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THE EFFECT OF CURRENT RATIO, DEBT TO EQUITY RATIO, DEBT TO ASSET RATIO, AND TOTAL ASSET TURNOVER ON THE FINANCIAL PERFORMANCE OF PROPERTY AND REAL ESTATE COMPANIES LISTED IN THE IDX FOR THE 20162020 PERIOD

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Abstract:
This study aims to determine whether the Current Ratio (CR), Debt to Equity Ratio (DER), Debt to Asset Ratio (DAR), and Total Asset Turnover (TATO) on Financial Performance. This study was processed using the eviews 10 application. In this study, there were 79 population of Property and Real Estate companies listed on the Indonesia Stock Exchange (IDX) for the 2016-2020 period. The sample of this research used purposive sampling method. Based on the criteria that have been set, then obtained 20 samples of companies that will be studied in this study. The results of this study show that partially, the Current Ratio (CR) has a positive and insignificant effect on the financial performance of property and real estate companies listed on the IDX in 2016-2020. The Debt to Equity Ratio (DER) has a negative and insignificant effect on the financial performance of property and real estate companies listed on the IDX in 2016-2020. Debt to Asset Ratio (DAR) has a negative and insignificant effect on the financial performance of property and real estate companies listed on the IDX in 2016-2020. Total Asset Turnover (TATO) has a positive and significant impact on the financial performance of property and real estate companies listed on the IDX in 2016-2020.

Keywords: Current Ratio (CR), Debt to Equity Ratio (DER), Debt to Asset Ratio (DAR), Total Asset Turnover (TATO), and Financial Performance.

INTRODUCTION

A company that is founded must have a goal to be achieved. Generally, the aim of establishing a company is to obtain the maximum profit. Apart from that, the establishment of a company is also for the prosperity of the company owner, as well as providing community needs in the form of employment opportunities. The development of the era of globalization in Indonesia has certainly influenced the business world. With globalization, companies compete to determine who is superior. This competition makes several companies unable to survive and end up going out of business. Competition in business is a challenge for companies to always have a good strategy in developing their business. The strategy developed aims to maintain the performance and quality of a company and increase company value. This strategy can take the form of resource management carried out by the company, the aim of managing this activity is to achieve success. The success of a company is seen from the performance and finances of the company itself.

Financial reports are the most important thing for companies in business, because with financial reports the company can determine or assess the company's financial position so that parties who have an interest in the financial reports can make decisions about whether the company makes a profit or vice versa. Financial reports can be said to be a tool of accountability given by the company owner to a manager.

For investors, creditors or bankers, the financial reports of the companies in which they invest their capital are very important and very necessary. With the company's financial reports, they can find out whether the company they are investing in has good prospects in the future or not.

Financial performance is the most important part of achieving success for a company, because financial performance is a tool used to measure company development. According to Fahmi (2012) financial performance is a measuring tool used to determine predictions and evaluations of a company whether the company has used its finances wisely. According to Munawir (2014:33) profitability is the ability of a company to generate profits within a certain time.

In general, financial reports are a tool for measuring financial performance. Financial ratios are a tool used to analyze financial reports. Financial ratios are comparisons between financial report data at a certain time. Financial ratio analysis can help assess a company's financial management achievements in the past as well as a company's prospects in the future. In short, financial ratio analysis analyzes by dividing financial report items with other items in assessing a company's performance. The results of this comparison can be used to determine the level of financial ratios, namely liquidity, solvency, activity and profitability ratios which can describe the company's financial condition and performance. In this research, the ratios used to measure financial performance are current ratio, debt to equity ratio, debt to asset ratio, and total asset turnover.

The liquidity ratio in this research uses the Current Ratio (CR). Meanwhile, according to Munawir (2014:72), the current ratio or current ratio can be used to analyze the working capital position of a company. In other words, the current ratio is a company's ability to pay off its current debt. This ratio is obtained by comparing the amount of short-term assets with short-term debt. A company's liquidity can be said to be good if the current ratio figure is high. On the other hand, if the current ratio figure is low, then the company's liquidity can be said to be poor. However, a company that has a high current ratio does not guarantee that the company's liquidity is good. This is because there are parts of current assets that are not profitable, such as inventories and receivables, which may be difficult to collect.

The Solvency Ratio is used to determine a company's ability to pay off its financial obligations, both current debt and non-current debt (Munawir, 2014:32). Meanwhile, according to Kasmir (2008:151), the leverage ratio is a measuring tool used to determine the extent to which company assets are funded by liabilities. A company can be said to be solvent if the company has optimal assets to fulfill all its obligations. The solvency ratio in this research uses Debt to Equity Ratio (DER) and Debt to Asset Ratio (DAR). According to Hery (2016:168) Debt to Equity Ratio (DER) is a measuring tool used to determine the amount of debt to equity. If the DER value is small, the better the company can pay off its long-term debt. The same as the debt to equity ratio, but the Debt to Asset Ratio (DAR) measures the ratio of debt to assets. Debt to asset ratio is a measuring tool used to find out what company assets can be paid for by liabilities or how much debt affects asset management (Kasmir, 2014: 156). DAR is a liability ratio which can be calculated by dividing total debt by total assets.

Total Asset Turnover (total asset turnover ratio) is a measure of the activity ratio. Total Asset Turnover is a measuring tool used to determine the turnover of assets owned by a company, apart from that it can also determine the sales results made with each rupiah of assets (Kasmir, 2014: 185). TATO can be measured by comparing sales with total assets. The greater the value obtained by TATO, the better the company will manage its assets. This means that total asset turnover affects financial performance.

Property and real estate companies have experienced fluctuations over the last 5 years, several companies have experienced a decline in profits which is quite detrimental to these companies. Therefore, the property and real estate sector is an interesting one to research in more depth.

Data on the ROA Number of Property and Real Estate Companies for 2016-2020 shows the results of the Profitability ratio which uses the Return on Assets (ROA) proxy for Property and Real Estate companies for the 2016-2020 period. ROA in Property and Real Estate companies experiences fluctuations. The highest value was obtained in 2018 with a figure of 0.102, then the lowest value was -0.033 in 2020. The company with the highest average ROA was the Metropolitan Land Tbk Company of 0.260 and the lowest average ROA was the Lippo Karawaci Tbk Company, namely 0.035.

In the ROA Development of Property and Real Estate Companies in 2016-2020, the development of ROA in Property and Real Estate Companies in 2016-2020 has been shown. Over the last five years, Property and Real Estate companies have experienced fluctuations and some companies have even obtained minus ROA values. Companies that received minus ROA values include Alam Sutera Realty, Sentul City, Duta Anggada Realty, Bakrieland Development, Cikarang, Lippo Karawaci, Modernland Realty, Plaza Indonesia Realty, Pudjiadi Prestige and Ristia Bintang Mahkotasejati.

According to research by Putra et al. (2020) Current Ratio has a significant negative effect on financial performance, Cash Ratio has a significant positive effect on financial performance, Debt to Equity Ratio has a significant negative effect on financial performance, and Total Asset Turnover has a significant positive effect on financial performance. Meanwhile, in research conducted by Dana et al. (2021) Current Ratio has a positive influence on financial performance, Debt to Equity Ratio has no influence on financial performance, Total Asset Turnover has a positive influence on financial performance, and Debt to Asset Ratio has no influence on financial performance.

Meanwhile, in the partial test according to research by Joy et al. (2021), Current Ratio, Debt to Asset Ratio, and Total Asset Turnover have a significant influence on financial

performance. Meanwhile, in the simultaneous test, the Current Ratio, Debt to Asset Ratio, and Total Asset Turnover jointly influence financial performance.

Based on the background and from several researchers who expressed different opinions, the researchers were interested in conducting research with the title "The Influence of Current Ratio, Debt to Equity Ratio, Debt to Asset Ratio, and Total Asset Turnover on the Financial Performance of Property and Real Estate Companies" "Registered on the IDX for the 2016-2020 Period"

Based on the background, several problem formulations are: The influence of liquidity, debt policy, and profitability on financial performance. It can be concluded that the research questions are as follows; 1) Does the current ratio have a positive and significant influence on the financial performance of Property and Real Estate companies on the IDX in 2016-2020? 2) Does the debt to equity ratio have a positive and significant influence on the financial performance of Property and Real Estate companies on the IDX in 2016-2020? 3) Does the debt to asset ratio have a positive and significant influence on the financial performance of Property and Real Estate companies on the IDX in 2016-2020? 4) Does total asset turnover have a positive and significant influence on the financial performance of Property and Real Estate companies on the IDX in 2016-2020?

The aim of this research is as follows; 1) To find out and analyze the current ratio which has a positive and significant influence on the company's financial performance. 2) To find out and analyze the debt to equity ratio which has a positive and significant influence on the company's financial performance. 3) To find out and analyze the debt to asset ratio which has a positive and significant influence on the company's financial performance. 4) To find out and analyze total asset turnover which has a positive and significant influence on the company's financial performance.

This research provides theoretical benefits by increasing understanding in the field of financial management, especially in analyzing company financial performance. In practical terms, companies can utilize the findings to improve their quality and performance, while investors can make more informed investment decisions. For researchers, this is an opportunity to broaden their horizons, while for creditors or banks, this research can be a guide in selecting credit-worthy companies, helping them make more appropriate credit decisions based on a more in-depth analysis of financial performance.

In research conducted by Alan Wijaya Sitohang and Bayu Wulandari (2020) with the title "The Influence of Current Ratio, Debt to Equity Ratio, Earnings Per Share on Financial Performance," the independent variables used were Current Ratio (CR), Debt to Equity Ratio (DER), and Earnings Per Share (EPS), with the dependent variable Financial Performance (Y). The research results show that the Current Ratio has a positive and significant influence on financial performance, while DER is not significant on financial performance. On the other hand, Earnings Per Share (EPS) has significance in the financial performance of the company studied. These findings provide a new contribution or novelty in understanding the factors that influence company financial performance, by highlighting the significant role of Current Ratio and Earnings Per Share in this context.

Research conducted by Bayu W, Nico GS, Nici TEH, Imelda, TAG, and Ardono S (2020) with the title "The Influence of Liquidity, Asset Management, Cash Turnover, and Capital Structure on Financial Performance in Manufacturing Companies Listed on the Indonesia Stock Exchange " discusses the independent variables Current Ratio (CR), Total Asset Turnover (TATO), Cash Turnover, and Debt to Equity Ratio (DER), with the dependent variable Financial Performance (Y). The research results present significant findings, where the Current Ratio

and Total Asset Turnover have a positive and significant influence on the financial performance of manufacturing companies. Meanwhile, Cash Turnover shows a negative but not significant influence, and the Debt to Equity Ratio (DER) does not have a significant influence on financial performance. These findings provide a new or novel contribution by describing the dynamics of these factors in the context of manufacturing companies on the Indonesia Stock Exchange, enriching understanding of the relationship between liquidity, asset management, cash turnover and capital structure with financial performance.

To facilitate understanding of the influence of the current ratio, debt to equity ratio, debt to asset ratio, and *total asset turnover* on the company's financial performance, the following analysis framework is created:

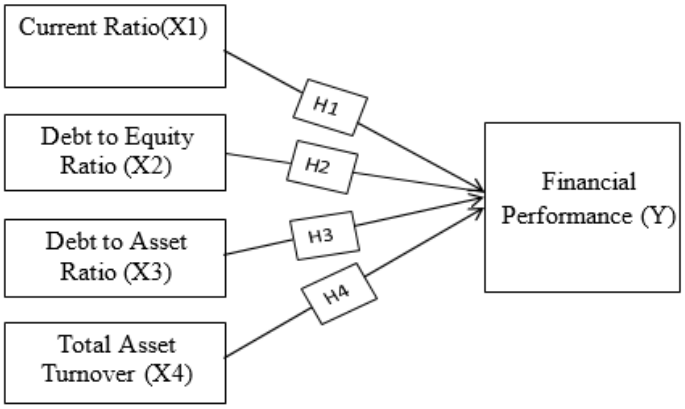

Figure 1. Analysis framework

RESEARCH METHODS

In this research, the research objects examined are the *current ratio* (X1), *debt to equity ratio* (X2), *debt to asset ratio* (X3), *total asset turnover* (X4), and financial performance (Y) in companies in the Property and Real Estate listed on the IDX for the 2016-2020 period. In this research, the data used are financial reports of *Property* and *Real Estate companies* obtained from the Indonesian Stock Exchange (www.idx.co.id) and other sources such as journals, books related to the titles and variables in this research.

This research uses quantitative research because the data obtained is expressed as numbers and then these numbers are analyzed further in data analysis. The population used in this research is all Property and Real Estate Companies listed on the Indonesia Stock Exchange for the 2016-2020 period, namely 79 companies. In this research, the sampling technique was carried out using a purposive sampling method by considering certain criteria. First, companies that are included in the property sector and have been listed on the Indonesia Stock Exchange during the 2016-2020 period are one of the main criteria. Second, the company must be included in the main board category on the Indonesian Stock Exchange during the same period. Lastly, the company must have records of financial statement expenditures between 2016 and 2020. By referring to these criteria, this research sample has been carefully selected to ensure relevant representation from property sector companies in accordance with the research objectives.

By considering the established criteria, this research selected 20 companies as samples from a total of 79 property and real estate companies listed on the Indonesia Stock Exchange. The list of companies in the research sample includes Agung Pondomoro Land Tbk, Alam Sutera Realty Tbk, Sentul City Tbk, Bumi Serpong Damai Tbk, Ciputra Development Tbk, Duta Anggada Realty Tbk, Intiland Development Tbk, Bakrieland Development Tbk, Perdana

Gapuraprima Tbk, Jaya Real Property Tbk, Lippo Cikarang Tbk, Lippo Karawaci Tbk, Modernland Realty Tbk, Metropolitan Land Tbk, Plaza Indonesia Realty Tbk, Pudjiadi Prestige Tbk, Pakuwon Jati Tbk, Ristia Bintang Mahkotasejati Tbk, Roda Vivatex Tbk, and Summarecon Agung Tbk.

Data collection techniques and tools in this research involve two main techniques. First, documentation techniques, which include examining, understanding and analyzing data published from the Indonesian Stock Exchange and related company websites. Second, library study techniques, which involve collecting literature, journals and other written materials that are relevant to the research variables. The operational definition of variables includes Current Ratio, Debt to Equity Ratio, Debt to Asset Ratio, and Total Asset Turnover as independent variables, as well as Financial Performance as the dependent variable.

In selecting the panel data analysis model, there are three models tested, namely the Chow test, Hausman test, and Langrange Multiple test. Next, classical assumption tests were carried out, including the normality test with the Jarque-Bera value, the multicollinearity test to assess the correlation between independent variables, the heteroscedasticity test with the glacier test, and the autocorrelation test using the Durbin-Watson statistic. The results of this classical assumption test provide information whether the data from the variables used meet the classical assumptions or not. Finally, panel data regression analysis was carried out by combining time series data and cross-sectional data, using 2016-2020 time series data and cross-section data of 20 property and real estate companies listed on the Indonesia Stock Exchange (BEI).

RESULTS AND DISCUSSION

A. Complete Results of Research Estimates

1. Descriptive Statistical Analysis

The following is a descriptive statistics table:

Table 1. Descriptive statistics

	Y	X1	X2	X3	X4
Mean	0.038950	2.325820	0.867660	0.418550	0.181350
Median	0.031500	1.823000	0.642000	0.397500	0.188000
Maximum	0.977000	10.06500	3.701000	0.787000	0.362000
Minimum	-0.375000	0.179000	0.035000	0.034000	0.025000
Std. Dev.	0.118809	1.706660	0.609849	0.160813	0.076143
Skewness	4.524843	1.663062	1.692261	-0.318894	-0.041178
Kurtosis	41.47199	6.644232	7.779287	2.782888	2.343365

Source: Processed data, 2021

Based on table 1, it is known that the observation data in this study is 100 data. Variable Y, namely *Return on Assets,* has an average value of 0.038950 with a standard deviation of 0.118809 and a maximum value of 0.977000, and a minimum value of -0.375000.

The independent variable X1, namely *Current Ratio,* has an average of 2.325820 with a standard deviation of 1.706660 and a maximum value of 10.06500 and a minimum value of 0.179000.

The independent variable X2, namely *Debt to Equity Ratio,* has an average of 0.867660 with a standard deviation of 0.609849 and a maximum value

3.701000, and a minimum value of 0.035000.

The independent variable X3, namely *Debt to Asset Ratio,* has an average of 0.418550 with a standard deviation of 0.160813 and a maximum value

0.787000, as well as a minimum value of 0.034000.

Then the last variable, variable X4, namely *Total Asset Turnover,* has an average of 0.181350 with a standard deviation of 0.076143 and a maximum value of 0.362000, and a minimum value of 0.025000.

2. Panel Data Regression Model Testing

The following are the results of data processing from three regression models:

a. *Common Effects Model*

***Table 2. Common Effect* Regression Results**

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	0.032364	0.058016	0.557856	0.5783
X1	-0.011229	0.007979	-1.407347	0.1626
X2	-0.021821	0.041135	-0.530471	0.5970
X3	-0.144822	0.164538	-0.880171	0.3810
X4	0.618975	0.152807	4.050706	0.0001
R-squared	0.169648	Mean dependent var		0.038950
Adjusted R-squared	0.134686	SD dependent var		0.118809
SE of regression	0.110519	Akaike info criterion		-1.518548
Sum squared resid	1.160377	Schwarz criterion		-1.388289
Log likelihood	8.092740	Hannan-Quinn Criter.		-1.465830
F-statistic	4.852338	Durbin-Watson stat		2.026919
Prob(F-statistic)	0.001324			

Source: Processed data, 2021

Common effect results in table 2, it can be seen that variables X1 (Current *Ratio*), X2 (*Debt to Equity Ratio*), and X3 (Debt *to Asset Ratio)* have no influence on financial performance (Y). X1 (Current *Ratio)* has a probability value of 0.1626 (0.1626 > 0.05). Then the variable X2 (Debt *to Equity Ratio)* has a probability value of 0.5970, which is 0.5970 > 0.05. Variable X3 (Debt *to Asset Ratio)* has a probability value of 0.3810 where 0.3810 > 0.05. Meanwhile, variable X4 (Total *Asset Turnover)* has an influence on financial performance (Y) with a probability value of 0.0001 < 0.05. Judging from the prob value < F (0.001324) which is smaller than 0.05, this indicates that the independent variable has a significant effect on the dependent variable.

b. *Fixed Effects*

The following are the results of the fixed effect model data processing.

***Table 3. Fixed Effect* Regression Results**

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	-0.041301	0.022147	-1,864,865	0.0661
X1	0.004346	0.003166	1,372,762	0.1739
X2	-0.027766	0.016431	-1,689,815	0.0952
X3	-0.041225	0.074672	-0.552072	0.5825
X4	0.614775	0.038474	1,597,897	0.0000
R-squared	0.940483	Mean dependent var		0.239467
Adjusted R-squared	0.922472	SD dependent var		0.418841
SE of regression	0.091421	Sum squared resid		0.635186
F-statistic	52.21547	Durbin-Watson stat		2.236182
Prob(F-statistic)	0.000000			

Source: Processed data, 2021

Based on the results of the *fixed effect regression* in table 4.3, it can be seen that the variables X1 (*Current Ratio)*, X2 (*Debt to Equity Ratio)*, and X3 (*Debt to Asset Ratio)* have no influence on the financial performance variable (Y). The variable X1 (*Current Ratio)* has a probability value of 0.1739 where 0.1739 is greater than 0.05. The variable X2 (*Debt to Equity Ratio)* has a probability value of 0.0952 where 0.0952 is greater than 0.05. Then the variable X3 (*Debt to Asset Ratio)* has a probability value of 0.5825 where 0.5825 is greater than 0.05. Meanwhile, variable X4 (*Total Asset Turnover)* has an influence on financial performance (Y) with a probability value of 0.0000 where 0.0000 is smaller than 0.05. Judging from the prob value < F (0.000000) which is smaller than 0.05, this indicates that the independent variable has a significant effect on the dependent variable.

c. Random Effects

Random effect data processing.

***Table 4. Random Effect* Regression Results**

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	0.032364	0.055993	0.578010	0.5646
X1	-0.011229	0.007701	-1.458190	0.1481
X2	-0.021821	0.039700	-0.549635	0.5839
X3	-0.144822	0.158801	-0.911969	0.3641
X4	0.618975	0.147479	4.197045	0.0001
R-squared	0.169648	Mean dependent var		0.038950
Adjusted R-squared	0.134686	SD dependent var		0.118809
SE of regression	0.110519	Sum squared resid		1.160377
F-statistic	4.852338	Durbin-Watson stat		2.026919
Prob(F-statistic)	0.001324			

Source: Processed data, 2021

Random effect regression results in table 4, it can be seen that variables X1 (*Current Ratio)*, X2 (*Debt to Equity Ratio)*, and X3 (*Debt to Asset Ratio)* have no influence on the financial performance variable (Y). The variable X1 (*Current Ratio)* has a probability value of 0.1481 where 0.1481 is greater than 0.05. The variable X2 (*Debt to Equity Ratio)* has a probability value of 0.5831 where 0.5839 is greater than 0.05. Then the variable X3 (*Debt to Asset Ratio)* has a probability value of 0.3641 where 0.3641 is greater than 0.05. Meanwhile, variable X4 (*Total Asset Turnover)* has an influence on financial performance (Y) with a probability value of 0.0001 where 0.0001 is smaller than 0.05. Judging from the prob value < F (0.001324) which is smaller than 0.05, this indicates that the independent variable has a significant effect on the dependent variable.

3. Model Testing and Selection

In this research, the method used to determine the model used uses two tests, namely the *Chow Test* and the *Hausman Test.*

a. Test *Chow*

The following is the *chow test table:*

Table 5. Chow Test Results

Probability	**0.0000**
α	0.05

Source: Processed data, 2021

The cross-section F probability value is 0.0000, which means <0.05, so it can be concluded that *the fixed effect model* is more appropriate than the *common effect model.*

b. Hausman test

The following are the results of the Hausman test:

Table 6. Hausman Test Results

Probability	0.0214
α	0.05

Source: Processed data, 2021

Random cross-section probability value is 0.0214, which means <0.05, so from these results it can be concluded that the *fixed effect model* is more appropriate than the *random effect model.* With these results, it is in line with the Chow test which states that the selected model is between two appropriate models, namely *the fixed effect model.* From the results of these tests, this research uses a *fixed effect model.*

4. Classic assumption test

The classical assumption test is carried out to determine whether the data is appropriate or not. This test is carried out with several tests:

a. Normality test

The following are the results of the normality test:

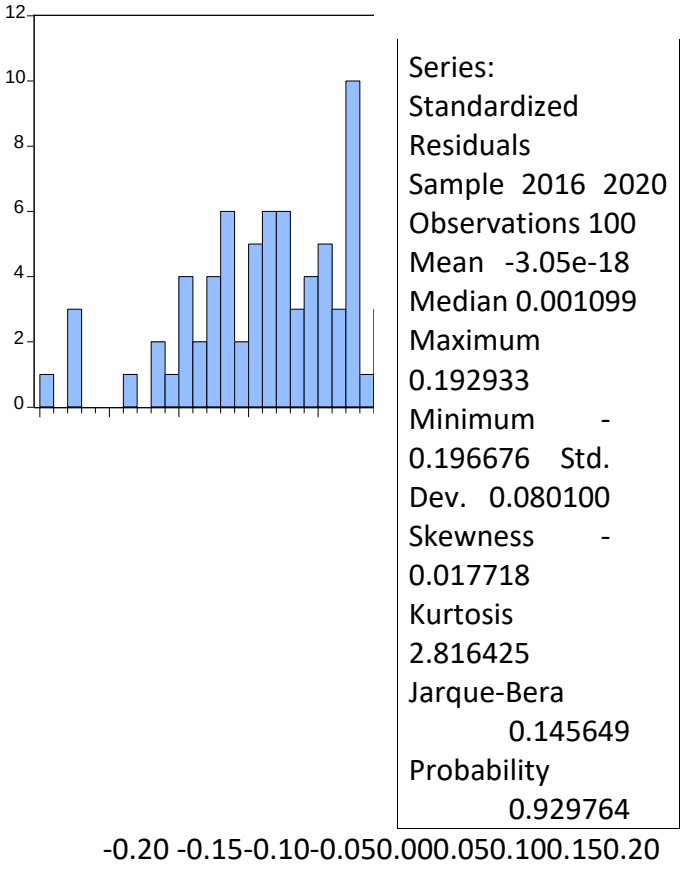

Figure 1. Normality Test Results

Source: Processed data, 2021

Based on the results of the normality test in Figure 1, a probability value of 0.929764 was obtained, which means the probability value is greater than the significance level (0.929764 > 0.05) so from these results it can be said that this data is normally distributed.

b. Multicollinearity Test

The following are the results of the multicollinearity test:

Table 7. Multicollinearity Test Results

	X1	X2	X3	X4
X1	1,000000	-0.446985	-0.545012	0.107186
X2	-0.446985	1,000000	0.892835	0.200456
X3	-0.545012	0.892835	1,000000	0.139936
X4	0.107186	0.200456	0.139936	1,000000

Source: Processed data, 2021

Based on the results of the multicollinearity test in table 7, it can be concluded that the *Correlation Coefficient values* of variables X1 (*Current Ratio)*, X2 (*Debt to Equity Ratio)*, X3 (*Debt to Asset Ratio),* and this research data is free from multicollinearity problems.

c. Heteroscedasticity Test

The following are the results of the heteroscedasticity test:

Table 8. Heteroscedasticity Test

Variable	Probability
X1	0.4437
X2	0.7608
X3	0.9148
X4	0.9852

Source: Processed data, 2021

Based on the results of the heteroscedasticity test in table 8, you can see the results of Prob. X1 (*Current Ratio)* obtained a result of 0.4437, Prob. X2 (*Debt to Equity Ratio)* obtained a result of 0.7608, Prob. X3 (*Debt to Asset Ratio)* obtained a result of 0.9148, and Prob. X4 (*Total Asset Turnover)* obtained a result of 0.9852. With these results, it is concluded that the prob values of variables X1 (*Current Ratio)*, X2 (*Debt to Equity Ratio)*, X3 (*Debt to Asset Ratio)* , and from heteroscedasticity problems.

d. Autocorrelation Test

The following are the results of the autocorrelation test:

Table 9. Autocorrelation Test Results

R-squared	0.940483	Mean dependent var	0.239467
Adjusted R-squared	0.922472	SD dependent var	0.418841
SE of regression	0.091421	Sum squared resid	0.635186
F-statistic	52.21547	Durbin-Watson stat	2.236182
Prob(F-statistic)	0.000000		

Source: Processed data, 2021

Based on the results of the autocorrelation test in table 4.9, the Durbin-Watson value is 2.236182. It was mentioned earlier that in decision making there are no symptoms of autocorrelation, namely if du ≤ dw ≤ (4-du). This data has 100 n and 4 k. If you look at the dw table, this research data obtained a du value of 1.7582, a dl value of 1.5922, and a 4-du value of 2.2418. So 1.7582 ≤ 2.236182 ≤ 2.2418. Thus, it can be concluded that this research data is free from autocorrelation symptoms.

5. Panel Data Regression Analysis

The following are the results of panel data regression processing.

***Table 10. Fixed Effect* Panel Data Regression Analysis**

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	-0.041301	0.022147	-1.864865	0.0661
X1	0.004346	0.003166	1.372762	0.1739
X2	-0.027766	0.016431	-1.689815	0.0952
X3	-0.041225	0.074672	-0.552072	0.5825
X4	0.614775	0.038474	1.597897	0.0000

R-squared	0.940483	Mean dependent var	0.239467
Adjusted R-squared	0.922472	SD dependent var	0.418841
SE of regression	0.091421	Sum squared resid	0.635186
F-statistic	52.21547	Durbin-Watson stat	2.236182
Prob(F-statistic)	0.000000		

Source: Processed data, 2021

Based on the results of table 10, the panel data regression equation model is as follows:

ROA = -0.041301 + 0.004346CR – 0.027766DER – 0.041225DAR
+ 0.614775TATTOO

From the regression equation, it can be concluded that:

a) The regression test results have a constant value of -1.864865. It can be interpreted that if the variables X1 (*Current Ratio)*, X2 (*Debt to Equity Ratio)*, X3 (*Debt to Asset Ratio)* and
b) 1.864865.
c) The variable X1 (*Current Ratio)* has a probability value of 0.1739 > 0.05 and has a t statistic value of 1.372762. With this, it can be interpreted that X1 (*Current Ratio)* has a positive and insignificant effect on financial performance. So that for every increase in *the Current Ratio* of 1 unit, it can increase financial performance by 1.372762.
d) The variable X2 (*Debt to Equity Ratio)* has a probability value of 0.0952 > 0.05 and has a t statistic value of -1.689815. With this, it can be interpreted that X2 (*Debt to Equity Ratio)* has a statistical and insignificant effect on financial performance. So that for every increase *in the Debt to Equity Ratio* of 1 unit, it can reduce financial performance by -1.689815.
e) Variable X3 (*Debt to Asset Ratio)* has a probability value of 0.5825 > 0.05 and has a t statistic value of -0.552072. With this, it can be interpreted that X3 (*Debt to Asset Ratio)* has a statistical and insignificant effect on financial performance. So for every increase *in the Debt to Asset Ratio* of 1 unit, it can reduce financial performance by -0.552072.
f) *The* variable _ With this, it can be interpreted that X4 (*Total Asset Turnover)* has a positive and significant effect on financial performance. So for every increase in *Total Asset Turnover* by 1 unit, it can increase financial performance by 1.597897.

6. Partial Test (t Statistical Test)

Following are the results of the t test:

Table 11. Statistical Results t

Variables	Coefficient	Std. Error	t-Statistics	Prob.
C	-0.041301	0.022147	-1.864865	0.0661
X1	0.004346	0.003166	1.372762	0.1739
X2	-0.027766	0.016431	-1.689815	0.0952
X3	-0.041225	0.074672	-0.552072	0.5825
X4	0.614775	0.038474	1.597897	0.0000

Source: Processed data, 2021

table 11 , the value of each independent variable is obtained where *the* variable equal to 0.1739 > 0.05. With these results, it can be concluded that H0 is rejected, meaning that partially the variable X1 or *Current Ratio* has no influence on Financial Performance (Y).

In *the* variable _ _ _ _ 0.0952 > 0.05. So it can be concluded that H 0 is rejected and instead H 1 can be accepted. With these results, it can be concluded that H 0 is rejected, meaning that partially the variable X2 or *Debt to Equity Ratio* has no influence on Financial Performance (Y).

In *the* variable _ _ _ _ equal to 0.5825 > 0.05. With these results, it can be concluded that H 0 is rejected, meaning that partially the variable X3 or *Debt to Asset Ratio* has no influence on Financial Performance (Y).

Meanwhile, variable X4 (*Total Asset Turnover) has a* calculated t value of 15.97897 > t table 1.66105 and the resulting value of Prob. equal to 0.0000 < 0.05. With these results, it can be concluded that H 1 is accepted, meaning that partially the variable X4 or *Total Asset Turnover* has a positive and significant influence on Financial Performance (Y).

7. Coefficient of Determination (R 2)

Table 12. Coefficient of Determination Results

R-squared	**0.940483**	**Mean dependent var**	**0.239467**
Adjusted R-squared	0.922472	SD dependent var	0.418841
SE of regression	0.091421	Sum squared resid	0.635186
F-statistic	52.21547	Durbin-Watson stat	2.236182
Prob(F-statistic)	0.000000		

Source: Processed data, 2021

Based on the results of the coefficient of determination in table 12, an R-squared of 0.940483 is obtained. This states that 92.2472% of financial performance can be explained by the variables *current ratio, debt to equity ratio, debt to asset ratio,* and *total asset turnover* . Meanwhile, the remaining 7.7528% can be explained by other variables not included in this study.

8. Simultaneous Test (F Statistical Test)

Table 4.13
F Statistics Results

R-squared	**0.940483**	**Mean dependent var**	**0.239467**
Adjusted R-squared	0.922472	SD dependent var	0.418841
SE of regression	0.091421	Sum squared resid	0.635186
F-statistic	52.21547	Durbin-Watson stat	2.236182
Prob(F-statistic)	0.000000		

Source: Processed data, 2021

Based on the results of the f statistics in table 13, the Prob F Statistics value is 0.000000. Thus, all the independent variables in this research, namely Current Ratio, Debt to

Equity Ratio, Debt to Asset Ratio and Total Asset Turnover simultaneously have an influence on the dependent variable, namely financial performance.

Discussion

A. Effect of *Current Ratio* CR) on Financial Performance (Y)

The results of this research state that the *Current Ratio* (CR) variable has no influence *on* the financial performance of Property and Real Estate companies listed on the *Indonesia Stock Exchange* for the 2016-2020 period.

Current Ratio which does not have a significant effect can occur because the management of a company's assets is less than optimal. According to Munawir (2014), a high *current ratio* does not guarantee that the company can pay debts that are due because there is an unprofitable distribution *of current assets such as inventory and receivables which may be difficult to collect.* This theory contradicts the signal theory, that companies that have good profitability will increase company value. High profitability will make investors interested in investing their capital in the company.

Property and Real Estate companies have high *Current Ratio figures in meeting their current debts.* In order for *the Current Ratio* to influence the profitability of a company, *the company* must control company assets optimally. This *research* is in line with research by Ardhefani, H., Pakpahan, R. and Djuwarsa (2021) and Supardi et al. (2018) which shows that *the Current Ratio* (CR) has no effect on Return on Assets. However, this research contradicts research conducted by Sitohang & Wulandari (2020) which states that *the Current Ratio* has a positive and significant effect on *Return on Assets.*

B. The Effect of *Debt to Equity Ratio* (DER) on Financial Performance (Y) The results of this research state that the *Debt to Equity Ratio* (DER) variable has no influence on the financial performance of Property and Real Estate companies listed on the Indonesia Stock Exchange in the 2016- 2020.

The Debt to Equity Ratio does not have a significant influence because Property and *Real* Estate companies have a high DER value compared to the ROA value. A high DER value will cause the debt burden to increase, thereby reducing the profits obtained by the company. The DER value owned by Property and Real Estate companies can make it difficult to increase net profit due to external funding. The high DER value in Property and Real Estate companies does not adhere to the pecking order theory. This theory states that the first funding a company chooses is internal funds, if internal funds are not enough then external funds are used. In order for *Debt to Equity* to influence *Return on Assets* , Property and Real Estate companies must manage their debt well, because high debt can endanger the company. It is better for companies to use smaller debt to avoid extreme debt.

This research is in line with research conducted by Azzahra. and Nasib (2019) which shows that DER results have a negative and insignificant effect on ROA, as well as research (Tania & Nainggolan, 2021) which states that the *Debt to Equiy Ratio* (DER) variable does not have a significant effect on ROA. However, this research contradicts *research* conducted by Umami & Budiarti (2019) which states that the Debt to Equity Ratio has a positive and significant effect on Return on Assets.

C. The Effect of *Debt to Asset Ratio* (DAR) on Financial Performance (Y)

The results of this research state that *the Debt to Asset Ratio* has no influence on the financial performance of Property and Real Estate companies listed on the Indonesia Stock Exchange for the 2016-2020 *period* .

Just like the Debt to Equity Ratio, Debt to Asset also has no influence on Financial Performance, because Property and Real Estate companies have higher debt. Using debt

that is too high can be dangerous for the company because the company will enter extreme debt where the company will be trapped *and* difficult to get out of because it has debt that is too high. This means that companies need to control how much debt they can obtain and where the sources they use to fulfill their obligations come from (Fahmi, 2017). A company that has high liabilities can reduce its profits, because the company has to pay interest on the loan. This result contradicts the *pecking order theory* , because Property and Real Estate companies have a debt value that is greater than their profitability. Thus, it is better for a company to have a low value, because a high DAR value can cause a company's profitability to decrease

This research is in line with research by (Agustina & Santosa, 2019) and (Utami & Pardanawati, 2016) which states that *the Debt to Asset Ratio* has no significant effect on *Return on Assets* (ROA). However, this research contradicts research conducted by Pakpahan et al. (2020) which states that the Debt to Asset Ratio has a positive *and* significant effect on *Return on Assets* (ROA)

D. The Effect of Total Asset Turnover (TATO) on Financial Performance (Y)

The results of this research state that the Total Asset Turnover variable has a positive and significant influence on the financial performance of Property and Real Estate companies listed *on* the Indonesia Stock Exchange for the 2016-2020 period. This shows that Property and Real Estate companies have managed their resources optimally.

Total Asset Turnover has significant results, meaning that the TATO produced can influence total asset turnover in generating sales. The greater the figure obtained by TATO, the more effective the use of assets in generating sales. If a company is effective in using its assets, sales will be higher and profits will increase. According to signal theory, the higher the profitability of a company, the better news it will provide to investors. If a company has a high TATO, then the company can have the opportunity to increase growth. A high TATO value will also make investors interested in investing their capital, because investors assume that the company is capable of generating high profits.

The results of this research are in line with research by Umami & Budiarti (2019) and Yunita et al. (2020) which states that *total asset turnover* has a significant positive influence on Return on Assets (ROA). However, the results of this research contradict research conducted by *Aulia* et al (2021) which states that Total Asset Turnover has no effect on Return on Assets.

CONCLUSION

Based on the results of research and discussion in the previous chapter regarding the influence of Current Ratio, Debt to Equity Ratio (DER), Debt to Asset Ratio (DAR), and Total Asset Turnover (TATO) on the financial performance of Property and Real Estate Companies listed on the Stock Exchange Indonesia (BEI) in 2016-2020, several conclusions can be drawn. First, the Current Ratio has a positive but not significant influence on the financial performance of property and real estate companies listed on the IDX during that period. Second, the Debt to Equity Ratio (DER) shows a negative but not significant influence on the financial performance of the same company. Third, the Debt to Asset Ratio (DAR) also has an insignificant negative influence on the financial performance of property and real estate companies on the IDX. Finally, Total Asset Turnover (TATO) has a positive and significant influence on the financial performance of companies listed on the IDX during the 2016-2020 period.

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