ISSN: 2828-7975 Vol. 5 No. 2, Juni (177-195)

THE EFFECT OF DEBT TO ASSET RATIO (DAR), CURRENT RATIO (CR) AND SIZE ON RETURN ON ASSET (ROA) AND EARNING PER SHARE (EPS) ON THE CONSUMER GOODS INDUSTRY SECTOR LISTED ON IDX FOR THE 2016-2020 PERIOD

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ABSTRACT

The purpose of this study was to determine and analyze the effect of Debt to Asset Ratio, Current Ratio and Firm Size on Return on Assets and Earnings Per Share. The research was conducted on companies in the consumer goods industry sector during the 2016-2020 period which were listed on the Indonesia Stock Exchange (IDX). The population in this study are all consumer goods companies listed on the IDX until 2020, totaling 61 companies, the method of determining the sample is purposive sampling technique. So that the population in this study are all consumer goods companies listed on the IDX until 2020, totaling 61 companies. Data analysis used multiple linear regression method. The results of the study explain that the Debt to Assets Ratio has a positive and insignificant effect, while the Current Ratio has a positive and significant effect and Firm Size has a negative and significant effect on Return on Assets. While the Debt to Assets Ratio and Current Ratio have a negative and insignificant effect, while Company Size and Return on Assets have a positive and significant effect on Earnings Per Share. Indirectly Debt to Assets Ratio, Current Ratio, and Firm Size have no effect on Earnings Per Share through Return on Assets.

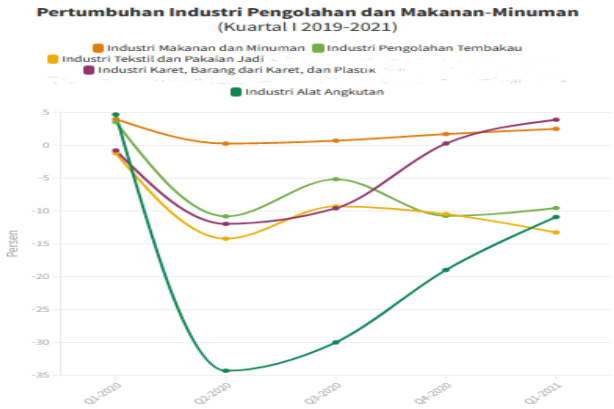
Keywords **:** *Debt to Assets Ratio; Current Ratio; Company Size; Return on Assets; Earning Per Share*

ISSN: 2828-7975

INTRODUCTION

The rapid development of today's business world is the impact of increasing competitive business competition. Facing this situation, companies or company leaders strive to create or increase company value and are able to process production factors owned effectively and efficiently so that company goals are achieved. When viewed from its prospects, the current industry is very profitable. However, seen from the existing phenomenon, not all industrial companies have good prospects. When we talk about sales results, then we will talk about profit or gain. Profit or gain can be measured or assessed from the company's financial performance.

Manufacturing companies in the consumer goods industry sector are one of several types of companies listed on the Indonesia Stock Exchange (IDX). This industry is also one of the sectors that is of interest to investors because this industry has a very wide market share and the products of companies in this industry are very much needed by the community in everyday life. This industry is also known as a critically resistant industry, simply put In any crisis, everyone needs to eat and drink to survive.



Source: Central Statistics Agency (BPS)

Figure 1. Growth Chart of Food Processing Industry- Beverages or Consumer Goods

Based on Figure 1 above, it can be seen that the manufacturing companies in the food and beverage consumer goods industry sector have a stable growth rate compared to other sectors. This shows that consumer goods industry companies have greater potential and are very suitable for investors.

In an era of very tight competition, competitive advantage has developed and involved the importance of the company's financial performance. Therefore, it is very important to study the company's financial performance in more depth. ROA is one of the indicators to measure the company's financial performance, the greater the ROA shows the company's performance is getting better, because the return is getting bigger. The importance of ROA for investors is as one of the benchmarks in assessing an investment before the investment decision is taken.

Earning Per Share is the income per share that can be seen in the income statement. Prospective shareholders are attracted to a large *Earning Per Share , because this is one indicator of a company's success. Earning Per Share* (EPS) can indicate the level of company welfare, so if *the Earning Per Share* (EPS) distributed to shareholders or investors is high, it indicates that the company is able to provide a good level of welfare to shareholders.

DAR is used to measure the company's ability to adapt to conditions of asset reduction due to losses without reducing interest payments to creditors. A high ratio value indicates an increase in the ratio to creditors in the form of the company's inability to pay all its obligations. So that a high DAR ratio will result in high interest payments which will ultimately reduce dividend payments having a positive effect on the stock value of the company concerned. The results of the study (Widodo., 2018)and (Basri., 2016)which state that DAR has an effect on ROA, but contradict the results of the study(Abdul Azis, 2017) which states that DAR has no effect on ROA .

Furthermore, the results of the research conducted (Maimunah, 2015)showed that DAR has no effect on EPS and is supported by research (Chelmi., 2012)showing that DAR has no significant effect on EPS. Furthermore, research conducted by (Susilawati, 2014)shows that CR has a positive and significant effect on EPS.

CR is a liquidity ratio used to measure the ability of current assets to meet short-term obligations. The higher the CR, the greater the company's ability to pay short-term obligations, but a CR that is too high also indicates poor management of liquidity sources. Excess in current assets should be used to pay long-term debt, pay dividends, or for investments that can generate higher returns. The results of the study (Wartono, 2018)and (Safe., 2017)stated that CR has an effect on ROA, but contradict the results of the study (Widodo., 2018)which

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stated that CR has no effect on ROA. While the study according to(Afriyanti, 2011) shows that the *Current Ratio* variable has a negative and significant effect on *Return on Assets* .

Research conducted by (Susilawati, 2014)shows that *Current Ratio* has a positive and significant effect on *Earning Per Share* . However, in the research(Sutejo, 2010) shows that *the Current Ratio* has a negative and insignificant influence on *Earnings Per Share* .

Company size is a description of the company that shows the company's success which can be seen from the total assets owned by the company (Maretha, 2016). Firm Size has an ambiguous effect on firm performance. First, the larger the firm, *the higher the costs, which will negatively affect firm performance. On the other hand, large firms have economies of scale and flexibility that cause a* positive relationship between firm size and ROA performance. This study states that there is no relationship between firm size and firm financial performance. However, this study has limitations because the majority of the samples studied are large firms. Research conducted by (Dogan, 2013)states that company size has a significant effect on ROA, while research conducted by (Setiadewi, 2014)shows that company size is not significant on ROA . Research conducted by (Yuliandhari, 2012)and (Pouraghajan, 2013)shows that company size has a positive and significant effect on *Earnings Per Share* .

In connection with the background of the problem above and the results of previous research , the aim of this research is to examine And m e n a ly s i s influence *Debt to Asset Ratio* (DAR) , *Current Ratio* (CR) , *Size* to *Earning Per Share* (EPS) via *Return on Assets* (R O A) on consumer goods industry sector listed on the IDX period 2016 - 2 0 2 0.

LITERATURE REVIEW

Relationship between *Debt to Asset Ratio* and *Return on Assets*

To run its operations, every company has various needs, especially those related to funds so that the company can run properly. Funds are always needed to cover all or part of the costs required, both short-term funds and long-term funds. Funds are also needed to expand or expand a business or new investment. This means that funds must always be available in a certain amount in the company so that they are available when needed. In this case, it is the job of the financial manager to fulfill these needs.

Companies prefer internal financing rather than using loans to fund their new investments or for additional capital. Companies with high profitability will use more retained earnings and less debt. Therefore, the amount of debt component will be related to the level of profitability.

According to(Kasmir, 2012) *Debt to Asset Ratio* is: "The debt ratio used to measure the comparison between total debt and total assets. In other words, how much of the company's assets are financed by debt or how much the company's debt affects the processing of assets.

From the measurement results, if the ratio is high, it means that funding with debt is increasing, then it is increasingly difficult for the company to obtain additional loans because it is feared that the company will not be able to cover its debts with the assets it owns. The results of previous research conducted by (Kusumajaya., 2011)showed that *the Debt to Asset Ratio* has a positive and significant effect on *Return on Assets* . If the company decides to set a large capital structure, it is likely that the level of liquidity will be maintained but the opportunity to obtain large profits will decrease which will ultimately have an impact on decreasing profitability.
H1: *Debt to Asset Ratio* has a positive and significant effect on *Return on Assets*

Relationship of *Current Ratio* to *Return on Assets*

Current Ratio is a company's ability to meet debt needs. when due. The higher *the Current Ratio* means the greater the company's ability to meet short-term obligations. *A Current Ratio* that is too high indicates an excess of idle current assets. So this is not good for profitability company because current assets generate lower returns compared to fixed assets. The results of the researchers (Afriyanti, 2011), *Current Ratio* has a negative effect on ROA. The results study (Andreani , 2013) that *the Current Ratio* does not have a significant effect significant to profitability. The results of the study (Sarjana , 2013) showed that the *Current Ratio variable* showed no significant influence. Companies that have excess current assets will has a negative effect on profitability. Research results (Liargovas and Skandalis , 2010), (Azhagaiah and Gavoury , 2011), and (Mohamaddan Saad , 2010) shows that CR has a negative effect on ROA.
H2: *Current Ratio* has a negative effect and significant to *Return on Asset*

Relationship *of Size* to *Return on Assets*

Company size describes the size of a company that can be expressed by total sales. Company size reflects the high and low operational activities of a company. In general, the larger the company, the greater its activities.

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The economy of scale of the company is reflected in the decrease in production costs in line with the increase in the amount of production. The larger the company, the greater the operational activities. company which means the higher the company's ability to generate profitability. The results of the study (Dogan, 2013)indicate that *Firm Size* has a positive effect on ROA. Research conducted by (Dogan, 2013)shows that company size has a positive and significant effect on *Return on Assets* . However, research conducted by (Setiadewi, 2014)shows that company size has a negative and insignificant effect on *Return on Assets* .
H3: *Size has* a positive and significant effect on *Return on Asset*

Relationship of *Debt to Asset Ratio* to *Earnings Per Share*

Debt to Asset Ratio (DAR) is the ratio of debt to total assets obtained by dividing the company's total debt by the company's total assets. This ratio emphasizes the important role of debt financing for the company by showing the percentage of the company's assets supported by debt financing. The use of high or low debt can affect the rise and fall of earnings per share. And if the company obtains a greater return from the borrowed funds than the interest to be paid, it means that the income for the owner will increase.

In other words, DAR will have a positive effect if the company's assets financed by the debt are able to generate profits to cover the fixed costs that arise from the use of the debt and can later create profits for the company's owners (EPS). In addition (Armayaya , 2010) stated that DAR has a positive relationship with EPS, where the higher the DAR of a company, the higher it will be The amount of EPS available to the company. Thus, it is assumed that the higher the DAR of a company, the higher the EPS it will create if the company can generate profits that can cover debt. Research conducted by (Maimunah and Megasatya, 2015) shows that *Debt to Asset Ratio* has a negative and insignificant effect on *Earning Per Share* .
H4: *Debt to Asset Ratio* has a positive and significant effect on *Earning Per Share*

Relationship of *Current Ratio* to *Earnings Per Share*

Current ratio allows the company's ability to pay its short-term liabilities using its current assets. The liquidity position of a company is an important factor that must be considered before making a decision to determine the amount of dividends to be paid to shareholders. Based on the explanation , it can be concluded that the higher the level of liquidity of a company, (Susilawati, 2014)*the higher the level of profit received by investors ,* so it can be concluded that *the Current Ratio* has a positive effect on *Earning Per Share* .
H5: *Current Ratio* has a positive effect on *Earning Per Share*

Relationship *of Size* to *Earnings Per Share*

The company size factor (*Size*) which shows the size of the company is an important factor in profit formation. In general, companies that having relatively large total assets can operate with a higher level of effectiveness compared to companies with lower total assets. Companies with adequate total assets are relatively more stable and better able to manage their total assets so that they can generate relatively large profits. With this large total asset, it shows the company's ability to manage its assets to create profits. Therefore, companies with large total assets will be better able to generate high levels of profit, so that profits available to ordinary shareholders will also increase. Research conducted by(Yuliandhari, 2012) and (Pouraghajan, 2013)shows that company size has a positive and significant effect on *Earnings Per Share* .
H6 : Company Size has a positive and significant influence on *Earnings Per Share* .

Relationship between *Return on Asset* and *Earnings Per Share*

ROA is used to measure management's ability to gain overall profit (revenue). The greater the ROA, the greater the level of profit achieved. If the company's ability to use its assets to earn profits increases, it will directly or indirectly affect the increase in the company's net profit, the increase in net profit will certainly affect the increase in EPS.

Return on Asset is one of the factors that influence shareholders' decisions in investing. Every shareholder certainly wants the best company. The higher the *value of Return on Asset* the company, the number of shareholders will increase, and the company will obtain more capital to carry out its operational activities. Research (Borromeu, 2013)*shows* that *Return on Asset has* a (Puspita, 2015)significant positive effect on *Earning Per Share. Followed by research and shows that Return on Asset has a significant positive* effect

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(Puspitosari, 2015)*on Earning Per* Share . *In line with that* , *research also shows that* Return (Uno et al., 2014)*on Asset* has *a significant positive* effect on *Earning Per Share* .
H7 : *Return on Asset has a* positive and significant influence on *Earnings Per Share* .

Relationship between *Debt to Asset Ratio* and *Earning Per Share* through *Return on Assets*

Debt to Asset Ratio is a debt ratio used to measure the comparison between total debt and total assets. In other words, how much of the company's assets are financed by debt or how much the company's debt affects the processing of assets . The greater the assets in the company are expected to have an effect on profits, one of the assessment indicators is ROA.

ROA is used to measure management's ability to gain overall profit (revenue). The greater the ROA, the greater the level of profit achieved. If the company's ability to use its assets to earn profits increases, it will directly or indirectly affect the increase in the company's net profit, the increase in net profit will certainly affect the increase in EPS.

In other words, DAR will have a positive effect if the company's assets financed by the debt are able to generate profits to cover the fixed costs that arise from the use of the debt and can later create profits for the company's owners (EPS).

The results of the study conducted by Zulkarman (2018) explained that *the Debt to Assets Ratio* has an influence on *Return on Assets.* Meanwhile, in the study of Diaz and Jufrizen (2014) it was explained that *Return on Assets* has an influence on *Earning Per Share.*
H 8 : *Debt to Asset Ratio* has a positive and significant effect on *Earning Per Share* Through *Return on Asset*

Relationship of *Current Ratio* to *Earning Per Share* through *Return on Asset*

Current Ratio is a company's ability to meet debt needs . when due. The higher *the Current Ratio ,* the greater the company's ability to meet short-term obligations. *A current ratio* that is too high indicates an excess of idle current assets. So it is not good for profitability. company because current assets generate lower returns compared to fixed assets.

Current Ratio is one of the liquidity ratios, namely the ratio that aims to measure a company's ability to meet its short-term obligations. The higher the CR of a company means the smaller the risk of the company's failure to meet its short-term obligations. As a result, the risk that will be borne by shareholders is also smaller.

Research results (Afriyanti, 2011), *Current Ratio has an* effect on ROA. Meanwhile, in the research of Diaz and Jufrizen (2014) it is explained that *Return on Assets* has an influence on *Earning Per Share.*
H 9 : *Current Ratio* has a positive and significant effect on *Earning Per Share* Through *Return on Asset*

Relationship *of Size* to *Earning Per Share* through *Return on Asset*

Company size describes the size of a company that can be expressed by total sales. Company size reflects the high and low operational activities of a company. The company size factor (*Size)* which shows the size of the company is an important factor in the formation of profit. In general, companies that having relatively large total assets can operate with a higher level of effectiveness compared to companies that have lower total assets. Companies with adequate total assets are relatively more stable and better able to manage the total assets they have so that they can generate relatively large profits. With this large total asset, it shows the company's ability to manage the assets it has to create profits.

Research conducted by (Dogan, 2013)shows that company size has a positive and significant effect on *Return on Assets* . However, research conducted by (Setiadewi, 2014)shows that company size has a negative and insignificant effect on Return *on Assets* . Meanwhile , in the research of Diaz and Jufrizen (2014) it is explained that *Return on Assets* has an effect on *Earning Per Share* .
H 10 : *Size* has a positive and significant effect on *Earnings Per Share* Through *Return on Asset*

Framework

Based on the framework above, it can be illustrated with the following chart:

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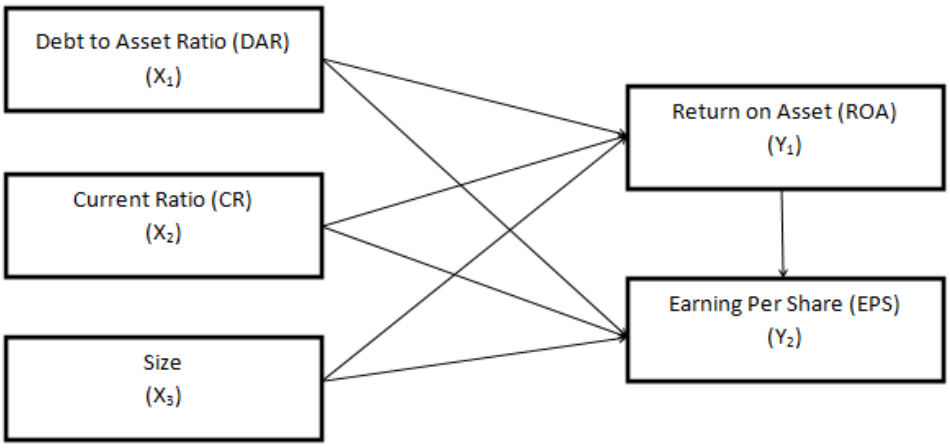

Source: Research Journal

Figure 3. Framework of Thought

RESEARCH METHODS

Place and Time of Research

The research was conducted on Consumer Goods Industry Sector Companies during the 2016-2020 Period listed on the Indonesia Stock Exchange (IDX) and downloaded from the official website of the Indonesia Stock Exchange, namely www.idx.co.id. This study uses the IDX as a place of research, because the official IDX website itself has complete data. This research is planned from September 2021 to December 2021.

Population and Sample

The population in this study is all consumer goods companies listed on the IDX until 2020, totaling 61 companies.

The sampling technique used in this study is Purposive Sampling, which is a non-random sample selection that must meet the criteria that have been adjusted to the objectives and problems in this study. In this study, the sample is a company that meets certain criteria, the criteria used as a research sample are (1) Consumer Goods Industry Sector Companies listed on the IDX until 2020 and (2) Consumer Goods Industry Sector Companies listed on the Indonesia Stock Exchange at least registered before 2016, if registered after 2016 then excluded from the sample. Based on the above criteria, a research sample of 36 companies listed on the Indonesia Stock Exchange in 2016-2020 was obtained.

Data collection technique

The data collection carried out in conducting this research was (1) Library Research, (2) Secondary Data Collection and (3) Websites such as the Indonesian Stock Exchange (www.idx.co.id) .

Operational Variables

Operationalization of variables is needed to determine the types and indicators of the variables related to this study. In addition, the operationalization of variables aims to determine the measurement scale of each variable, so that hypothesis testing using tools can be done properly. In more detail, the operationalization of variables in this study is as follows:

Table 1. Operational Variables

No.	Research Variables	Indicator	Scale
1.	Return on Asset (Y_1)	$ROA = \frac{\text{Profit After Tax}}{\text{Total Assets}}$ (Sartono, 2012)	Ratio
2.	Earning Per Share (Y_2)	$EPS = \frac{\text{Profit After Tax}}{}$	Ratio

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No.	Research Variables	Indicator	Scale
		Number of Shares Outstanding (Fahmi, 2014)	
3.	Debt to Asset Ratio (X_1)	$DAR = \frac{\text{Total Debt}}{\text{Total Assets}}$ (Sartono, 2012)	Ratio
4.	Current Ratio (X_2)	$CR = \frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$ (Brigham, 2010)	Ratio
5.	Size / Company Size (X_3)	Company Size = Ln (Total Assets) (Hartono, 2013)	Ratio

Data Analysis Techniques

Descriptive Statistical Analysis

This descriptive method is used to answer problems regarding all research variables independently. The data analysis method in this research will use the help of a computer application program, namely SPSS version 23. In order to solve the problem, this study uses descriptive statistics which are used as a tool to analyze data by describing or depicting the sample data that has been collected as it is without intending to draw conclusions that apply to the public (generalization). Descriptive statistics include the average or mean value, minimum value, maximum value, and standard deviation. The minimum value is used to find out the smallest amount of data used. The maximum value is used to find out the largest amount of data used. The mean value is used to find out the average of the data used. The standard deviation value is used to find out how much the data in question varies from the average and to identify the standard size of each variable.

Classical Assumption Test

Normality Test

Normality test can be used to test whether in a regression model, the dependent variable and independent variable have a normal distribution or not. As explained (Sugiyono, 2014)that a good regression model is a normal or near-normal data distribution. The normality test can be detected by looking at the distribution of data (points) on the diagonal axis of the graph. This test is called a PP Plot graph or a *Kolmogorov-Smirnov table.* the basis for decision making as follows (1) Probability value > 0.05, then this means that the data is normally distributed and (2) Probability value <0.05, then this means that the data is not normally distributed.

Multicollinearity Test

According to t (Ghozali, 2016), the multicollinearity test aims to test whether a correlation is found between the independent variables in the regression model. (independent). In a good regression model there should be no correlation. Multicollinearity can be detected by looking at the *tolerance value* and *variance inflation factor* (VIF). The basis for analyzing multicollinearity symptoms is as follows (1) If the tolerance value > 0.1 and VIF <10, then there is no multicollinearity and (2) If the tolerance value < 0.1 and VIF > 10, then there is multicollinearity.

Autocorrelation Test

According to t (Ghozali, 2016), the autocorrelation test aims to test whether in the linear regression model there is a correlation between the disturbance error in period t and the disturbance error in period t-1 (previously).

Heteroscedasticity Test

The basic assumption of the classical linear regression model is that the disturbance that appears in the regression is heteroscedasticity. The heteroscedasticity test is used to test whether in the regression model there is inequality of variance from the residuals of one observation to another. In predicting the presence or absence of heteroscedasticity, it can be seen by using the Glejser test. The Glejser test is by testing the level of significance using the scatterplot graphic method between the predicted value of the dependent variable (ZPRED) and its residual (SRESID) . If the significance value between the independent variables is more than 0.05 (> 0.05) it means that there is no heteroscedasticity and vice versa if the significance value between the independent variables is less than 0.05 (< 0.05) it means that there is heteroscedasticity.

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Path Regression Analysis

The form of data analysis used is path *analysis* . Path analysis is an extension of multiple linear analysis or path analysis which is also called a use of regression analysis to estimate the quality relationship between variables that have been previously determined based on the theory. This type of analysis is used with the aim of determining the direct or indirect influence between independent variables and dependent variables. Therefore, the research formulation in the path analysis model only revolves around variables *Debt to Asset Ratio* (X_1) , *Current Ratio* (X_2) , *Size* (X_3) to *Return on Assets* (Y_1) and (Y_2) .

RESULTS AND DISCUSSION

Descriptive Analysis

The following are the results of the descriptive analysis used in this study :

Table 2. Descriptive Analysis of Research Variables

	N	Minimum	Maximum	Mean	Std. Deviation
Return On Assets	180	-20,675	92.100	9.39464	14.353217
Earning Per Share	180	-272,430	2596.706	114.06689	264.591047
Debt to Assets Ratio	180	.077	2,900	.42243	.275914
Current Ratio	180	.152	10,252	2.75491	1.934886
Company Size	180	20,427	30,747	27.15641	2.414558
Valid N (listwise)	180				

Processed Data Source 2022

Based on the descriptive results of the research variables, the explanation is as follows (1) The *Return on Assets variable* has a minimum value of -20.675, with a maximum value of 92.100. While the average value of *Return on Assets is 9.39464. (2) The Earning Per Share* variable has a minimum value of -272.430, with a maximum value of 2,596.706. While the average value *of Earning Per Share is 114.06689. (3) The Debt to Assets Ratio* variable has a minimum value of 0.077, with a maximum value of 2.9. While the average value of *Debt to Assets Ratio is 0.42243. (4) The Current Ratio* variable has a minimum value of 0.152, with a maximum value of 10.252. Meanwhile, the average value of *the Current Ratio* is 2.75491 and (5) The company size variable has a minimum value of 20.427, with a maximum value of 30.747. Meanwhile, the average value of the company size is 27.156641.

Classical Assumption Test

The following are the results of the classical assumption tests used in the research, including :

Data Normality Test

The following table is the result of the normality test of the data used in this study, using the Kolmogorov Smirnov model:

Table 3. One-Sample Kolmogorov-Smirnov Test

	abs
N	180
Kolmogorov-Smirnov Z	.944
Asymp. Sig. (2-tailed)	.336

Processed Data Source 2022

Based on the results of the normality test that has been carried out, where the significant value produced is 0.336 > 0.05, it can be concluded that the data used in this study has a normal distribution.

Multicollinearity Test

According to t (Ghozali, 2016), the multicollinearity test aims to test whether a correlation is found between the independent variables in the regression model. (independent). In a good regression model there should be no correlation. Multicollinearity can be detected by looking at *the tolerance* and *variance inflation factor* (VIF) values. The following table is the result of the multicollinearity test used in this study:

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Table 4. Multicollinearity Test

Model		Collinearity Statistics		Information
		Toll	VIF	
1	(Constant)			
	Return On Assets	.871	1.148	No Multicollinearity Symptoms Occur
	Debt to Assets Ratio	.711	1,407	No Multicollinearity Symptoms Occur
	Current Ratio	.692	1,445	No Multicollinearity Symptoms Occur
	Company Size	.898	1.114	No Multicollinearity Symptoms Occur

Processed Data Source 2022

Based on the results of the multicollinearity test that has been carried out, where the VIF value for each variable produced is greater than 10, then in accordance with the test criteria, the data in this study is free from multicollinearity symptoms.

Autocorrelation Test
The following table is the result of the autocorrelation test used in this study:

Table 5. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.633 [a]	.400	.387	207.199470	2,041

Processed Data Source 2022

Based on the table above, the Durbin Watson value produced is 1.041 with a dL value of 1.6994 and a dU value of 1.8135, so it can be concluded that the dU value (1.8135) < dW (2.041) < dL (4 – 1.6994 = 2.3006) states that the data in this study is free from autocorrelation symptoms.

Heteroscedasticity Test.
The following table is the result of the heteroscedasticity test used in this study:

Table 6. Heteroscedasticity Test

Model		**t**	**Sig.**	**Information**
1	(Constant)	-1.427	.155	
	Return On Assets	1,915	.057	No Heteroscedasticity Symptoms Occur
	Debt to Assets Ratio	.109	.913	No Heteroscedasticity Symptoms Occur
	Current Ratio	1,659	.099	No Heteroscedasticity Symptoms Occur
	Company Size	1,948	.053	No Heteroscedasticity Symptoms Occur

Processed Data Source 2022

Based on the table above, the significant value of each variable used is greater than 0.05. So according to the testing criteria, it can be concluded that there are no symptoms of heteroscedasticity in this study.

Path Analysis
The statistical analysis used in this study is Multiple Linear Regression Analysis. The data that has been collected is analyzed using multiple linear regression analysis to determine the effect of *Debt to Asset Ratio* (DAR). (X_1), *Current Ratio* (CR) (X_2), *Size* (X_3), against *Return on Asset* (ROA) $(Y_1)$and *Earning Per Share* (EPS) (Y_2). The following are the results of multiple linear regression analysis in this study:

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Table 7. Multiple Linear Regression Analysis on the Effect of *Debt to Assets Ratio, Current Ratio* and Company Size on *Return on Assets*

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
Model	B	Std. Error	Beta			Toll	VIF
1 (Constant)	54,650	11,874		4.602	.000		
Debt to Assets Ratio	1,858	4.339	.036	.428	.669	.712	1.405
Current Ratio	1,351	.619	.182	2.182	.030	.711	1,407
Company Size	-1,832	.419	-.308	-4,370	.000	.995	1.005

a. Dependent Variable: *Return On Assets*
Data Source : SPSS 21 Processed Results

Based on the processed data, the multiple linear regression equation obtained in structure I is as follows **Y1 = 54.650 + 1.858X 1 + 1.351 X 2 – 1.832 X 3** . In accordance with the regression equation that has been produced, the explanation is as follows:

The meaning of the numbers in the regression equation above (1) The constant value (a) is 54.659. This means that if *the Debt to Assets Ratio, Current Ratio* and company size are assumed to be zero (0), then *the Return on Assets* is 54.659 points. (2) The regression coefficient value of 1.858 states that if *the Debt to Assets Ratio* increases by 1 unit, it can affect the increase in *Return on Assets* by 1.858 points. (3) The regression coefficient value of 1.351 states that if *the Current Ratio* increases by 1 unit, it can affect the increase in *Return on Assets* by 1.351 points and (4) The regression coefficient value of -1.832 states that if the company size increases by 1 unit, it can affect the decrease in *Return on Assets* by 1.832 points.

Meanwhile, the following are the results of multiple linear regression analysis on structure II produced in this study:

Table 8. Multiple Linear Regression Analysis on the Effect of *Debt to Assets Ratio, Current Ratio* and Company Size and *Return on Assets* on *Earnings Per Share*

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Toll	VIF
1	(Constant)	-831,217	192,735		-4.313	.000		
	Return On Assets	12.328	1.156	.669	10.665	.000	.871	1.148
	Debt to Assets Ratio	-33.424	66.569	-.035	-.502	.616	.711	1.407
	Current Ratio	-8.586	9.622	-.063	-.892	.373	.692	1.445
	Ukuran Perusahaan	31.935	6.769	.291	4.718	.000	.898	1.114

a. Dependent Variable: *Earnings Per Share*
Data Source : SPSS 21 Processed Results

Based on the results of the research data processing, the multiple linear regression equation in structure II is obtained as follows **Y2 = -831.217 + 12.328Y 1 - 33.424X 1 - 8.586 X 2 + 31.935 X 3** . In accordance with the regression equation that has been produced, the explanation is as follows (1) The constant value (a) is -831.217. This means that if *Return on Assets, Debt to Assets Ratio, Current Ratio* and company size are assumed to be zero (0), then *Earning Per Share* will decrease by 831.217 points. (2) The regression coefficient value of 12.328 states that if *Return on Assets* increases by 1 unit, it can affect the increase *in Earning Per Share* by 12.328 points. (3) The regression coefficient value of -33.424 states that if *the Debt to Assets Ratio* increases by 1 unit, it can affect the decrease in *Earning Per Share* by 33.424 points. (4) The regression coefficient value of -8.586 states that if *the Debt to Assets Ratio* increases by 1 unit, it can affect the decrease *in Earning Per Share* by -8.586 points. (5) The regression coefficient value of 31.935 states that if the company size experiencing an increase of 1 unit, it can affect the increase *in Earning Per Share* by 31,935 points.

Direct and Indirect Influence Analysis

Based on the previous path coefficient analysis, the magnitude of the direct influence between *the Debt to Asset Ratio* (DAR) variables can be calculated. (X_1), *Current Ratio* (CR) (X_2), *Size* (X_3), against *Return on Asset*

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(ROA) $(Y_1)$and *Earning Per Share* (EPS) (Y_2). As well as the indirect influence of the *Debt to Asset Ratio* (DAR) variable. (X_1), *Current Ratio* (CR) (X_2), *Size* (X_3), against *Earning Per Share* (EPS) (Y_2)through *Return on Asset* (ROA) $(Y_1)$are as follows :

Direct Influence

The following are the results of the direct influence between the variables used in this study, as follows:

(1) Direct influence *Debt to Asset Ratio* (DAR) (X_1)against *Return on Asset* (ROA) $(Y_1)$is (py $_1$ x $_1$ X $_1$) ^{2}. So the direct influence is 0.036 ^{2} = 0.001296 or 0.13%. (2) The direct influence of *Current Ratio* (CR) (X_2)on *Return on Asset* (ROA) $(Y_1)$is (py $_1$ x $_2$ X $_2$) ^{2}. So the direct influence is 0.182 ^{2} = 0.033124 or 3.31%. (3) Direct influence *of Size* (X_3)against *Return on Asset* (ROA) $(Y_1)$is (py $_1$ x $_3$ X $_3$) ^{2}. So the direct influence is -0.308 ^{2} = 0.094864 or 9.49%. (4) Direct influence *of Debt to Asset Ratio* (DAR) (X_1)on *Earning Per Share* (EPS) $(Y_2)$is (py $_2$ x $_1$ X $_1$) ^{2}. So the direct influence is -0.035 ^{2} = 0.001225 or 0.12%. (5) The direct influence of *Current Ratio* (CR) (X_2)on *Earning Per Share* (EPS) $(Y_2)$is (py $_2$ x $_2$ X $_2$) ^{2}. So the direct influence is -0.063 ^{2} = 0.003969 or 0.39%. (6) The direct influence *of Size* (X_3)on *Earning Per Share* (EPS) $(Y_2)$is (py $_2$ x $_3$ X $_3$) ^{2}. So the direct influence is 0.291 ^{2} = 0.084681 or 8.47%. (7) Direct influence of *Return on Asset* (ROA) (Y_1)on *Earning Per Share* (EPS) $(Y_2)$is (py $_2$ y $_1$ Y $_1$) ^{2}. So the direct influence is 0.669 ^{2} = 0.447561 or 44.76%.

Indirect Influence

The following are the results of the indirect influence between the variables used in this study, as follows **:**

(1) Indirect influence *of Debt to Asset Ratio* (DAR) (X_1) through *Return on Asset* (ROA) (Y_1)on *Earning Per Share* (EPS) $(Y_2)$is (0.036 * 0.669) ^{2}. So the indirect influence is 0.024 ^{2} = 0.000580 or 0.06%. (2) Indirect influence of *Current Ratio* (CR) (X_2)through *Return on Asset* (ROA) (Y_1)on *Earning Per Share* (EPS) $(Y_2)$is (0.182 * 0.669) ^{2}. So the indirect influence is 0.122 ^{2} = 0.014825 or 1.48%. (3) Indirect influence *of Size* (X_3)through *Return on Asset* (ROA) (Y_1)on *Earning Per Share* (EPS) $(Y_2)$is (-0.308 *0.669) ^{2}. So the indirect effect is -0.206 ^{2} = 0.042457 or 4.24%.

Overall Influence

The following are the overall results of the influence between the variables used in this study, as follows **:**

(1) Overall *Debt to Asset Ratio* (DAR) (X_1) influence on *Earning Per Share* (EPS)(Y_2) as much as (-0.035 + 0.024) ^{2} = - 0.011 ^{2} = 0.000121 or 0.01%. (2) Overall *Current Ratio* (CR) (X_2) influence on *Earning Per Share* (EPS)(Y_2) as much as (-0.063 + 0.122) ^{2} = 0.059 ^{2} = 0.003481 or 0.35% (3) Overall *Size* (X_3) influence on *Earning Per Share* (EPS)(Y_2) as much as (0.291 + -0.206) ^{2} = 0.085 ^{2} = 0.007225 or 0.72%

Table 9. Summary of Direct and Indirect Effects Between Variables

Influence of Variables	Causal Influence		Total Influence
	Direct	Indirect	
X $_1$ to Y $_1$	0.036		0.036
X $_2$ to Y $_1$	0.182		0.182
X $_3$ to Y $_1$	-0.308		-0.308
X $_1$ Against Y $_2$	-0.035	0.024	-0.011
X $_2$ Against Y $_2$	-0.063	0.122	0.059
X $_3$ Against Y $_2$	0.291	-0.206	0.085
Y $_1$ Against Y $_2$	0.669		0.669

Processed Data Source 2022

Coefficient of Determination Test

The following are the results of the determination coefficient regarding *the Debt to Asset Ratio, Current Ratio* and company size against *Return on Assets,* as follows:

Table 10. Coefficient of Determination

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Durbin-Watson
1	.359 [a]	.129	.114	13.511689	.890

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Based on the table above, where the r square value is 0.129, it explains that *the Debt to Asset Ratio, Current Ratio* and company size can affect *Return on Assets* by 12.9% while the remaining 87.1% is influenced by other variables not examined in this study.

Meanwhile, the following are the results of the determination coefficient regarding *Return on Assets, Debt to Asset Ratio, Current Ratio* and company size against *Earning Per Share* as follows:

Table 11. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.633 [a]	.400	.387	207.199470	2,041

Processed Data Source 2022

Based on the table above, where the r square value is 0.400, it explains that *Return on Assets, Debt to Asset Ratio, Current Ratio* and company size can affect *Earning Per Share* by 40% while the remaining 60% is influenced by other variables not examined in this study.

Hypothesis Testing

Direct and Partial Effect Significance Test (t-Test)

To determine the significance and direct influence of the independent variable on the dependent variable, the significance value obtained from the processed results with SPSS is compared. The results of the direct and partial influence significance test in this study are as follows:

Table 12. Results of Direct Effect Significance Testing

Influence of Variables	Path Coefficient	T-Statistics	Sig	Information
X_1 to Y_1	0.036	0.428	0.669	Positive and Insignificant Impact
X_2 to Y_1	0.182	2,182	0.030	Positive and Significant Influence
X_3 to Y_1	-0.308	-4,370	0,000	Negative and Significant Impact
X_1 Against Y_2	-0.035	-0.502	0.616	Negative and Insignificant Impact
X_2 Against Y_2	-0.063	-0.892	0.373	Negative and Insignificant Impact
X_3 Against Y_2	0.291	4,178	0,000	Positive and Significant Influence
Y_1 Against Y_2	0.669	10,665	0,000	Positive and Significant Influence

Processed Data Source 2022

The results of the direct and partial influence can be concluded as follows: (a) *Debt to Asset Ratio* (DAR) variable (X_1) has a positive and insignificant effect on *Return on Assets* (ROA) (Y_1) with a T Statistic value (0.428) < T Table (1.973) and a significance value (0.669) > (0.05). (b) *Current Ratio* (CR) (X_2) Variable has a positive and significant effect on *Return on Assets* (ROA) (Y_1) with a T Statistic value (2.182) > T Table (1.973) and a significance value (0.030) < (0.05). (c) *Size* Variable (X_3) has a negative and significant effect on *Return on Asset* (ROA) (Y_1) with a T Statistic value (-4.370) < T Table (-1.973) and a significance value (0.000) < (0.05). (d) *Debt to Asset Ratio* (DAR) Variable (X_1) has a negative and insignificant effect on *Earnings Per Share* (EPS)(Y_2) with a T Statistic value (-0.502) > T Table (-1.973) and a significance value (0.616) > (0.05). (e) *Current Ratio* (CR) (X_2) Variable has a negative and insignificant effect on *Earnings Per Share* (EPS)(Y_2) with a T Statistic value (-0.892) > T Table (-1.973) and a significance value (0.373) > (0.05). (f) *Size* Variable (X_3) has a positive and significant effect on *Earning Per Share* (EPS)(Y_2) with a T Statistic value (4.178) > T Table (1.973) and a significance value (0.000) < (0.05). (g) *Return on Asset* (ROA) Variable (Y_1) has a positive and significant effect on *Earning Per Share* (EPS)(Y_2) with a T Statistic value (10.665) > T Table (1.973) and a significance value (0.000) < (0.05).

Significance Test of Indirect Effect

ISSN: 2828-7975

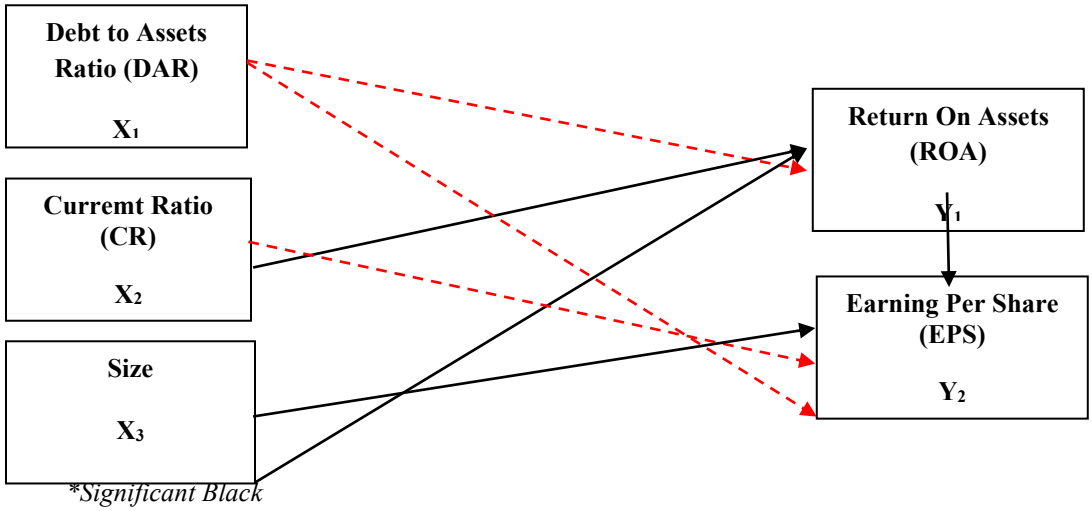
The significance test of the indirect influence produced in this study uses *the product of coefficient method.* By using the *Aroian Sobel Test formula (z-value).* The results of the significance test of the indirect and partial influence in this study are as follows:

Table 13. Results of Testing the Significance of Indirect Effects

Indirect Influence	Aroian Test Calculation					T Table	Information
	a	b	Sa	Sb	*z-value*		
X 1 Against Y 2 Through Y 1	0.036	0.669	4,339	1,156	0.004	1,973	No Significant Impact
X 2 Against Y 2 Through Y 1	0.182	0.669	0.619	1,156	0.142	1,973	No Significant Impact
X 3 Against Y 2 Through Y 1	-0.308	0.669	0.419	1,156	-0.310	1,973	No Significant Impact

Processed Data Source 2022

Based on the table above, the results of the indirect influence can be concluded as follows: (a) Influence of *the Debt to Asset Ratio* (DAR) (X_1)indirectly through *Return on Asset* (ROA) (Y_1)does not have a significant effect on *Earning Per Share* (EPS) $(Y_2)$with a z-value of 0.004 < 1.973. (b) Indirect effect of *Current Ratio* (CR) through (X_2)*Return on Asset* (ROA) (Y_1)does not have a significant effect on *Earning Per Share* (EPS) $(Y_2)$with a z-value of 0.142 < 1.973. And (c) The Effect of *Size* (X_3)indirectly through *Return on Asset* (ROA) (Y_1)does not have a significant effect on *Earning Per Share* (EPS) $(Y_2)$with a z-value of -0.310 > 1.973. So the conclusion of accepting the hypothesis in this study can be summarized as follows



**Significant Black*
**Red Not Significant*

Source: Path Diagram (Processed Data)

Figure 4
Final Estimation of Research Model

Table 12. Summary of Research Results of Research Hypothesis Testing

Hypothesis	Hypothesis Statement	Results
H1	Debt to assets ratio has no effect on return on assets	Rejected
H2	Current ratio affects return on assets	Accepted
H3	Size affects return on assets	Accepted
H4	Debt to assets ratio has no effect on earnings per share	Rejected

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Hypothesis	Hypothesis Statement	Results
H5	Current ratio has no effect on earnings per share	Rejected
H6	Size affects earnings per share	Accepted
H7	Return on assets affects earnings per share	Accepted
H8	Debt to assets ratio does not affect earnings per share through return on assets	Rejected
H9	Current ratio does not affect earnings per share through return on assets	Rejected
H10	Size does not affect earnings per share through return on assets	Rejected

Source: Path Diagram (Processed Data)

Goodness of Fit Test (F Test)

The F statistical test basically shows whether all independent or free variables are included in the model that have a joint influence on the dependent or bound variable. The F test is conducted to test whether the regression model used is fit. If the significance value is less than 0.05, it means that the regression model is fit or suitable for use.

Table 13. Goodness of Fit Test (F Test)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5018473.932	4	1254618.483	29,224	.000 [a]
	Residual	7513033.589	175	42931.621		
	Total	1.253E7	179			

Processed Data Source 2022

The results of the f test explain that the calculated f value (29.224) > f table (2.42) with a significant value of 0.000 < 0.05, so it can be concluded that *Return on Assets, Debt to Asset Ratio, Current Ratio* and company size can simultaneously influence *Earning Per Share.*

Discussion

Researching and Analysis influence *Debt to Asset Ratio* (DAR) to *Return on Assets* (R O A) on consumer goods industry sector listed on the IDX period 2016 - 2 0 20

The results of the research that has been carried out explain *that the Debt to Assets Ratio* has a positive and insignificant effect on *Return on Assets . To run its operations, every company has various needs, especially those related to funds* so that the company can run properly. Funds are always needed to cover all or part of the costs required, both short-term funds and long-term funds. Funds are also needed to expand or expand a business or new investment. This means, In the company there must always be funds available in a certain amount so that they are available when needed. In this case, it is the financial manager's job to fulfill these needs.

Companies prefer internal financing rather than using loans to fund their new investments or for additional capital. Companies with high profitability will use more retained earnings and less debt. Therefore, the amount of debt component will be related to the level of profitability .

From the measurement results, if the ratio is high, it means that funding with debt is increasing, then it is increasingly difficult for the company to obtain additional loans because it is feared that the company will not be able to cover its debts with the assets it owns. The results of previous research conducted by (Kusumajaya., 2011)showed that *the Debt to Asset Ratio* has a positive and significant effect on *Return on Assets* . If the company decides to set a large capital structure, it is likely that the level of liquidity will be maintained but the opportunity to obtain large profits will decrease which will ultimately have an impact on decreasing profitability.

Influence *Current Ratio* (CR) to *Return on Assets and t* (R O A) on consumer goods industry sector listed on the IDX period 2016 - 2 0 20

The results of the research that has been carried out explain *that the Current Ratio* has a positive and significant influence on *Return on Assets . The current ratio* is the ability of a company to meet debt needs. when due. The higher *the Current Ratio* means the greater the company's ability to meet short-term obligations . *A current ratio* that is too high indicates an excess of idle current assets, which is not good for profitability. company because current assets generate lower returns compared to fixed assets.

The Effect of Debt to Asset Ratio (DAR), Current Ratio (CR) and Size on Return on Asset (ROA) and Earning Per Share (EPS) on the Consumer Goods Industry Sector Listed on IDX for the 2016-2020 Period (Vanessa Angelina, Pamuji Hari Santoso, Lili Oktaviana, Stefani Chandra, Andi Andi)

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Research results (Afriyanti, 2011), *Current Ratio has a* negative effect on ROA. Results study (Andreani , 2013) that *the Current Ratio does not have* a significant effect significant to profitability. The results *of* the study (Sarjana , 2013) showed that the *Current Ratio variable showed* no significant influence. Companies that have excess current assets will has a negative impact on profitability. Research results (Liargovas and Skandalis , 2010), (Azhagaiah and Gavoury , 2011), and (Mohamaddan Saad , 2010) shows that CR has a negative effect on ROA.

Influence *Size* to *Return on Assets* (R O A) on consumer goods industry sector listed on the IDX period 2016 - 2 0 20

The results of the research that has been carried out explain the size of the company has a negative and significant effect on *Return on Assets* . Company size describes the size of a company which can be expressed by total sales. Company size reflects the high or low operational activities of a company. In general, the larger the company, the greater its activities.

The larger the company size, the greater the operational activities. company which means the higher the company's ability to generate profitability. The results of the study (Dogan, 2013)indicate that *Firm Size* has a positive effect on ROA. Research conducted by (Dogan, 2013)shows that company size has a positive and significant effect on Return *on Assets* . *However* , research conducted by (Setiadewi, 2014)shows that company size has a negative and insignificant effect on *Return on Assets* .

Influence *Return on Assets* (R O A) *Earning Per Share* (EPS) on consumer goods industry sector listed on the IDX period 2016 - 2 0 2 0

that has been carried out explain *that Return on Assets has a* positive and significant influence on *Earnings Per Share* . ROA is used to measure management's ability to gain overall profit (revenue). The greater the ROA, the greater the level of profit achieved. If the company's ability to use its assets to earn profits increases, it will directly or indirectly affect the increase in the company's net profit, the increase in net profit will certainly affect the increase in EPS.

Return on Asset is one of the factors that influence shareholders' decisions in investing. Every shareholder certainly wants the best company. The higher the value of the company's *Return on Asset* , the number of shareholders will increase, and the more capital the company will obtain to carry out its operational activities.

Research (Borromeu, 2013)shows that *Return on Assets* significant positive effect on *Earning Per Share* . Followed by research (Puspitosari, 2015)and (Puspita, 2015)shows that *Return on Asset* has a significant positive effect on *Earning Per Share* . In line with that, research (Uno et al., 2014)also shows that *Return on Asset* has a significant positive effect on *Earning Per Share* .

Influence *Debt to Asset Ratio* (DAR) to *Earning Per Share* (EPS) on consumer goods industry sector listed on the IDX period 2016 - 2 0 20

that has been carried out explain *that the Debt to Assets Ratio* has a negative and insignificant effect on *Earnings Per Share . Debt to Asset Ratio (DAR) is the ratio of debt to total assets obtained by dividing the company's total debt* by the company's total assets. This ratio emphasizes the important role of debt financing for the company by showing the percentage of the company's assets supported by debt financing. The use of high or low debt can affect the rise and fall of earnings per share. And if the company obtains greater results from the borrowed funds than the interest to be paid, it means that the income for the owner will increase.

In other words, DAR will have a positive effect if the company's assets financed by the debt are able to generate profits to cover the fixed costs that arise from the use of the debt and can later create profits for the company's owners (EPS). In addition (Armayaya , 2010) stated that DAR has a positive relationship with EPS, where the higher the DAR of a company, the higher it will be the amount of EPS available to the company. Thus, it is suspected that the more The higher the DAR of a company, the higher the EPS it will create. the company can generate profits that can cover debts.

Research conducted by *(* Maimunah *and Megasatya ,* 2015) *shows* that *the Debt to Asset Ratio has a* negative and insignificant effect on *Earnings Per Share* .

Influence *Current Ratio* (CR) to *Earning Per Share* (EPS)) on consumer goods industry sector listed on the IDX period 2016 - 2 0 2 0

The results of the research that has been carried out explain *Current Ratio has a* negative and insignificant effect on *Earning Per Share . Current ratio allows the company's ability to pay its short-term liabilities using its current assets. The* liquidity position of a company is an important factor that must be considered before making a decision to determine the amount of dividends to be paid to shareholders. Based on the explanation (Susilawati, 2014), it can be concluded that the higher the level of liquidity of a company, the higher the level of profit received by investors, so it can be concluded that *the Current Ratio* has a positive effect on *Earning Per Share* .

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Influence *Size* to *Earning Per Share* (EPS) on consumer goods industry sector listed on the IDX period 2016 - 2 0 20

The results of the research that has been carried out explain that company size has a positive and significant influence on *Earning Per Share* . The company size factor (*Size)* which shows the size of the company is an important factor in the formation of *profit* . In general, companies that have a total relatively large assets can operate with a higher level of effectiveness compared to companies with lower total assets. Companies with adequate total assets are relatively more stable and better able to manage their total assets so that they can generate relatively large profits. With this large total asset, it shows the company's ability to manage its assets to create profits. Therefore, companies with large total assets will be better able to generate high levels of profit, so that the profit available to ordinary shareholders will also increase.

Research conducted by(Yuliandhari, 2012) and (Pouraghajan, 2013)shows that company size has a positive and significant effect on *Earnings Per Share* .

Influence *Debt to Assets Ratio* to *Earning Per Share* through *Return on Assets* on consumer goods industry sector listed on the IDX period 2016 - 2 0 20

The results of the research that has been carried out where *the Debt to Assets Ratio* does not have a significant effect on *Earning Per Share* through *Return on Assets. Debt to Asset Ratio* is a debt ratio used to measure the comparison between total debt and total assets. In other words, how much of the company's assets are financed by debt or how much the company's debt affects the processing of assets . The greater the assets in the company are expected to have an effect on profits, one of the assessment indicators is ROA.

ROA is used to measure management's ability to gain overall profit (revenue). The greater the ROA, the greater the level of profit achieved. If the company's ability to use its assets to earn profits increases, it will directly or indirectly affect the increase in the company's net profit, the increase in net profit will certainly affect the increase in EPS.

In other words, DAR will have a positive effect if the company's assets financed by the debt are able to generate profits to cover the fixed costs that arise from the use of the debt and can later create profits for the company's owners (EPS). The results of research conducted by (Zulkarman, 2018) explain that *Debt to Assets Ratio* has an effect on *Return on Assets.* Meanwhile, in research (Diaz and Jufrizen, 2014) explains that *Return on Assets* has an effect on *Earning Per Share.*

Influence *Current Ratio* to *Earning Per Share* through *Return on Assets* on consumer goods industry sector listed on the IDX period 2016 - 2 0 20

The results of the research that has been carried out where *the Current Ratio* does not have a significant effect on *Earning Per Share* through *Return on Assets. Current Ratio is the* ability of a company to meet debt needs when due. *The* higher *the Current Ratio* means the greater the company's ability to meet short-term obligations . So this is not good for profitability. company because current assets generate lower returns compared to fixed assets.

Current Ratio is one of the liquidity ratios, namely the ratio that aims to measure a company's ability to meet its short-term obligations. The higher the CR of a company means the smaller the risk of the company's failure to meet its short-term obligations. As a result, the risk that will be borne by shareholders is also smaller.

Research results (Afriyanti, 2011), *Current Ratio has an* effect on ROA. Meanwhile, in the study (Diaz and Jufrizen, 2014) it is explained that *Return on Assets* has an influence on *Earning Per Share.*

influence *Size* to *Earning Per Share* through *Return on Assets* on consumer goods industry sector listed on the IDX period 2016 - 2 0 20

The results of the research that has been carried out where *the current ratio* does not have a significant effect on *Earning Per Share* through *Return on Assets.* Company size describes the size of a company that can be expressed by total sales. Company size reflects the high and low operational activities of a company .

In general, companies that having relatively large total assets can operate with a higher level of effectiveness compared to companies with lower total assets. Companies with adequate total assets are relatively more stable and more capable of managing their total assets so that they can generate relatively large profits. The existence of large total assets shows the company's ability to manage its assets to create profits.

Research conducted by (Dogan, 2013)shows that company size has a positive and significant effect on *Return on Assets* . However, research conducted by (Setiadewi, 2014)shows that company size has a negative and insignificant effect on Return *on Assets . Meanwhile , research (Diaz and* Jufrizen , 2014) explains that *Return on Assets* has an effect on *Earning Per Share*

CLOSING

The Effect of Debt to Asset Ratio (DAR), Current Ratio (CR) and Size on Return on Asset (ROA) and Earning Per Share (EPS) on the Consumer Goods Industry Sector Listed on IDX for the 2016-2020 Period (Vanessa Angelina, Pamuji Hari Santoso, Lili Oktaviana, Stefani Chandra, Andi Andi)

ISSN: 2828-7975

Based on the results of the research that has been carried out, it is explained that *the debt to assets ratio* has a positive and insignificant influence, *the current ratio* has a positive and significant influence and the size of the company has a negative and significant influence on *return on assets.* While *return on assets* and *size* have a positive and significant effect, *debt to assets ratio* and current ratio have a negative and insignificant effect on *earnings per share.* The results of the path hypothesis where *debt to asset ratio, current ratio* and *size* do not significantly affect *earnings per share* through *return on assets.*

The suggestions that the author can give are (1) The company management is expected to improve the company's financial performance, especially in increasing the profitability generated. so that this will have an impact on increasing the company's value. (2) Investors are advised to choose companies with high profitability to avoid losses and (3) For further researchers, it is hoped that they can develop this research by adding other variables that can influence profitability and company value.

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