

Determinants of return on assets – case study on PT. Indofood CBP Sukses Makmur Tbk

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ABSTRACT: The performance of a company can be measured from several indicators, including liquidity ratios, activity ratios, solvency ratios and profitability ratios. Profitability is the most appropriate indicator and is often used to measure company performance. This study aims to analyse the effect of Current Ratio (CR) and Total Asset Turnover (TATO) on Return On Assets at PT Indofood CBP Sukses Makmur, Tbk. PT Indofood CBP Sukses Makmur is a company engaged in the manufacture of noodles and food ingredients. The unit of analysis used is the financial statements of PT Indofood CBP Sukses Makmur, Tbk from 2015 to 2022. The research method used is a quantitative method. Descriptive analysis technique. The results of the study show that partially Current Ratio has no effect on Return On Assets, and Total Asset Turnover has an effect on Return On Assets. Simultaneously Current Ratio and Total Asset Turnover affect Return On Assets.

KEYWORDS -Current Ratio, Total Asset Turnover, Return On Asset

I. INTRODUCTION

Progress in various fields has given rise to increasingly competitive competition between companies. In order to win this competition, companies can maintain the continuity of their business by improving and maintaining good company performance. The performance of a company is the result that must be achieved from a series of processes using all the resources the company has. In order for this goal to be achieved, the company requires management with a high level of effectiveness. The amount of profit earned by a company can be used as an illustration to assess the company's financial performance [1].

Profit and a high level of profitability are the main goals of a company being founded, all company activities carried out both operational and non-operational are a means to achieve these goals [2]. Profits can provide a positive signal regarding the company's prospects in the future. The higher the profits achieved by a company, the better the company's financial performance [3]. Apart from the level of profitability generated, a company can be said to be healthy if it can survive in any economic situation, as can be seen from the company's ability to fulfill short-term and long-term financial obligations, able to utilize its assets to gain profits from sales, and can continue to carry out operational activities and develop their business [4].

One way to see the success of a company in obtaining a rate of return on profits is to look at the company's level of profitability. One of the levels of company profitability can be seen from return on assets, by comparing the net profit generated from the company's main activities with the total assets (assets) owned by the company to carry out the company's activities as a whole and expressed as a percentage. The greater the return on assets, the better the financial performance, because the rate of return is greater. If return on assets increases, profitability increases. If the resulting ratio is low, there is an indication that the company is not using its assets effectively in generating net sales [2].

The profitability ratio is a management performance measurement tool to assess the company's ability to make a profit. According to [5] the profitability ratio provides a measure of the level of effectiveness of a

company's management, this is shown by the profits generated from sales and investment income. Profitability has an important role in business activities, namely to maintain the company's survival in the future. Return On Assets is an indicator for measuring a company's financial performance and is a profitability ratio used to measure a company's effectiveness in generating profits by utilizing the total assets it owns [1].

According to [6], the size of the profitability generated by a company can be influenced by financial ratios such as Total Assets Turn Over (TATO) and Current Ratio (CR). Company activities describe the company's effectiveness in utilizing all the assets it owns [7]. This can be used by investors to measure company efficiency. With effective company activities, the profitability achieved by the company will be high. The level of company activity can be measured using total sales.

A company's liquidity is an important factor in measuring a company's financial performance. The current ratio (CR) is one of the liquidity ratios. According to Kasmir[8] Current Ratio is a ratio to measure a company's ability to pay short-term obligations or debts that are immediately due when they are collected in full. The current ratio can also be said to be a tool for measuring the level of safety (margin of safety) of a company. The greater the ratio of current assets to current liabilities, the higher the company's ability to cover its short-term liabilities [1]. The company's inability to pay its obligations, especially short-term obligations, is caused by various factors. This could be because the company does not have any funds at all or the company has funds but at maturity, the funds it has are not sufficient to pay off its short-term obligations Kasmir[8].

In practice, it is not uncommon for companies to experience the opposite, namely excess funds. This incident made the company less good because there were activities that were not carried out optimally. In this case, management is less able to carry out the company's operational activities, especially in terms of using the funds it has, this will definitely affect efforts to achieve the company's desired profit [8].

According to [9] Activity Ratio is a ratio that describes the extent to which a company uses its resources to support company activities, how users use these activities to the maximum extent with the aim of obtaining maximum results. Total Asset Turnover (TATO) is one of the activity ratios. According to [5], Total Asset Turnover (TATO) is a ratio used to measure the turnover of all assets owned by a company and measure how many sales are obtained from each rupiah of assets. From the results of this measurement, it will be seen the effectiveness of the company in using all its assets to create sales, which will be related to the profits obtained by the company. High Total Asset Turnover indicates that company management can take advantage of all the assets it owns to generate income for the company. Profitability ratios (ROA) are influenced by several ratios. Ratios include liquidity ratios, activity ratios and solvency ratios [10].

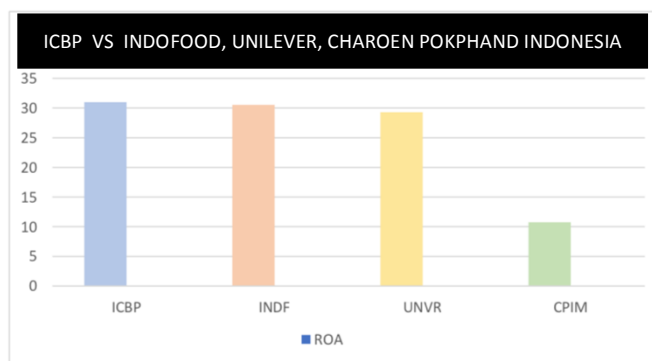
In study this researcher chose PT. Indofood CBP Sukses Makmur Tbk as object study. PT. Indofood CBP Sukses Makmur Tbk is child company from PT. Indofood Sukses Makmur Tbk. PT. Indofood Sukses Makmur Tbk is something moving company in field industry food and drink largest in Indonesia. This company already stand since 2009, this company produce various product food processed, spices, drinks, packaging, cooking oil, factories wheat and mills making bag flour [11].

In this research, researchers chose PT Indofood CBP Sukses Makmur Tbk as the research object. PT Indofood CBP Sukses Makmur Tbk is a subsidiary of PT Indofood Sukses Makmur Tbk, PT Indofood Sukses Makmur Tbk is a company operating in the largest food and beverage industry in Indonesia. This company has been established since 2009, this company produces various processed food products, spices, drinks, packaging, cooking oil, wheat mills and flour sack manufacturing factories [11].

According to the main director and Chief Executive Officer (CEO) of Indofood CBP, Anthoni Salim, ICBP recorded strong performance where consolidated net sales increased 10.1% to IDR 42.30 trillion in 2019 from IDR 38.41 trillion in 2018. The Company also posted good sales growth outside Indonesia of around 19% reaching US\$324 million or around 11% of consolidated net sales. All divisions, namely instant noodles, dairy, snacks, food flavourings, nutrition and special foods, and beverages, recorded an increase in sales, and contributed 63.9%, 19.0%, 6.15%, 4.2% respectively. %, 2.3% and 4.5% of consolidated net sales in 2019. The jump in profits was supported by sales growth of 7% to IDR 12.10 Trillion compared to the first quarter in 2019 which was IDR 11.25 Trillion in 2020. Increase Profit was also supported by growth in other operating income from IDR 103.82 billion to IDR 667.36 billion [12]. The following is a comparison graph of Indofood ICBP's

Return On Assets with three companies operating in the food sub-sector, including Indofood, Unilever, and Charoen Pokphand Indonesia:

Graph I.1 Comparison of ICBP with three companies operating in sub- sectors food first quarter 2020.

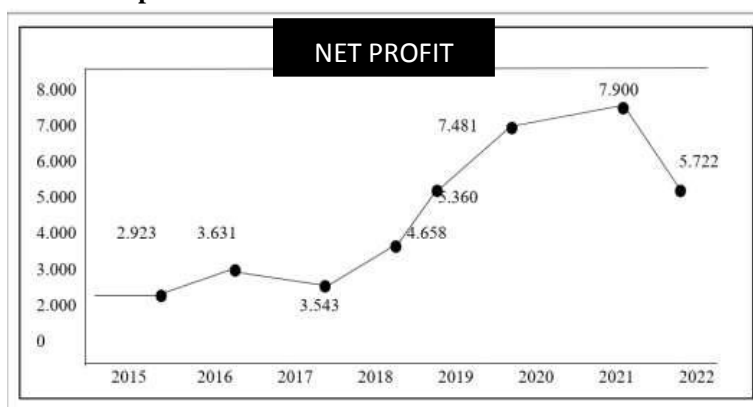


Source: data processed by researchers

Based on figure I.1, it can be seen that the ICBP company is the company with the highest revenue in the first quarter in 2020. ICBP achieved a net profit of 30.98% and this figure has exceeded the food industry profit standard of 2.54% [13]. Another company that has achieved this standard is INDF with a net profit percentage of 30.5%. Meanwhile, other companies such as UNVR in 2020 had a net percentage of 29.29%, the third highest in industry standards, and CPIN (Charoen Pokphand Indonesia)'s net profit in 2020 was 10.73% smaller than the three food and beverage sub-sector companies. and is not included in the industry standard classification [14].

Profitability is the company's ability to generate profits within a certain period of time [10]. The level of company profitability can be measured by the return on assets (ROA) ratio or Net Profit [10]. PT Indofood CBP Sukses Makmur Tbk has maximized its ability to manage the company's total assets. Well, the company is a large company in its field. This can be seen from the development of the company's net profit for the 2015-2022 period. The following is the development of PT Indofood CBP Sukses Makmur's net profit for the 2015-2022 period [15].

Figure I.1 Development of Net Profit PT. Indofood CBP Sukses Makmur Tbk.



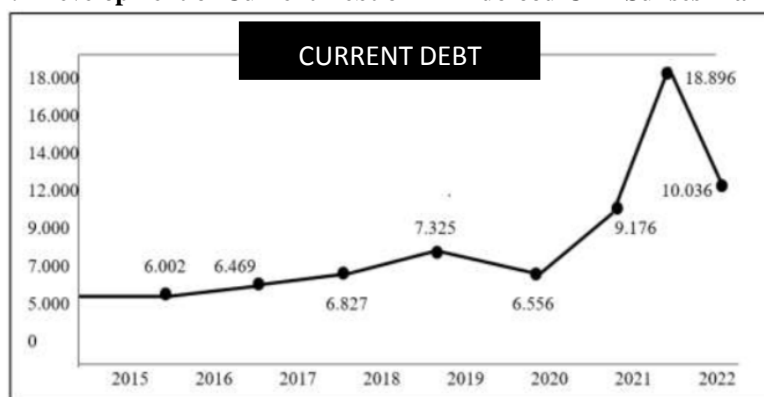
Source: data processed by researchers

Based on Figure I.1, you can see the development of the average net profit achieved by the ICBP company each year. In 2020, the net profit percentage was 12.8% and the net profit percentage was 18% in 2021, which is below the food industry standard, which is 30%. %, then in that year ICBP was deemed unable to develop its business.

The development of net profit cannot reach 30% of the food industry standard according to [16] so it is considered that this company is not effective in managing its assets, in other words this ratio if its movement never reaches the industry standard then this company tends to be less able to maximize its resources (assets) in generating profits. Therefore, companies need to maintain profitability so that it continues to increase in each period. There are other factors that can influence profitability movements, namely Current Ratio and Total Assets Turnover.

The Current Ratio is a good liquidity ratio in minimizing losses to the company so that it remains maintained even if there is a withdrawal of funds entrusted to it [17]. The higher the company's liquidity, the lower the company's profitability. Conversely, the lower the liquidity of a company, the higher the profitability of that company. The level of liquidity can be measured using the Current Ratio. The following is the development of PT Indofood CBP Sukses Makmur Tbk's current debt for the 2015-2022 period.

Figure I.2 Development of Current Debt of PT Indofood CBP Sukses Makmur Tbk

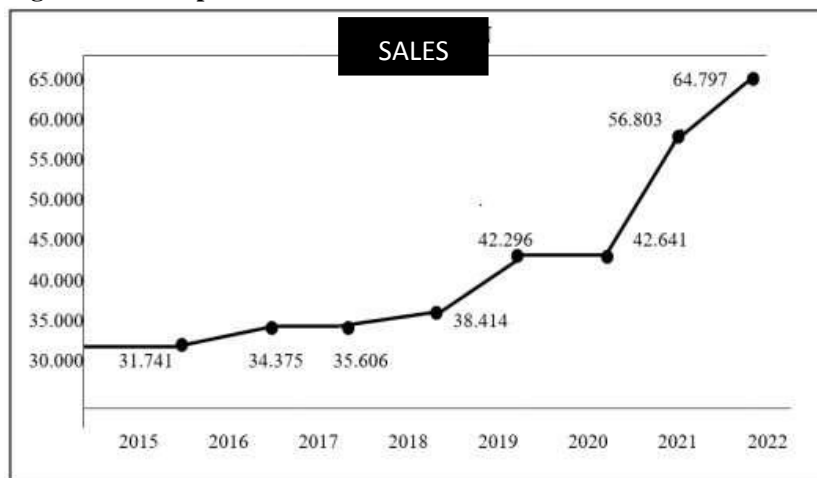


Source: data processed by researchers

Based on Figure I.2, it can be seen that the current debt at PT Indofood CBP Sukses Makmur Tbk from 2015 to 2021 experienced a significant increase, while from 2021 to 2022 it experienced a decrease, which was caused by ICBP having a debt burden with a long-term maturity that reached 72.25% of the company's total liabilities. This debt is related to the acquisition of the Pinehill company [15]. From 2015 to 2021, PT Indofood CBP Sukses Makmur Tbk's current debt is above industry standards, even though it is above industry standards, the company is able to pay on time and maintain its liquidity well. From the graph above it can be concluded that current debt can affect the company's ability to make a profit which will then affect Return on Assets. Current debt that is too high indicates excess idle current assets that are not used effectively. This also indicates that there may be problems in managing working capital so that it will have an unfavorable impact on the company's Return on Assets (ROA) because current assets produce low returns.

The following is a graph of the sales development of PT Indofood CBP Sukses Makmur Tbk for the 2015-2022 period.

Figure I.3 Development of Sales PT. Indofood CBP Sukses Makmur Tbk



Source: data processed by researchers

Based on Figure 1.3, it can be seen that the average sales development at PT Indofood CBP Sukses Makmur Tbk is increasing every year. From 2019 to 2022 there will be a very significant increase above the industry standard average. PT Indofood CBP Sukses Makmur Tbk achieved the highest quarterly growth in the last 4 years [15].

In 2020 to 2022, this is the largest increase experienced by PT Indofood CBP Sukses Makmur Tbk. This year experienced a significant increase, which was far from the previous year, and was below the previous year's sales average. Based on the calculation of this ratio, it can be seen that PT Indofood CBP Sukses Makmur's activities to generate net sales are very effective and the turnover of all company assets is fast, resulting in the company's financial performance improving. According to the President Director & Chief Executive Officer of ICBP, Anthoni Salim, he explained that the increase in the company's operating profits was in line with the increase in various commodity prices [12]. The largest sales were achieved in 2022, while the smallest sales were in 2015. Figure I.3 shows the increase in sales from 2020 to 2022 and is in line with the news in [18], which states that PT Indofood CBP Sukses Makmur Tbk (ICBP) recorded net sales growth throughout 2021, compared to the same period the previous year in 2020.

Research results [19] state that the Current Ratio and Total Asset Turnover have a significant influence on company profitability. These results are supported by research [4] and [20]. Another conclusion was expressed by [3] which states that partially the Current Ratio has no significant effect on profitability. These results are supported by research by [21], while for Total Asset Turnover, the results of previous research state that partially Total Asset Turnover has a significant effect on profitability. This result is supported by Widodo's research [22].

Based on the description, the researcher found several differences in research results regarding the influence of the Current Ratio and Total Asset Turnover variables on Return On Assets (ROA), so the researcher was interested in re-examining the influence of these variables.

II. LITERATURE REVIEW

Financial Ratios

Financial ratios are a study looking at the comparison between the amounts contained in financial reports using formulas that are considered representative for application [23]. The results of these financial ratios are used to assess management performance in a period whether it achieves targets as set. Then you can also assess management's ability to effectively empower company resources. Financial ratios are divided into 4 categories, namely Liquidity Ratios, Solvency Ratios, Activity Ratios and Profitability Ratios.

Liquidity Ratio

Liquidity Ratios are ratios that describe a company's ability to fulfill its short-term obligations (debt) in a timely manner. One way to calculate a company's liquidity ratio is to use the current ratio. The current ratio (Current Ratio) is a general measure used to measure a company's ability to meet its short-term debt. According to [24] Current Ratio is one way of calculating liquidity ratios which is used to measure a company's ability or strength to pay its short-term debt (liabilities) using its current assets. The Current Ratio formula is:

$$\text{CurrentRatio} = \frac{\text{CurrentAssets}}{\text{CurrentLiabilities}}$$

The condition of a company that has a Current Ratio is considered a relevant company. However, if the Current Ratio is too high then it is considered irrelevant. On the other hand, a low Current Ratio is relatively riskier, but shows that management has operated current assets effectively.

Solvency Ratio

The solvency ratio is a ratio used to measure how much debt the company must bear in order to fulfill its assets [25].

Activity Ratio

Activity Ratio is a ratio that describes the extent to which a company uses its resources to support company activities [9]. One way to calculate the activity ratio is to use Total Assets Turnover, where Total Assets Turnover is a ratio used to measure the turnover of all assets owned by the company and measure how many sales are obtained from each rupiah of assets [5]. The formula is:

$$\text{TotalAssetsTurnover} = \frac{\text{Sales}}{\text{TotalAssets}}$$

Total asset turnover can also describe the amount of total asset support owned by the company to obtain sales.

Profitability Ratio

The profitability ratio is a ratio that measures the overall effectiveness of management as indicated by the size of the level of profit obtained in relation to sales or investment [9]. The better the profitability, the better it describes the company's ability to generate high profits. The profitability ratio is a ratio to assess a company's ability to earn profits or profits [5]. In calculating the profitability ratio, one can use the return on assets calculation. According to [24] Return on Assets (ROA) is a ratio used to measure the ability of the capital invested in all assets to generate net profits. Return on Assets is a ratio used to measure the level of return from a business on all existing assets. The formula for finding Return On Assets is as follows:

$$\text{ReturnOnAssets} = \frac{\text{EarningAfterInterestandTax}}{\text{TotalAssets}}$$

The greater the ROA value, the higher the profit obtained by the company. If the company's profits are higher, it will be very good for the company because it means the company has succeeded in improving the company's performance in making profits. This ratio is also very important for shareholders, potential investors and creditors.

III. RESEARCH METHODS

The research method used in this research is a quantitative method. According to [26] quantitative data is a research method based on positivistic (concrete data), research data in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem being studied to produce a conclusion. This research was conducted using the case study method at PT Indofood CBP Sukses Makmur, Tbk which was conducted from 2015-2022. The research data is secondary and taken from the company website by taking financial report data, in the form of Current Ratio, total asset turnover and return on assets.

This research shows two variables, namely independent and dependent variables. The independent variables in this research are Current Ratio and Total Asset Turnover which are denoted X1 and X2, while the dependent variable in this research is Return On Assets (ROA) which is denoted by Y. The following is an explanation of the variables used:

Table III.1 Operational Variables

Variable	Variable Definition	Indicator	Scale
Current Ratio (CR)	Current Ratio is a general measure used to measure a company's ability to meet its short-term debt [9].	Comparison between current assets and current liabilities	Ratio
Total Asset Turnover (TATO)	Total Asset Turnover is a ratio used to measure the turnover of all assets owned by a company and measure how many sales are obtained from each rupiah of assets [28].	Comparison between net income and total assets	Ratio
Return On Asset (ROA)	Return On Assets is a ratio used to measure the level of return from a business on all existing assets (Sugiyono&Untung [23].	Comparison between net income and total assets	Ratio

The results of the data collected in this research were analyzed using quantitative analysis techniques. According to [27] quantitative analysis is testing data analysis related to numbers, statistical tests, and these statistical tests are adapted to careful formulation or identification. Data testing was carried out using descriptive statistical tests, classical assumption tests, multiple linear regression analysis, hypothesis testing, and analysis of the coefficient of determination.

IV. RESULT AND DISCUSSION

Research Data

Current Ratio Data

The following is data from the calculation results of the Current ratio of PT Indofood CBP Sukses Makmur, Tbk for the 2015-2022 period:

Table IV.1PT Indofood CBP Sukses Makmur, Tbk Current Ratio Calculation Results for the 2015-2022 period

Year	Current Assets (in Millions of Rupiah)	Current Liabilities (in Millions of Rupiah)	Current ratio %
2015	13.961	6.002	2,33
2016	15.571	6.469	2,41
2017	16.579	6.827	2,43
2018	14.121	7.235	1,95
2019	16.624	6.556	2,54
2020	20.761	9.176	2,26
2021	33.997	18.896	1,80

2022	31.070	10.033	3,10
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Source: data processed by researchers from PT Indofood CBP Sukses Makmur, Tbk

The results from table IV.1 show the Current Ratio of PT Indofood CBP Sukses Makmur, Tbk for the 2015-2022 period, which shows that the highest Current Ratio data occurred in 2022 at 3.10%, and the smallest Current Ratio was in 2021 at 1.80%.

Judging from the results of the calculated data, it shows that the Current Ratio of PT Indofood CBP Sukses Makmur, Tbk from 2015 to 2020 experienced fluctuations, but in 2021 it experienced a very drastic decrease compared to previous years and increased again in 2022.

The decrease in the value of the Current Ratio was caused by an increase in current debt due to the debt acquisition process of the Pinehill company [15].

Total Asset Turnover (TATO) data

The following is the data from the Total Asset Turnover (TATO) calculation of PT Indofood CBP Sukses Makmur, Tbk for the 2015-2022 period

Table IV.2 Total Asset Turnover (TATO) Calculation Results for PT Indofood CBP Sukses Makmur, Tbk for the 2015-2022 period

Year	Sales (in Millions of Rupiah)	Total Asset (in Millions of Rupiah)	Total Asset Turnover
2015	31.741	26.560	1,25 times
2016	34.375	28.901	1,19 times
2017	35.606	31.619	1,13 times
2018	38.413	34.367	1,12 times
2019	42.296	38.709	1,09 times
2020	42.641	103.588	0,41 times
2021	56.803	118.066	0,48 times
2022	64.797	115.305	0,56 times

Source: data processed by researchers from PT Indofood CBP Sukses Makmur, Tbk

From the data in table IV.2, it can be seen that the Total Asset Turnover rate of PT Indofood CBP Sukses Makmur for the period 2015-2022. From this data it can be seen that the highest total asset turnover rate occurred in 2015 at 1.20 times and the smallest turnover rate occurred in 2020.

Judging from the results of the data that has been calculated, the Total Asset Turnover turnover of PT Indofood CBP Sukses Makmur from 2014 to 2020 tends to decrease.

Return on Asset Data

The following is data from the calculation results of PT Indofood CBP Sukses Makmur, Tbk for the 2015-2022 period.

Table IV.3 Return on Asset Calculation Results for PT Indofood CBP Sukses Makmur, Tbk for the 2015-2022 Period

Year	Net Profit (in Millions of Rupiah)	Total Asset (in Millions of Rupiah)	Return on Asset
2015	2.923	26.560	0,110
2016	3.631	28.901	0,126
2017	3.543	31.619	0,112

2018	4.658	34.367	0,136
2019	5.360	38.709	0,138
2020	7.481	103.588	0,072
2021	7.900	118.066	0,067
2022	5.722	115.305	0,050

Source: data processed by researchers from PT Indofood CBP Sukses Makmur, Tbk

From table IV.3, you can see changes in ROA per year from the 2015-2022 period. In 2019, ROA was at its highest point of 0.138. then from 2020 to 2022 ROA will decrease and the lowest ROA will be in 2022 at 0.050.

The decrease in the value of Return on Assets was driven by a decrease in company profits caused by a decrease in sales and partly by a reduction in costs which resulted in less than optimal profits generated by the company. Meanwhile, the increase in the Return On Asset value was driven by an increase in the company's net profit due to increased sales.

Descriptive Research Results

According to [26] descriptive statistics are statistics that are used to analyze data by describing or illustrating the data that has been collected as it is without the intention of making general conclusions or generalizations.

Apart from that, it can be used to show the data used in research which contains the maximum value, minimum value, average value and standard deviation of each variable. The results of processed descriptive data can be seen as follows:

Table IV.4 Descriptive Test Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CR	8	1,80	3,10	2,3525	0,39271
TATO	8	0,41	1,20	0,8975	0,34714
ROA	8	0,05	0,14	0,1014	0,03384
Valid N (listwise)	8				

Source: Output SPSS 25

In table IV.4 it can be seen that the Current Ratio variable with a total of 8 data has a minimum value of 1.80 and a maximum value of 3.10. while the overall average value is 2.3525 and with a standard deviation value of 0.39271 from these results it can be seen that a high Current Ratio value indicates that the company has a good ability to pay its short-term obligations, but a high Current Ratio also has a high risk. because it is not good, it can indicate cash hoarding, conversely, a Current Ratio that is too low is also not good because it can indicate that the company is unable to meet its short-term obligations.

For the Total Asset Turnover (TATO) variable with a total of 8 data, it has a minimum value of 0.41 and a maximum value of 1.20, while the overall average value is 0.8975 and the standard deviation value is 0.34714. A high Total Asset Turnover value shows that the company is using all its assets to the maximum for sales so that it can generate profits for the company.

The Return On Assets (ROA) variable with a total of 8 data has a minimum value of 0.05 and a maximum value of 1.20, while the overall average is 0.1014 and the standard deviation value is 0.3384. Low Return On Assets can indicate weak company net profit income, which will impact the company's Return On Assets.

Classic Assumption Test Results

- **Normality test result**

Table IV.5 Normality Test Results

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			8
Normal Parameters ^{a,b}	Mean		0,000000
	Std. Deviation		0,01342797
Most Extreme Differences	Absolute		0,205
	Positive		0,205
	Negative		-0,120
Test Statistic			0,205
Asymp. Sig. (2-tailed)			0,200 ^{c,d}
Monte Carlo Sig. (2-tailed)	Sig.		0,826 ^e
	99% Confidence Interval	Lower Bound	0,816
		Upper Bound	0,835

a. Test distribution is Normal.
 b. Calculated from data.
 c. Lilliefors Significance Correction.
 d. This is a lower bound of the true significance.
 e. Based on 10000 sampled tables with starting seed 2000000.

Source: Output SPSS 25

From the output of table IV.5, it can be explained that the normality test has a normal distribution because $0.826 > 0.05$.

- **Multicollinearity Test Results**

Table IV.6 Multicollinearity Test Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error				Tolerance	VIF
1	(Constant)	0,071	0,040		1,784	0,135		
	CR	-0,020	0,015	-0,232	-1,305	0,249	1,000	1,000
	TATO	0,087	0,017	0,888	5,003	0,004	1,000	1,000

a. Dependent Variable: ROA

Source: Output SPSS 25

From the output of table IV.6, you can see the results of the multicollinearity test where the VIF value of the two independent variables Current Ratio and Total Asset Turnover is 1,000, where this number is less than 10 and the Tolerance value of these two variables is 1,000, which is greater than 0.10 So it can be concluded that there is no multicollinearity problem in the regression model.

• **Heteroskedastisitas Test Results**

Table IV.7 Heteroskedastisitas Test Results

Model		Coefficients ^a		Standardized Coefficients Beta	t	Sig.
		Unstandardized Coefficients B	Std. Error			
1	(Constant)	0,006	0,021		0,301	0,776
	CR	0,001	0,008	0,051	0,116	0,912
	TATO	0,002	0,009	0,113	0,254	0,810

a. Dependent Variable: ABSRES

Source: Output SPSS 25

From the output of table IV.7, it can be seen that the significance value of the Current Ratio variable is 0.912, while for Total Asset Turnover it is 0.810. This result is greater than the predetermined value, namely 0.05, so it can be concluded that there is no heteroscedasticity problem in the two independent variables.

• **Autokorelation Test Results**

Table IV.8 Autokorelation Test Results

Runs Test	
	Unstandardized Residual
Test Value ^a	-0,00339
Cases < Test Value	4
Cases >= Test Value	4
Total Cases	8
Number of Runs	5
Z	0,000
Asymp. Sig. (2-tailed)	1,000

a. Median

Source: Output SPSS 25

The autocorrelation test is a test where the dependent variable is not correlated with the value of the variable itself, either the value of the previous period or the value of the period after. Based on Table IV.8, it can be seen that the significant value of the Run test is 1,000. So it can be concluded that there is no autocorrelation because the significance value is > 0.05.

Multiple Linear Regression Analysis

Table IV.9 Multiple Linear Regression Test Results

Model		Coefficients ^a		Standardized Coefficients Beta	t	Sig.
		Unstandardized Coefficients B	Std. Error			
1	(Constant)	0,071	0,040		1,784	0,135
	CR	-0,020	0,015	-0,232	-1,305	0,249
	TATO	0,087	0,017	0,888	5,003	0,004

a. Dependent Variable: ROA

Source: Output SPSS 25

From output IV.9, the constant value (a) is 0.071 and the regression coefficient value for the Current Ratio variable (b1) is -0.020 and the Total Asset Turnover variable (b2) is 0.087. From the table above, the equation for multiple linear regression is obtained as follows:

$$Y = a + b_1 X_1 + b_2 X_2$$

$$Y = 0,071 + -0,020 X_1 + 0,087 X_2$$

The constant value (a) is 0.071, this means that if the Current Ratio and Total Asset Turnover are 0, the Return On Assets (ROA) will be 0.071. The regression coefficient value for the Current Ratio (B1) variable is negative, namely -0.020. This can be interpreted as meaning that for every 1 unit increase in the Current Ratio, the ROA decreases by -0.020 units. And for the regression coefficient for the variable Tattoo Asset Turnover (B2) is positive, namely 0.087, this can be interpreted that everyan increase of 1 unit of Asset Turnover, then ROA increases by 0.087 units.

Hypothesis Testing Results

To test the proposed hypotheses, it is necessary to carry out regression analysis via the t test or F test. The purpose of regression analysis is to determine the influence of independent variables on the dependent variable, either partially or simultaneously. As well as knowing the amount of dominance between the independent variable and the dependent variable.

- t Test

The following are the results of the t test calculation which can be seen in the following table:

Table IV.10t Test Results

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	0,071	0,040		1,784	0,135
	CR	-0,020	0,015	-0,232	-1,305	0,249
	TATO	0,087	0,017	0,888	5,003	0,004

a. Dependent Variable: ROA

Source: Output SPSS 25

From the results of the t test, it can be seen that partially the Current Ratio has no effect on ROA and Total Asset Turnoverpartially has a significant effect on ROA.

- F Test

The following F test calculation results are seen in the following table:

Table IV.11F Test Results

Model		ANOVA ^a				
		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0,007	2	0,003	13,381	0,010 ^b
	Residual	0,001	5	0,000		
	Total	0,008	7			

a. Dependent Variable: ROA
 b. Predictors: (Constant), TATO, CR

Source: Output SPSS 25

The results of the F test show that the Current Ratio and Total Asset Turnover simultaneously have a significant effect on ROA.

Coefficient of Determination

Table IV.12F Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,918 ^a	0,843	0,780	0,01589
a. Predictors: (Constant), TATO, CR				

Source: Output SPSS 25

Based on Table IV.12, the Adjusted R Square figure is 0.780 or (78%), this shows that the percentage contribution of the influence of independent variables, namely Current Ratio and Total Asset Turnover on the Return On Assets variable is 78% while the remaining 22% is explained as being influenced by variables other variables outside the model.

The Effect of Current Ratio on Return On Assets at PT Indofood CBP Sukses Makmur Tbk 2015-2022 period

Based on the test results with SPSS 25, it is stated that the Current Ratio has no significant effect on Return On Assets with a significant value (Sig.) of 0.249. The significance level is 0.05 (0.249 > 0.05). It can be seen that the t value for the Current Ratio variable is -1.305 < ttable 2.571. The value of tcalculated Current Ratio is smaller than ttable. So it can be concluded that H1 is rejected, which means that the Current Ratio has no significant effect on Return On Assets. The lower the Current Ratio (CR) value, the higher the Return On Assets (ROA) value and vice versa. So it can be said that the results of this research are in line with research conducted by Indriyani, Panjaitan & Yenfi (2017) and are not in line with the research results of Herman, Suratno & Suryanto (2016) and Wenny Anggresia Ginting (2018).

The Effect of Total Asset Turnover on Return On Assets at PT Indofood CBP Sukses Makmur Tbk 2015-2022 Period

Based on the SPSS 25 test results, it is stated that Total Asset Turnover has an effect on Return On Assets with a significant value (Sig.) of 0.004. The significance level is 0.05 (0.004 < 0.05). It can be seen that the tcount value for the Total Asset Turnover variable is 5.003 > ttable 2.751. So it can be concluded that H2 is accepted, which means that Total Asset Turnover has a significant effect on Return On Assets. The higher the Total Asset Turnover value, the higher the Return On Asset value and vice versa. If a company can manage its assets well, profits will increase, and vice versa, if it cannot manage its assets, profits will decrease. So it can be said that the results of this research are in line with research conducted by [22].

The Effect of Current Ratio and Total Asset Turnover on Return On Assets at PT Indofood CBP Sukses Makmur Tbk 2015-2022 period

Based on the SPSS 25 test results, it shows that Total Asset Turnover and Current Ratio have a significant effect on Return On Assets. This is because Fcount is 13.381 > 5.79 or Fcount > Ftable. then H3 is accepted, meaning there is a significant influence between the Current Ratio and Total Asset Turnover on Return On Assets. From the results of the coefficient of determination analysis, it can be seen that all independent variables have an influence of 78%, while the remaining 22% is influenced by other variables outside the research model. The figure 78% shows that the Current Ratio and Total Asset Turnover have a very high level of influence on the dependent variable. Based on this, this means that these results are in line with research conducted by [4], [19], and [20].

V. CONCLUSION

Based on the results of the research and discussions that have been carried out, the conclusions of this research are as follows:

1. Based on the research results, it shows that partially the Current Ratio at PT Indofood CBP Sukses Makmur Tbk, for the 2015-2022 period, has no significant effect on Return On Assets.

2. Based on the research results, it shows that partially the Total Asset Turnover at PT Indofood CBP Sukses Makmur Tbk, for the 2015-2022 period, has a significant influence on Return On Assets.
3. Based on the research results, it shows that simultaneously the Current Ratio and Total Asset Turnover at PT Indofood CBP Sukses Makmur Tbk, for the 2015-2022 period, has a significant influence on Return On Assets.

Suggestions for the company PT Indofood CBP Sukses Makmur Tbk, including:

1. To pay attention to and maintain the level of liquidity (current ratio) because companies with high liquidity will have an impact on decreasing net profits, to be able to reduce the value of high liquidity by increasing sales, improving company performance, and improving the quality of goods produced.
2. For Total Asset Turnover, the company maintains its sales level by managing its assets effectively and efficiently.
3. For Return on Assets, companies can increase this ratio by increasing total assets and net profit. So it is necessary to effectively and efficiently manage all assets owned by both Current Ratio and Total Asset Turnover so that the profits generated are greater. Meanwhile, one way to increase net profit is by increasing sales.

Advice for potential investors is that they should pay attention to information in the form of ratios in financial reports in order to make good decisions about investing in the company.

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