio provides information about how much financing a company assets, as well as guarantees in terms of returns on funds that have been invested by investors. Based on the agency theory, shareholders as principals want their wealth to be sustainable and increase, as well as sustainable and increasing profits. The higher the Debt to Asset Ratio impact on the
emergence of a large financial risk for the company. However, there are investors who believe that a growing company definitely needs debt as an additional fund to fund the operations of a large number of companies or expansion, which cannot be met only with their own capital.

Research data shows that the decrease in Debt to Asset Ratio is caused by an increase in the average total assets greater than the increase in the average total debt, so most of the assets of the consumer goods sector are financed by their own capital. This has resulted in a decrease in opportunities for companies to get large profits which then has an impact on the decline in Profit Growth. The results of this study are in line with the research conducted by Wibowo & Pujiati (2011) and Gustina & Wijayanto (2015) which concluded that Debt to Asset Ratio has a positive and significant effect on changes in earnings, meaning that the high Debt to Asset Ratio will be followed by an increase in earnings changes.

c. Effect of Total Asset Turn Over On Growth Profit

The results showed that the Total Asset Turn Over had a positive and insignificant effect on Profit Growth. This means that the company has not been effective in utilizing assets to generate high sales and get opportunities to gain profit growth. The company has an excess of assets that have not been fully utilized to generate sales. K Capacity of management and performance is not maximized in managing the assets of the company so that the Total Asset Turn Over no effect on profit growth.

The research data shows that total assets are too large compared to sales generated, or in other words sales are not maximized compared to the increase in total assets from year to year, so that Total Asset Turn Over has not been able to increase profit growth. The results of this study are in line with the research conducted by Wibowo & Pujiati (2011) which concluded that Total Asset Turn Over has no significant effect in predicting earnings changes. Gustina & Wijayanto (2015) conclude that Total Asset Turn Over has no significant effect on earnings changes because the company does not play its total assets effectively. This ineffectiveness occurs because the company does not use all assets to create sales that can generate profit.

d. Effect of Inventory Turn Over on Profit Growth

The results showed that Inventory Turn Over had a positive and insignificant effect on Profit Growth. This means that inventory is not managed effectively so that funds embedded in inventory are too long to be used as cash. Inventory Turn Over cannot support the company to generate profits from each sale.

According to agency theory, managers as agents are assumed to take actions and take financial decisions with the aim of maximizing shareholder wealth. In this research shows that the management is not maximized in carrying out sales activities to generate the expected profit growth, thus Inventory Turn Over is less can be used as an indicator that affects profit growth.

The research shows that both the Cost of Goods Sold and Supply are both increasing, so that the Inventory Turn Over has not been able to increase profit growth. The company has not been able to maximize the use of Inventory Turn Over to provide benefits for the company. The results of this study are in line with the research conducted by Rice (2016) and Margareth (2016) which concluded that Inventory Turn Over has no significant effect on earnings growth. Rice (2016) states that profit growth
is not solely influenced by the length of time the stock is in the warehouse, but depends more on good utilization of the inventory in hand.

e. **Effect of Sales Growth on Profit Growth**

The results showed that Sales Growth had a negative and insignificant effect on Profit Growth. The higher the Sales Growth, the lower the Profit Growth, thus sales growth is not an indicator that determines the increase in profit growth. The research data shows that Sales, Cost of Goods Sold and Net-Expenses both experience an increase. The increase in sales from year to year cannot encourage profit growth due to an increase in Cost of Goods Sold and Net-expenses. The cost of goods sold or the operating expenses borne by the company are relatively large when compared to the sales generated so that they do not affect the company's profit and cause sales growth to have no effect on profit growth. The results of this study are in line with the research of Barus & Leliani (2013) which concluded that sales growth had no significant effect on profit growth, because many supplies are in work in progress and not ready for sale which resulted in reduced sales.

f. **Effect of Company Size As A Moderating Variable**

Moderating test results using the Residual Test show that the probability value Profit_Growth of 0.8702 (greater than 0.05) indicates that the Company Size (Size) is not a moderating variable. Company Size (Size) is not able to moderate the influence of Current Ratio, Debt to Asset Ratio, Total Asset Turn Over, Inventory Turn Over, Sales Growth on Profit Growth.

The research data shows that it is not always a company with greater total assets that will produce greater profit growth than a company with a smaller total assets. The opportunity to obtain profit growth is not determined by the size of the assets owned by the company. The results of this study are in line with the research conducted by Rice (2016) which concluded that company size is not a moderating variable that strengthens / weakens the relationship between financial ratios and profit growth. Companies with assets of more small if managed correctly it is possible to obtain a greater profit growth than companies with larger assets.

5. **CONCLUSION**

Based on the results of research and discussion, conclusions are obtained as follows:

1. **Current Ratio** has a negative and significant effect on profit growth partially, where a high current ratio does not necessarily give a positive impact on the company's profit growth, because the higher the current ratio, the lower the profit growth over time.

2. **Debt to Asset Ratio** has a positive and significant effect on profit growth partially, where a low Debt to Asset Ratio indicates that most of the company's assets are financed by their own capital, thus causing a decrease in opportunities for the company to get a large profit.

3. **Total Asset Turn Over** has a positive and insignificant effect on profit growth partially, where the company has not been effective in utilizing its assets to generate high sales and encourage positive profit growth.

4. **Inventory Turn Over** has a positive and insignificant effect on profit growth partially, where companies have not been able to maximize Inventory Turn Over to
increase profit growth.

5. Sales growth has a negative and insignificant effect on profit growth partially, where sales increase from year to year cannot increase profit growth due to an increase in cost of goods sold and net expenses.

6. Company Size (Size) can not moderate the influence of Current Ratio, Debt to Asset Ratio, Total Asset Turn Over, Inventory Turn Over and Sales Growth on Profit Growth, where the opportunity to obtain profit growth is not determined by the size of assets owned by the company.

LITERATURE


[28] ______, http://www.idx.co.id/
