

ABSTRACT

THE EFFECT OF INVENTORY TURNOVER, CURRENT RATIO, DEBT TO EQUITY RATIO, TOTAL ASSETS TURNOVER, AND WORKING CAPITAL TURNOVER TO RETURN ON EQUITY OF MISCELLANEOUS INDUSTRY COMPANIES LISTED IN THE INDONESIA STOCK EXCHANGE (IDX)

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This research is purposed to test and analyze the effect of inventory turnover, current ratio, debt to equity ratio, total assets turnover, and working capital turnover on return on equity at miscellaneous industry companies which are listed in the Indonesia Stock Exchange (IDX). This research is using quantitative approaching method. This research uses all miscellaneous industry companies listed in the Indonesia Stock Exchange (IDX) in period of 2014-2017 as the population. While the method of selecting the sample is purposive sampling with 16 companies as the sample of this research. This research works on secondary data taken from Indonesia Stock Exchange website. The research data is analyzed by using multiple linear regression analysis. The coefficient of determination is 42,8% of return on equity which can be explained by inventory turnover, current ratio, debt to equity ratio, total assets turnover, and working capital turnover. The result shows that simultaneously, inventory turnover, current ratio, debt to equity ratio, total assets turnover, and working capital turnover had significant effect on return on equity. Partially, inventory turnover, current ratio, and working capital turnover do not affect return on equity, debt to equity ratio have negative and insignificant effect on return on equity, and total assets turnover have positive and significant effect on return on equity.

Keywords: Inventory Turnover, Current Ratio, Debt To Equity, Total Assets Turnover, Working Capital Turnover, Return on Equity