The Effect of Current Ratio, Debt to Equity Ratio, Return on Assets to Dividend Payout Ratio in Food and Beverage Companies Listed on The Indonesia Stock Exchange in 2017-2020

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ABSTRAK

Tujuan penelitian ini dilakukan untuk mengetahui pengaruh Current Ratio, Debt to Equity, Return On Asset terhadap Dividend Payout Ratio pada perusahaan Food and Beverage yang terdaftar di Bursa Efek Indonesia pada tahun 2017-2020. Jenis penilitian yang dilakukan adalah penelotian asosiatif. Teknik analisa data yang digunakan dalam penelitian ini adalah kuantitatif. Teknik pengumpulan data dalam penelitian ini menggunakan teknik dokumentasi. Pada penelitian ini penulis melakukan perhitungan rasio likuiditas yaitu Current Ratio melakukan perhitungan rasio solvabilitas yaitu Debt to Equity Ratio, melakukan perhitungan rasio profitabilitas yaitu Return on Asset dan juga rasio market valueyaitu Dividend Payout Ratio. Pengambilan sampel menggunakan metode purposive sampling dengan menggunakan kriteria tertentu. Sampel penelitian sebanyak 120 perusahaan.Hasil penelitian ini menunjukan bahwaCurrent Ratio berpengaruh positif terhadap Dividend Payout Ratio, Debt to Equity Ratioberpengaruh positif terhadap Dividend Payout Ratio dan Return on Asset brpengaruh negative terhadap Dividend Payout Ratiopada perusahaan Food and Beverage yang terdaftar di Bursa Efek Indonesia pada tahun 2017-2020.
Kata Kunci :Rasio Keuangan, dan Perusahaan Food and Beverage.

ABSTRACT

The purpose of this study was conducted to determine the effect of the Current Ratio, Debt to Equity, Return On Assets on the Dividend Payout Ratio in Food and Beverage companies listed on the Indonesia Stock Exchangein 2017-2020. This type of research is associative research. The data analysis technique used in this research is quantitative. Data collection techniques in this study using documentation techniques. In this study the authors calculated the liquidity ratio, namely the Current Ratio, calculated the solvency ratio, namely the Debt to Equity Ratio, calculated the profitability ratio, namely Return on Assets and also the market value ratio, namely the Dividend Payout Ratio. Sampling using purposive sampling method using certain criteria. The study sample consisted of 120 companies. The results of this study indicate that Current Ratio has a positive effect on the Dividend Payout Ratio, Debt to Equity Ratio has a positive effect on the Dividend Payout Ratio and Return on Assets has a negative effect on the Dividend Payout Ratio in Food and Beverage companies listed on the Stock Exchange Indonesia in 2017-2020.

Keywords: Financial Ratios, and Food and Beverage Companies

INTRODUCTION

The rapidly growing public company has resulted in increasingly fierce competition, so the company is required to be able to face and anticipate in all situations in order to survive in any condition. The successful achievement of the goal will affect the prosperity of the company's owners and shareholders. Generally, investors prefer dividends because constant and stable dividend payments are more convincing, if unstable or variable payments can cause investor unrest and minimize the risks that will be faced in the future.

Dividends, called company income, are distributed to investors and are usually paid out in cash or stock. A higher dividend payout ratio benefits investors, but will reduce retained earnings and weaken the company's internal finances. When the Dividend Payout Ratio is low, investors will lose money but the company's internal finances are getting stronger.

The first indicator is the Liquidity Ratio. This ratio is represented by the Current Ratio (CR), which is a ratio that helps measure a company's ability to meet maturing short-term obligations by comparing its current assets with its short-term liabilities (Kasmir, 2017: 134). The next indicator is the Solvency ratio, this ratio is represented by the Debt to Equity Ratio (DER) used for debt and equity valuation. The last indicator, the profitability ratio, is an indicator of the company's ability to generate profits over a certain period of time. The profitability of a company can be measured by how well the company uses its assets and the profits generated compared to the company's total balance sheet and capital points, this ratio is represented by Return On Assets (ROA) which is a comparison between net income after interest costs and taxes with trillion in 2018. Indonesian food and beverage

Based on table 1.1, it can be seen that the average DPR in food and beverage companies in 2017-2020 experienced fluctuating movements. The Ministry of Industry of the Republic of Indonesia noted that food and beverage grew 7.91% in 2018 or exceeded the national economic growth rate of 5.17% (Yulyanah, 2018). The food industry is one of the factors that help assess the country's investment, which contributed up to Rp 56.60

products have been known to have competitiveness reaching an export value of US $ 29.91 billion. Seeing this phenomenon indicates that food and beverage companies are one of the companies that many investors want (Ministry of Industry, 2018).

Table 1.1 Average DPR Food and Beverage for the 2017-2020 Period

YEAR	VARIABLE		
	CR	DER	ROA
2017	239.64	1.03	24.95
2018	243.67	0.93	22.51
2019	261.42	0.91	20.52
2020	282.59	0.78	22.64

Sumber : idx.co.id

The Central Statistics Agency highlighted that the food industry jumped by 7.40 percent with a 25.41 percent share of overall production. The Jakarta Composite Index (JCI) rose 0.90% at the close of stock trading on the Indonesia Stock Exchange (IDX). Total stock transactions reached 15.56 billion shares or equivalent to Rp 10.77 trillion. In 2020, in the midst of an economy that was contracting minus 5.32, it could still grow 0.22 percent due to the impact of Covid19. But the food and beverage industry investment is also still in the top 5 in all investments in Indonesia (katadata.co.id,2018)

LITERATURE REVIEW

Current Ratio (CR)

Current Ratio is a ratio used to measure the company's ability to pay short-term obligations or debt that is soon due (Kasmir 2016: 113). Current Ratio provides information on the ability of current assets including cash, accounts receivable, securities, inventories and other assets. While current debt includes accounts payable, money order payable, bank debt, salary payable, and other debts that must be paid immediately. According to Brealey (2006) the Current Ratio formula:

$$CR = \frac{\text{Aktiva Lancar}}{\text{Kewajiban Lancar}} \text{x}100\%$$

The greater the ratio of current assets to current debt, the higher the company's ability to cover its short term obligations. If the current ratio is 1:1 or 100%, it means that current assets can cover all current debts. So it is said to be healthy if the ratio is above 1 or above 100%. This means that current assets must be far above the amount of current debt.

***Debt to Equity Ratio* (DER)**

Debt to Equity Ratio or the ratio of debt to own capital is the balance between debt owned by the company and own capital (Pudjiastuti 2012: 73). The higher this ratio means less own capital compared to debt. The smaller this ratio is, the better. According to Harahap (2015) the formula of Debt to Equity Ratio :

$$DER = \frac{\text{Total Debt}}{\text{Equity}}$$

***Return On Assets* (ROA)**

Return On Assets is the ratio between net income that is inversely proportional to overall assets to generate profits (Cashmere 2014: 201). In other words, Return On Assets can be defined as a ratio that shows how much profit can be obtained from all the wealth owned by the company. According to Harahap (2015) the Return On Asset formula is :

$$DER = \frac{\text{Net Profit}}{\text{Total Asset}}$$

***Dividend Payout Ratio* (DPR)**

Dividend Payout Ratio is part of dividends distributed to shareholders, namely from the net profit achieved by the company. Dividend Payout Ratio can be formula is :

$$DPR = \frac{\text{Dividend}}{\text{Net Profit}} \text{x}100\%$$

METHOD

Type Of Research

The type of research conducted is associative research. This study aims to identify the impact or more variable (Sugiyono, 2012:11)

Population

The population in this study is secondary data on food and beverage companies in 2017-2020 listed on the IDX taken on the www.invesnesia.com website. This method uses accidental sampling which means a sampling method with integrated object and subject opportunities and does not set specific criteria about the sample, and the information needed can be easily obtained (Sugiyono, 2017: 122).

Sampling

The sampling technique used in this study is to use saturated sampling, which is a technique to determine the sample if all members of the population will be sampled in the study or can also be called a census in a small scope (Sugiyono, 2017: 85).

Data Types and Sources

The data used in this study is secondary data. Data is sourced from financial statements which include statements of financial position and income statements of food and beverage manufacturing companies listed on the IDX during the 2017-2020 period, obtained from financial statements in IDX.

Data Collection Techniques

Data collection is carried out through documentation, namely by downloading and recording data in the form of financial statements in 2017-2020 obtained from the official website of the Indonesia Stock Exchange.

DISCUSSION

The Effect of Current Ratio on Dividend Payout Ratio

Current Ratio has a positive effect on Dividend Payout Ratio in food and beverage companies listed on the Indonesia Stock Exchange. A significance probability value of 0.029 indicates a number greater than the predetermined significance value of 0.05 (0.029 > 0.05). The positive influence of the current ratio shows that the higher the current ratio in a company can result in a higher DPR in the company. That is, if the company is able to pay higher current debt and affects the company's increasing current assets, it can have a positive impact on the dividends distributed.

The effect of Debt to Equity Ratio on Dividend Payout Ratio

The results of hypothesis testing show that the variable debt to equity ratio has a positive effect on the dividend payout ratio. This can be seen from the significance probability value of 0.009 which is greater than the predetermined probability value of 0.05 (0.009 > 0.05). The lower the DER, the higher the company's ability to pay all its obligations. This is because the lower the proportion of debt used for the capital structure of a company, the lower the amount of liabilities. The greater the company's debt, the higher the company's obligation to pay it off. Which can result in low dividends paid to shareholders.

The effect of Return On Assets on Dividend Payout Ratio

The test results show that the variable return on assets negatively affects the dividend payout ratio. If Return on Assets decreases, the Dividend Payout Ratio also decreases. The negative effect of the variable Return on Asset on the Dividend Payout Ratio explains that a decrease in the company's profitability will have an impact on decreasing the distribution of dividends to be paid. This can be seen from the significance probability value of 0.483 which is smaller when compared to the predetermined probability value of 0.05 (0.483 < 0.05).

CONCLUSION

The conclusions of the study on the effect of current ratio, debt equity ratio and return on assets on dividend payout ratio are as follows:

1. Based on the results of testing the first hypothesis (H1) shows that the variable current ratio has a positive effect on the dividend payout ratio
2. Based on the results of testing the second hypothesis (H2) shows that the variable debt-to-equity ratio has a positive effect on dividend payout ratio
3. Based on the results of testing the third hypothesis (H3) shows that variable return on assets negatively affects dividend payout ratio.

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