

ANALISIS PENGARUH QUICK RATIO, DEBT TO EQUITY RATIO, TOTAL ASSET TURNOVER, DAN RETURN ON ASSETS TERHADAP PERTUMBUHAN LABA PADA PERUSAHAAN SEKTOR HEALTHCARE YANG TERDAFTAR DI BEI PERIODE 2017-2021

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ABSTRAK

Penelitian ini bertujuan untuk mengetahui pengaruh dari Quick Ratio, Debt to Equity Ratio, Total Assets Turnover, dan Return on Assets terhadap pertumbuhan laba pada perusahaan healthcare yang terdaftar di Bursa Efek Indonesia periode 2017-2021. Pengumpulan data menggunakan data sekunder berupa laporan keuangan perusahaan dari BEI. Teknik pengambilan sampel pada penelitian ini menggunakan metode purposive sampling yang diperoleh sampel sebanyak 13 perusahaan. Metode penelitian yang digunakan yaitu analisis regresi berganda dengan menggunakan SPSS 22. Hasil dari penelitian ini menunjukkan variabel quick ratio, debt to equity ratio, dan total assets turnover tidak berpengaruh secara signifikan terhadap pertumbuhan laba, sedangkan return on assets berpengaruh positif dan signifikan terhadap pertumbuhan laba.

Kata Kunci: QR; DER; TATO; ROA; Pertumbuhan Laba

ANALYSIS OF EFFECT OF QUICK RATIO, DEBT TO EQUITY RATIO, TOTAL ASSETS TURNOVER, AND RETURN ON ASSETS ON PROFIT GROWTH IN HEALTHCARE COMPANIES LISTED ON INDOENSIA STOCK EXCHANGE FOR THE 2017-2021 PERIOD

ABSTRACT

This study aims to determine the effect of Quick Ratio, Debt to Equity Ratio, Total Assets Turnover, and Return on Assets on profit growth in healthcare companies listed on the Indonesia Stock Exchange for the 2017-2021 period. The data research uses secondary data from financial reports from the Indonesia stock exchange. The sampling selection technique Purposive sampling obtained samples about 13 companies. The study used multiple regression analysis techniques using SPSS 22. The result showed that the quick ratio, debt to equity ratio, and total assets turnover have no significant effect on profit growth, while return on assets had positive and significant impacts on profit growth

Keywords: QR; DER; ROA; TATO; Profit Growth

INTRODUCTION

The economic conditions in Indonesia are rapidly evolving. As a result, businesses must optimize their business development. In a market that is both competitive and growing, businesses need to design and run their operations profitably for all parties involved. Monitoring financial performance plays a crucial role in achieving this goal. Furthermore, companies must innovate to adapt to shifting economic conditions. This is crucial as making money is still the company's core goal in order to keep it operating. The way businesses handled the COVID-19 issue is one illustration of how to navigate unclear circumstances.

The COVID-19 pandemic has indeed impacted trade in Indonesia. As a result of this pandemic, there have been changes in the global trade system, such as lockdowns in various countries, affecting the time and cost required for shipping goods to Indonesia. This situation has led to an increase in the price of goods due to scarcity caused by disruptions in the supply chain.

The impact of this virus led to a downturn in Indonesia's economic growth. According to the Central Statistics Agency (BPS), in 2020, the economic growth rate contracted by minus 2.17 percent. However, in 2021, Indonesia's economy rebounded, with a positive growth rate recorded at 5.02 percent. The recovery of Indonesia's economy involved the performance of several sectors, including the health sector. Even though this sector contributes relatively less compared to others, there has been a significant increase in health sector growth. This is evident from the rising awareness and adoption of healthy lifestyles among the population.

As Reported by DataIndonesia.id, the Central Statistics Agency (BPS) recorded an average per capita health expenditure in Indonesia in 2021 at Rp. 34,364. This amount marked an increase of 8.94% from the previous year, which was Rp. 31,545 per month. Health expenditures were significantly influenced by medical services due to the rising cases of Covid-19. While the growth rate of the health and social activities sector increased by 11.56% in 2020, it saw a decline of 10.46% in 2021. Nevertheless, the increased growth in the health sector in 2021 surpassed the growth of several sectors dominating the national GDP, as reported by Kompas.id. To foster this growth, the Indonesian government implemented reforms aimed at attracting foreign investors. This increased investment has contributed to the continuous improvement of the healthcare sector during the pandemic. A healthy and efficient financial performance can yield profits and enhance a company's performance.

The difference between realized revenue from transactions about that income within a certain period is known as profit (Gunawan & Wahyuni, 2013:64). An organization's profit growth might experience yearly ups and downs. Therefore, efficient administration is essential if businesses are to continuously produce growing profits every month. Strict financial planning and management are necessary to guarantee long-term expansion and enhanced financial outcomes.

Profit growth is important for the future since it provides a forecast for future events based on facts. Several parties, including creditors, investors, and management, will be impacted by the information supplied. These parties anticipate a steady and positive increase in earnings over the previous year. The examination of financial ratios is one way to do this. Financial ratios yield valuable insights about management performance over time and the management team's capacity to utilize the company's resources to their fullest potential (Kasmir, 2018:105).

Analysis of financial ratios is divided into several categories, including growth, liquidity, solvency, activity, and value. Every ratio has a distinct purpose and a unique computation process. The research uses Quick Ratio (QR) to represent liquidity ratios, Debt-to-Equity Ratio (DER) to represent solvency ratios, Total Asset Turnover (TATO) to represent activity ratios and Return on Assets (ROA) to represent profitability ratios.

The quick ratio, which is used to determine how well a company can meet its current obligations with its current assets—aside from inventory—is called that (Kasmir, 2018:138). Due to research by Fakhruddin et al. (2021), indicates that the quick ratio has a positively and considerable impact on profit growth. However, Dini et al (2021) observed that profit growth was significantly and negatively affected by the quick ratio.

One ratio used to measure the connection between debt and equity is the debt-to-equity ratio (DER). It aids in comprehending the proportion of funding supplied by creditors to the proprietors of the business (Kasmir, 2018:158). Because higher amounts of debt often result in lower profitability, DER can have an adverse impact on a company's performance (Gunawan & Wahyuni, 2013:70). Suciana & Hayati (2021) search indicates that debt-to-equity ratio (DER) has no significant effect on profit growth. On the other hand, Panjaitan (2018) argues that the debt-to-equity ratio (DER) significantly and positively affects profit growth.

Total Assets Turnover is a ratio that shows how much revenue is produced per unit of a company's assets and is used to assess the total turnover of those assets (Kasmir, 2018:185). Effective asset management is indicated by a high asset turnover rate for a given organization. According to research by Gunawan & Wahyuni (2013), there is a relationship between total asset turnover and profit growth, meaning that a higher total asset turnover corresponds to higher profit growth. Suyono et al. (2019) research indicates that, for food and beverage firms listed on the Indonesia Stock Exchange between 2012 and 2017, total turnover did not significantly affect profit growth.

Return on assets (ROA) is a ratio that measures the percentage of profit generated from the assets used to earn that profit (Prihadi, 2019:182). In its calculation, ROA is affected by the profit margin and asset turnover. A

higher ROA indicates that a company can generate substantial returns from its total assets (Nugroho et al., 2014:6). Research conducted by Safitri & Mukaram (2018) explains that, partially, return on assets (ROA) has a significant negative impact on profit growth. However, according to Nugroho et al. (2014), ROA significantly influences changes in company profits in a positive direction.

From the descriptions and the differences in previous research findings, this study aims to examine the influence of quick ratio, debt to equity ratio, total asset turnover, and return on asset on profit growth in healthcare sector companies listed on the Indonesia Stock Exchange (BEI) from 2017 to 2021.

LITERATURE REVIEW

Profit Growth

Operational definition of profit is the difference between the income realized from transactions during a period of the costs associated with that income (Gunawan & Wahyuni, (2013:64). According to Angkoso dalam Panjaitan (2018:63), the factors influencing profit growth consist of several elements: (1) Magnitude of growth: larger companies tend to have higher expected profit growth. (2) Company age: newly established companies typically lack knowledge of increasing profits, resulting in lower accuracy in profit projections. (3) Leverage level: higher debt levels in a company can lead to higher sales in the future, thus increasing profit growth. (4) Sales level: higher past sales amounts are prone to correlate with higher future sales, contributing to increased profit growth. (5) Past profit growth: higher past profit growth makes future profit less predictable.

Quick Ratio

The quick ratio, or acid-test ratio, is a ratio that demonstrates a company's ability to pay its obligations with current assets, excluding inventory (Kasmir, 2018:137). A high quick ratio implies that a company bears high financial risk but also possesses opportunities for increased profit. A high quick ratio impacts a company's profit increase or influences its financial status (Nurdiwaty, 2014). In the research by Abas et al. (2020), it was mentioned that profit growth is positively and significantly impacted by the quick ratio. Conversely, based on Dini et al. (2021) research Quick Ratio has a negative and significant impact on profit growth. According to Dewi (2019) research, there was no discernible impact of the quick ratio on profit growth.

H1 : Quick Ratio has an impact on profit growth in healthcare sector companies listed on the Indonesia Stock Exchange (BEI) for the period 2017-2021.

Debt to Equity Ratio

The debt-to-equity ratio is a metric used to compare a company's debt to its equity. This ratio is useful in assessing the amount of the owner's funds that can be used as debt financing. In other words, the debt-to ratio provides an insight into a company's financial structure (Kasmir, 2018:158).

A smaller percentage suggests the business is under less financial strain, which might result in larger profit margins. On the other hand, a higher ratio denotes greater external or investor pressure on the business, which might lead to a decline in performance (Gunawan & Wahyuni, 2013:70). In the research by Gunawan & Wahyuni (2013) and Suyono et al. (2019) it was stated that the debt-to ratio (DER) does not significantly influence profit growth. However, studies by Halomoan Sihombing (2018) and Abas et al. (2020) explain that DER has a significant negative impact on profit growth. Additionally, research Citra Ratna Dewi (2019) highlights that DER significantly influences profit growth.

H2 : Debt to Equity Ratio has an impact on profit growth in healthcare sector companies listed on the Indonesia Stock Exchange (BEI) for the period 2017-2021.

Total Assets Turnover

Total Assets Turnover is one of the activity ratios used to measure the turnover of total assets in generating sales. According to Abdul Halim (cited in Gunawan & Wahyuni, 2013 : 66) total asset turnover is an activity ratio used to measure how effectively a company utilizes its resources in the form of assets.

Within a corporation, the efficiency or inefficiency of asset turnover is shown by the total asset turnover (TATO) ratio. The efficiency with which the business uses its assets is indicated by a high value for this ratio. Therefore, a company's potential for profit increases with its overall asset turnover (Suciana & Hayati, 2021:38). In the research by Gunawan & Wahyuni (2013) total asset turnover influences profit growth. However, in research conducted by Purwitasari & Soekotjo (2019) and Suciana & Hayati (2021) total asset turnover had a significant negative impact on profit growth. Conversely, according to research by Suyono et al. (2019) total asset turnover did not have a significant impact on profit growth in food and beverage companies listed on the Indonesia Stock Exchange for the period 2012–2017.

H3 : *Total Assets Turnover* has an impact on profit growth in healthcare sector companies listed on the Indonesia Stock Exchange (BEI) for the period 2017-2021.

Return on Assets

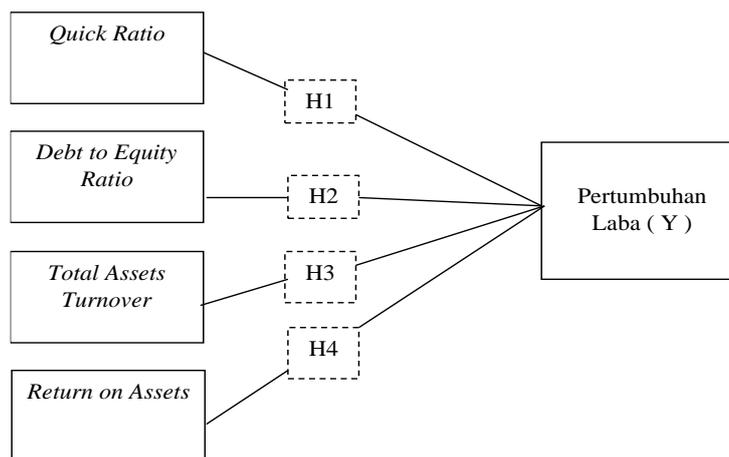
Return on assets (ROA) is a ratio used to measure the percentage of profit generated from the assets employed to earn that profit. This ratio is valuable for management in evaluating the effectiveness and efficiency of the company in managing its assets. The larger the ROA value, the better the company's performance in managing all its assets to generate net profit (Panjaitan, 2018:65).

The research conducted by previous researchers, Anggi Maharani Safitri & Mukaram (2018) indicated that ROA has a significant negative relationship with profit growth in the consumer goods sector during the period 2010–2015. However, research by Intan Puspitasari & Ami Purwanti (2019) showed that ROA had a significant positive relationship with profit growth in the food and beverage sub sector during the period 2011–2015.

H4 : *Return on Assets* has an impact on profit growth in healthcare sector companies listed on the Indonesia Stock Exchange (BEI) for the period 2017-2021.

Conceptual Framework

Here is the conceptual framework that serves as the basis for thinking in this research.



Source: Processed Data, 2022

Figure 1. Conceptual Framework

RESEARCH METHODS

This study was conducted from August 2021 to February 2022, focusing on companies in the healthcare sector listed on the Indonesia Stock Exchange. A total of 23 companies were considered. A total of 23 companies were considered, with a sample size of 13 companies selected through purposive sampling techniques. The primary source of the data was the annual financial reports of these healthcare organizations, which can be accessed through the Indonesia Stock Exchange website. These reports provided numerical and tabular financial data. The dependent variable in this study was profit growth, while the four independent variables were the quick ratio, debt-to-equity ratio, total asset turnover, and return on assets.

Table 1. Operational Variable

Variable	Formula	Source	Measure Scale
Quick Ratio (X_1)	$\frac{\text{Current assets} - \text{Inventory}}{\text{Current liabilities}} \times 100\%$	Kasmir, 2018	Ratio
Debt-to-Equity Ratio (X_2)	$\frac{\text{Total Liabilities}}{\text{Shareholders' Equity}} \times 100\%$	Kasmir, 2018	Ratio
Total Assets Turnover (X_3)	$\frac{\text{Revenue (sales)}}{\text{Total Assets}} \times 100\%$	Kasmir, 2018	Ratio
Ratio on Asset (X_4)	$\frac{\text{Net Profit}}{\text{Total Asset}} \times 100\%$	Febriana et al., 2021	Ratio
Profit Growth (Y)	$\frac{\text{EAT present} - \text{EAT past}}{\text{EAT past}}$	Febriana et al., 2021	Ratio

Source: Processed Data, 2022

Analysis Affect of Quick Ratio, Debt to Equity Ratio, Total Assets Turnover, and Return on Assets on Profit Growth in Healthcare Companies Listed on Indoensia Stock Exchange for the 2017-2021 Period (Yoshinaga Katsute dan Layla Hafni)

Multiple Linear Regression Analysis

The analysis used in this research employed multiple linear regression analysis obtained through the SPSS (Statistical Product for Service Solution) 22 software. This analysis aims to elucidate the relationship between independent variables and the dependent variable. The equation for the multiple linear regression model is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Explanation

Y	=	Profit Growth
a	=	Constant
X ₁	=	Quick ratio
X ₂	=	Debt-to-equity ratio
X ₃	=	Total assets turnover
X ₄	=	Return on assets
b ₁ , b ₂ , b ₃ , b ₄	=	Independent variable regression coefficient
e	=	Error

RESULTS AND DISCUSSIONS

Descriptive Analysis

Descriptive analysis was utilized to provide an overview of the data from the sample used. In this study, the highest Quick Ratio variable observed from 2017 to 2021 was PT. Prodia Widyahusada Tbk in 2019, while the lowest was in PT. Sarana Mditama Metropolitan Tbk. in 2019. For the Debt-to-equity ratio variable, the highest was recorded in PT. Priydam Farma Tbk. in 2021, whereas the lowest was in PT. Industri Jamu dan Farmasi Sido Muncul Tbk. in 2017. Regarding the Total Assets Turnover variable, the highest was observed in PT. Organon Pharma Indonesia Tbk. in 2020, while the lowest was in PT. Sarana Meditama Metropolitan Tbk. in 2019. As for the Return on Assets variable, the highest was in PT. Merck Tbk. in 2018, and the lowest was in PT. Sarana Mediatam Metropolitan Tbk. in 2020. Lastly, concerning the dependent variable, the highest profit growth was seen in PT. Kimia Farma Tbk. in 2021, whereas the lowest was in PT. Indofarma Tbk. in 2021.

Classic Assumption Test

Normality Test

The normality test is applied to determine if the generated residuals follow a normal distribution. If the asymptotic significance value of the one-sample Kolmogorov-Smirnov test is more than 0.05, the data is deemed normal. Additionally, employing a P-P plot to assess the data, if the points follow the diagonal line, the distribution is considered normal.

Table 2. One Sampel Kolmogrov-Smirnov

Unstandardized Residual	
N	60
Kolmogrov – Smirnov Z	0.967
Asymp. Sig. (2-tailed)	0.307

Source: SPSS Processed Data, 2022

Based on the result table 2, it can be concluded that the value of Asymp. Sig (2 tailed) is 0.307, it can be said the residual data is a normal distribution.

Multicollinearity Test

The multicollinearity test is employed to examine the regression model for the absence of correlation between variables. If the Variance Inflation Factor (VIF) value is less than 10, it indicates there is no multicollinearity in the data.

Table 3 . Multicollinearity Test

Variabel	Tolerance	VIF	Information
<i>Quick Ratio</i>	0,715	1.399	There is no multicollinearity
<i>Debt to Equity Ratio</i>	0,735	1,360	There is no multicollinearity
<i>Total Assets Turnover</i>	0,959	1,043	There is no multicollinearity
<i>Return on Assets</i>	0,950	1,053	There is no multicollinearity

Source: SPSS Processed Data, 2022

Based on the result table 3, it can be concluded that the test result that each variable have a VIF value less than 10. Therefore, it can be concluded that there is no multicollinearity present in the data obtained from this research.

Autocorrelation Test

The Autocorrelation test is used to examine the correlation among observation members. The result of the autocorrelation test are as follows:

Table 4. Autocorrelation Test

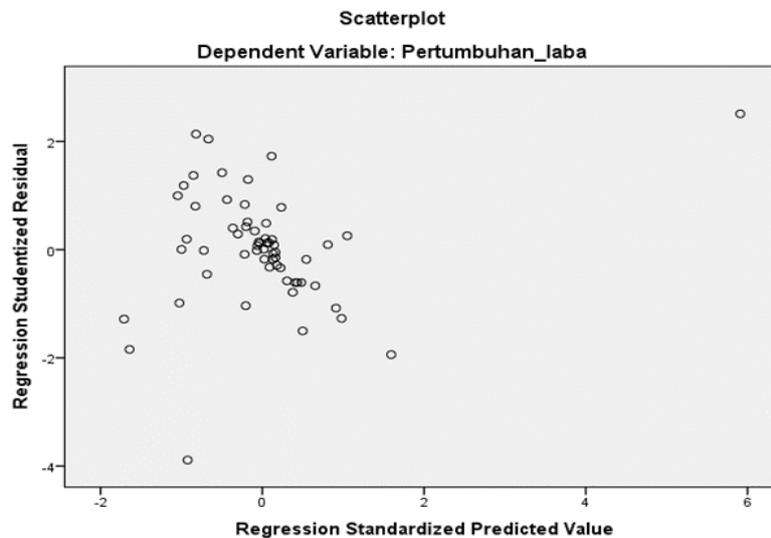
	Value	Information
DU	1,6518	1,6518 < 1,823 < 2,3482 There is no autocorrelation
DW	1,823	
4-DU	2,3482	

Source: SPSS Processed Data,2022

Based on the calculated Durbin-Watson value of 1,823 which range of 1.6518 to 2.3482 in the table. It can be concluded that there is no autocorrelation.

Heteroskedasticity Test

Heteroskedasticity test is used to examine differences in the variance of residuals among another observations. This test employs scatterplot charts and gletjser test. The result of heteroskedasticity test with the scatterplot graph is as follows:



Source: SPSS Processed Data,2022

Figure 2. Scatterplot Chart

Based on the result of heteroskedasticity test using the scatterplot in figure 2, it is observed that the dots do not occur patterns and spread above and below. Therefore, it can be concluded that there is no heteroskedasticity. Meanwhile, the result of the heteroskedasticity test using the gletjser test is as follow:

Table 5. Heteroskedasticity Test

Variabel	T	Sig.	Information
<i>Quick Ratio</i>	0.710	0.481	There is no heteroskedasticity
<i>Debt to Equity Ratio</i>	0.24	0.413	There is no heteroskedasticity
<i>Total Assets Turnover</i>	1.998	0.051	There is no heteroskedasticity
<i>Return on Assets</i>	-0.041	0.968	There is no heteroskedasticity

Source: SPSS Processed Data,2022

Based on the result table 5, it can be concluded that the test result for each variable have a sig. value greater than 0.05. Therefore, it can be concluded that there is no heteroskedasticity present in the data from this research.

Multiple Linear Regression Analysis

Multiple linear regression analysis is used to examine the relationship between independent variables and dependent variable. In this study, the independent variables used are quick ratio, debt-to-equity ratio, total assets turnover, and return on assets, while the dependent variable is profit growth.

Based on the test results, the equation obtained is as follows:

$$Y = -1,181 - 0,081 X_1 + 0,194 X_2 - 0,666 X_3 + 3,507 X_4 + e$$

The meaning of the above equation is as follows: (1) The constant α of -1.181 indicates a negative, if independent variable remains constant, the profit growth will be -1.181. (2) Quick ratio has a coefficient -0.081, indicating that for every increase in quick ratio, the profit growth will be decrease by -0.081. (3) Debt-to-equity ratio has a positive coefficient value 0.194, indicating that for every increase in debt-to-equity ratio, the profit growth will increase by 0.194. (4) Total assets turnover has a negative coefficient value of -0.666, indicating that for every increase in total assets turnover, the profit growth will decrease by -0.666. (5) Return on assets has a positive coefficient value of 3.507, indicating that for every increase in total assets turnover, the profit growth will increase by 3.507.

Hypothesis Testing

Table 6. Hypothesis Testing Results

	Coefficient	T-Statistic	Profitability	Information
<i>Quick Ratio</i>	-0.150	-1.043	0.301	The hypothesis is rejected
<i>Debt to Equity Ratio</i>	0.138	0.971	0.336	The hypothesis is rejected
<i>Total Assets Turnover</i>	-0.202	-1.623	0.110	The hypothesis is rejected
<i>Return on Assets</i>	0.357	2.858	0.006	The hypothesis is accepted
<i>ANOVA</i>		21.276	0.000	Influential
<i>Adjst. R Square</i>	0.579			

Source: SPSS Processed Data, 2022

Coefficient of Determination (*R Square / R²*)

Based on the test result from table 6, the adjusted R-squared value obtained is 0.579 (57,9%). This signifies that the variable X collectivity influence the variable Y by 57.9%. The remaining 42.1% is influenced by other variables not mentioned in this study.

F-Test

Based on the test result from table 6, the calculated F-value is 21.276, and the F-table value is 2.54 with significance value of 0.000, which is greater than 0.05. Therefore, it can be concluded that the regression equation model is adequate, and the independent variables collectivity have a simultaneous effect on the dependent variable.

T-Test

Based on the test result from table 6, the quick ratio, debt-to-equity ratio, and total assets turnover have significance value greater than 0.05, and their calculated T-values are less than T-table value. That indicates that these variables are not significant and do not have an influence on profit growth, However, in the case of return on assets, it has a significance value less than 0.05, and the calculated T-value is greater than the T-table value. Therefore, it can be concluded that this variable significantly influences profit growth.

FINDING AND DISCUSSIONS

The Effect of Quick Ratio (QR) on Profit Growth

The quick ratio is one of the ratios used to measure a company's ability to pay its debts without considering inventory. It calculated by compering current assets minus inventory with current liabilities. Inventory value is excluded because it's assumed to require a longer process to convert into cash if the company needs quick funds to meet obligations.

Based on research findings, the quick ratio doesn't have an impact on profit growth. Nurmalasari (in Wahyuni et al., 2017: 120) suggests that high ratio results from highly liquid current assets, which increase a company's revenue and subsequently lead to profit growth. In the case, a Quick Ratio that lacks influence might indicate that the current assets are unable to cover the company liabilities. This could suggest that the current assets might have low quality, leading to the company's inability to pay its debts, thus affecting the company's profit.

The research aligns with prior studies by Wahyuni et al., (2017) and Dewi (2019), indicating that Quick Ratio doesn't affect profit growth. However, it contrasts with studies Abas et al. (2020) and Fakhruddin et al., (2021) that suggest a positive and significant impact of Quick Ratio on profit growth, as well as study by Dini et al. (2021) which suggest a negative and significant impact of Quick Ratio on profit growth.

The Effect of Debt-to-Equity Ratio (DER) on Profit Growth

Debt-to-Equity ratio is a financial ratio used to compare a company's debt to its equity. It measures how much of the company's funding is coming from debt. The magnitude of this ratio is related to the level of the company's profit achievement. A higher Debt-to-Equity Ratio often hurts a company's performance, as increased debt leads to higher interest expenses, potentially reducing profits.

The hypothesis testing results indicate that the debt-to-equity ratio does not influence profit growth. Therefore, the second hypothesis is rejected. This could be because a high ratio indicates a greater proportion of debt compared to total equity. The utilization of this debt may be more directed towards settling liabilities rather than enhancing the company's profit.

This research aligns with previous studies by Ade Gunawan & Sri Fitri Wahyuni (2013), Suyono et al. (2019), and Dillak & Siburian (2021) that the DER doesn't significantly affect profit growth. However, it contrasts with studies Haloman Sihombing (2018) and Abas et al. (2020) that suggest DER has negative and significant impact on profit growth. It also opposes findings by Citra Ratna Dewi (2019) and Firman & Salvia (2021) which suggest that DER significantly influences profit growth.

The Effect of Total Asset Turnover (TATO) on Profit Growth

Total Asset Turnover calculates efficiency by analyzing how well a business uses its assets to produce revenue. Abdul Halim (dalam Gunawan & Wahyuni, 2013 : 66) claims that it evaluates how well a business uses its resources for assets. Profit growth should ideally be positively impacted by a high asset turnover rate. This shows effective resource management on the part of the business. The third hypothesis, however, is rejected as the findings of the hypothesis testing show that total assets turnover does not affect profit growth. This implies that while overall asset turnover may rise, profit growth could not follow since higher turnover doesn't always translate into high sales. Additionally, businesses must control the cost involved in their daily operations.

This study aligns with previous research by Suyono et al. (2019) and Firman & Salvia (2021) stating that total asset turnover doesn't significantly influence profit growth. However, it contrasts with studies Gunawan & Wahyuni (2013), Endri et al. (2020), and Fakhruddin et al. (2021) suggesting that total assets turnover has a positive and significant impact on profit growth. Additionally, this finding contradicts research by Purwitasari & Soekotjo (2019) dan Suciana & Hayati (2021) which indicate that total assets turnover has a significant negative impact on profit growth.

The Effect of Return on Assets (ROA) on Profit Growth

Return on Assets is a ratio used to measure the capability of assets to generate profit. Management utilizes this ratio to assess the effectiveness and efficiency of managing a company's assets. A higher Return on Asset indicates a higher profit level due to additional assets. The higher Return on Asset a company possesses, the more efficient the asset utilization, leading to increased profits (Purwitasari & Soekotjo, 2019:12). The hypothesis testing result indicates that return on asset has a positive and significant impact on profit growth. Thus, the fourth hypothesis is accepted. This signifies that the company can efficiently manage its assets, a higher ROA suggests greater return from asset utilization.

This study aligns with previous research by Intan Puspitasari & Ami Purwanti (2019) which indicates a positive and significant relationship between ROA and profit growth. However, they contrast with Anggi Maharani Safitri & Mukaram (2018), which suggest a negative and significant between ROA and profit growth, and also diverge from Susyana & Nugraha (2021), indicating that ROA has no impact on profit growth.

CONCLUSION

Based on the data analysis, the conclusions drawn are as follows: (1) Quick Ratio doesn't have an impact on profit growth in healthcare sector companies listed on the Indonesia Stock Exchange (BEI) from 2017 to 2021, (2) Debt to Equity Ratio doesn't have an impact on profit growth in healthcare sector companies listed on the Indonesia Stock Exchange, (3) Total Assets Turnover doesn't have an impact on profit growth in healthcare sector companies listed on the Indonesia Stock Exchange, (4) Return on Assets shown as positive and significant influence on profit growth in healthcare sector companies listed on the BEI from 2017-2021

Analysis Affect of Quick Ratio, Debt to Equity Ratio, Total Assets Turnover, and Return on Assets on Profit Growth in Healthcare Companies Listed on Indoensia Stock Exchange for the 2017-2021 Period (Yoshinaga Katsute dan Layla Hafni)

For future research, it might be beneficial to consider employing a broader range of variables compared to those used in this study or expanding the scope or duration of the research. This could potentially yield more comprehensive insights into profit growth within these companies.

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