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The Effect of Current Ratio, Debt to Equity Ratio and Total Assets turnover on Profit Growth in Property and Real Estate Companies Listed on the Indonesia Stock Exchange for the 2019 – 2021 Period

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Abstract: *This study aims to examine the effect of the Current ratio, Debt to Equity Ratio, and Total Asset Turnover on profit growth in Property and Real estate companies listed on the Indonesian stock exchange.*
The population in this study are property and real estate companies listed on the Indonesian stock exchange for the 2019-2021 period. The sample in this study is the 2019-2021 Property and Real estate Company Financial Statements which were taken using the purposive sampling method, so 26 companies were obtained as samples. And using multiple linear regression analysismethods, classic assumption test, t-test (partial test), and the coefficient of determination with the help of SPSS (StatisticalProduct and Service Solutions) v16 software.
Based on the study's results, it can be concluded that the current ratio partially has a positive and significant effect on profit growth. In contrast, the Debt to Equity Ratio has a non-significant positive effect on profit growth. Total Asset Turnover has a positive and significant effect on profit growth in registered Property and Real estate Companies on the Indonesian stock exchange for the 2019-2020 period.

Keywords: *Current Ratio, Debt to Equity Ratio, Total Asset Turnover, Profit Growth*

I. INTRODUCTION

Every company needs financial statement information. Financial reports play a very important role in a company. Financial statements are records of company financial information over a certain period and are used to describe company performance. Financial issues are one of the most critical issues for every company in business development. One of the main goals of starting a company is to maximize profits. However, the success of a company in seeking funding and maintaining it depends on financial management. A company must have healthy and efficient financial performance in order to maintain profit or profit for the sake of achieving the continuity of the company's operations. The quality of the company's financial condition can be seen from the analysis of the company's financial statements because the most important output in applying the accounting system is the reporting of financial conditions, one of which is profit.

Profit is the excess of revenue over costs associated with business activities. If expenses are greater than income, the difference is called a loss. Profits and losses are the results of periodic calculations. These gains or losses are not yet actual gains or losses. Real profits and losses are known only when the company stops activities and goes into liquidation (Soemarso, 2010).

Profit growth is the increase and decrease in annual profits. The ability of a company to increase its net profit compared to the previous year's profit is called profit growth. Profit growth is the change in the percentage increase in profits the company earns. High-profit growth indicates that the company is very profitable and has a high dividend payout ratio. Basically, a company only has one main goal, namely companies engaged in trade, services, or the real estate industry to make profits and maintain viability company's viabilityture. (Pratiwi and Rodhiyah, 2016).

A company that is experiencing profit growth shows that the company has good company performance. Financial managers need information about profit growth to make decisions about the company. Profit growth also calculates how much profit can be retained for the following year. The main objective of profit growth is to maximize profit and increase the value of a company, as a company that records profit growth has a positive value for the company. This also influences the public to invest in the company because the community wants to get a return on investment costs.

Profit measurement is important not only to determine company performance but also as information for profit sharing and investment policy determination. Profit thus becomes the information that accounting professionals, entrepreneurs, financial analysts, stockholders, economists, tax authorities, and many others look at.

The property and real estate industries are usually two different things. Real estate is land and all permanent improvements, including structures such as buildings, road developments, vacant lots, and any other form of permanent extension development. According to Indonesian laws and regulations, the real estate industry is defined in PDMN No. 5 of 1974 which regulates the real estate industry. Based on this regulation, the real estate industry is a real estate company engaged in the supply, procurement, and preparation of land for commercial purposes, including the tourism industry.

The definition of property and real estate according to the Regulation of the Minister of Public Housing No. 05/KPTSBKP4N/1995, property and real estate in Ps 1.a: 4 are land rights or permanent buildings that are owned and developed. In other words, ownership is the economics of real estate related to laws such as leases and ownership. Products produced by the real estate and real estate industry are shopping centers in apartments, apartments, shophouses, shophouses, office buildings, malls, squares, or commercial centers. Apartments, apartments, shophouses, office blocks, and office buildings are included in real estate. On the other hand, commercial buildings include shopping malls, squares, and commercial centers. The communities can see many indicators of new housing developments, including relatively affordable condominiums. In addition, the supporting components of home ownership have also become easier and touched all levels of society, such as large mortgage payments. In early 1968, the property and real estate industry began to develop, and since the 1980s, the property and real estate industry began to be listed on the IDX. The number of property and real estate companies listed on the Indonesia Stock Exchange was 30 in 2003 and 41 in 2009. Considering that companies operating the property and real estate sector are susceptible to ups and downs in the economy, the development of the property and real estate sector will be able to survive the macroeconomic situation in Indonesia. This is evidenced by the increase in the number of property and real estate sectors that are expanding their business by expanding assets in the form of land, and in 2012 the property and real estate sector listed on the IDX grew to 55 companies. The following is the profit growth rate of the selected 26 property and real estate companies, as evidenced by the following table.

Table 1. The profit growth rate in property and real estate companies listed on the Indonesia Stock Exchange (IDX) for 2019-2021.

No	Code	Profit Growth						
		2018 (Rp)	2019 (Rp)	%	2020 (Rp)	%	2021 (Rp)	%
1	AMAN	71.786.135	11.961.112	-0,83	16.231.259	0,36	30.282.784	0,87
2	BBSS	483.120.123	4.532.193.732	8,38	512.878.724	-0,89	1.094.508.876	1,13
3	BIKA	45.682.595.609	82.553.635.471	0,81	104.334.806.073	0,26	194.564.034.960	0,86
4	CSIS	32.177.917.412	9.258.212.633	-0,71	12.446.402.605	0,34	19.810.506.330	0,59
5	CTRA	1.302.702	1.283.281	-0,01	1.370.686	0,07	2.087.716	0,52
6	DUTI	1.126.657.230.110	1.289.962.965.315	0,14	638.427.373.273	-0,51	730.113.120.884	0,14
7	EMDE	16.095.009.620	34.638.520.599	1,15	56.617.681.066	0,63	1.034.201.610.092	17,27
8	FMII	5.908.257.104	2.718.797.575	-0,54	1.481.751.003	-0,45	8.562.317.113	4,78
9	GPRA	50.425.199.916	55.222.657.634	0,10	34.752.426.451	-0,37	49.537.431.683	0,43
10	KIJA	67.100.402.943	141.140.307.068	1,10	45.249.873.536	-0,68	87.635.897.475	0,94
11	LPLI	61.945	19.452	-0,69	21.117	0,09	248.262	10,76
12	MKPI	1.018.559.536.819	614.639.392.159	-0,40	231.113.916.843	-0,62	324.669.719.210	0,40
13	MMLP	281.313.117	273.821.192	-0,03	89.078.551	-0,67	366.262.697	3,11
14	MTLA	507.227.779	487.622	-1,00	286.307	-0,41	380.666	0,33
15	NZIA	360.777.235	3.356.447.223	8,30	2.665.918.594	-0,21	3.061.999.615	0,15
16	PAMG	318.580.786.910	5.567.665.632	-0,98	6.328.648.783	0,14	10.461.119.551	0,65
17	POLI	72.230.360.995	54.643.639.689	-0,24	17.438.462.295	-0,68	35.847.355.212	1,06
18	POSA	353.207.753.416	150.934.400.850	-0,57	135.567.629.355	-0,10	141.256.282.027	0,04
19	APLN	205.780.396	120.811.697	-0,41	180.144.688	0,49	485.227.632	1,69
20	BSDE	1.701.817.694.927	3.130.076.103.452	0,84	486.257.814.158	-0,84	1.538.840.956.173	2,16

21	WEGE	444.498.792.703	456.366.738.475	0,03	156.349.499.437	-0,66	216.387.979.386	0,38
22	SSIA	89.833.255.584	136.311.060.539	0,52	77.287.251.636	-0,43	191.172.298.121	1,47
23	CPRI	45.884.338.250	16.409.071.728	-0,64	3.470.401.495	-0,79	3.866.109.020	0,11
24	GAMA	1.563.776.007	1.983.736.194	0,27	3.238.238.305	0,63	17.873.669.612	4,52
25	MPRO	42.499.808	31.727.329	-0,25	12.773.503	-0,60	13.969.360	0,09
26	PBSA	42.264.288.073	13.287.142.235	-0,69	43.151.541.644	2,25	83.315.829.281	0,93

Source: www.idx.co.id (data processed into researchers)

As seen in the table above, profit growth from 2019-2021 was in 2020, the average decreased except for AMAN (Makmur Berkah Amanda Tbk), CSIS (Cahaya Sakti InvestindoSuksesTbk), CTRA (Ciputra Development Tbk), MKPI (Metro PolitanKentjanaTbk), MMLP (Mega Manunggal Property Tbk), PAMG (Bima Sakti Pertiwi Tbk), and POLI (Pullux Hotels Group Tbk), APLN (Agung PodomomolandTbk), CPRI (Capri Nusa Satu Property Tbk), MPRO (MahaPropertindo Indonesia Tbk) PBSA (Primita Gedung SaranaTbk). The lowest decrease in profit growth in 2020 was -0.10, which occurred at POSA (Bliss Properti Indonesia Tbk) when profit growth had a negative sign, it could be said that there was a decrease in profit from the previous year.

This does not yet describe the overall financial performance of property and real estate companies. Therefore, it is necessary to carry out further analysis according to the financial aspect. Especially on the information obtained from financial reports in property and real estate companies. This financial report is the most generic data available for this purpose, which contains the output of operating and financing investments in each period so that it can make a profit.

The property and real estate sector companies are one of the crucial sector companies in a country. Property and Real Estate Company is a company engaged in developing services by facilitating the development of integrated and dynamic areas. The products produced by Property and Real Estate are very diverse. These products can be in the form of housing, apartments, shophouses (shops), office buildings (office buildings), shopping centers in the form of malls, plazas, housing, and apartments. Company performance evaluation methods can be carried out by analyzing the company's financing reports based on financial ratios such as liquidity, solvency, and activity. financial ratio analysis Can be used to analyze the company's financial statements,allows to identify the strengths and weaknesses of the company.

The phenomenon that strengthens this research is that the Covid-19 pandemic, which lasted more than six months, has suppressed business in the property sector. The financial performance of a few companies in the first semester of 2020 recorded a decline compared to the same period last year. This puts pressure on companies in the real estate industry the COVID-19 pandemic lasted more than six months. The financial performance of many companies in the first half of 2020 showed a decline compared to the same period last year. Therefore, demand in the region is declining as the causal consequences for the quarter are diminishing between the Corona or Covid-19 pandemics. (www.databoks.katadata.co.id).

Property and real estate issuers are one of the victims of the Corona Virus Disease (Covid-19) pandemic 2019. Profit decreases, profit plummets, and liquidity are tight. That is the harsh reality of the property and real estate industry this year. Of the 48 property and real estate industry issuers that reported performance in the first quarter of 2020, 31 issuers reported a decline in revenue. A total of 33 companies reported a decline in net profit. The median decline in the income of Indonesian property and real estate issuers in the first quarter of this year reached 10% compared to the same period last year. In conclusion, the net profit attributable to the parent company decreased by 32% compared to the first quarter of 2020. If calculated in total, revenue fell from IDR 1.3 trillion to IDR 6.6 trillion This happened only in the first quarter when the epidemic was not yet serious, and restrictions on public movement were not enforced.

At the beginning of the second quarter, Large-Scale Social Restrictions (PSBB) began to be implemented. The first time in DKI Jakarta was on April 10 last year. Since then, various other regions of The Republic of Indonesia have followed this policy. PSBB reduced housing demand, shopping malls closed, and shops and tenants closed. This puts an additional burden on the income situation of the real estate issuer. The decline in sales eroded profits. Cash flow was cut off, and liquidity issues eventually caught up with the industry. Due to high volatility and a sharp decline in the rupiah exchange rate, property and real estate issuers suffered considerable losses. This is because debts such as loans and bonds are paid in foreign currency, while income is received in rupiah. It is also highlighted by Moody's, a global rating agency. In April, Moody's released a report on the impact of rupiah depreciation on the property and real estate sector in the country. (www.cnbcindonesia.com).

II. HEADINGS

2.1 Conceptual Description

2.1.1 Financial Ratio

Using information from financial statements for the accounting period, financial ratios are one of the tools used in financial analysis to evaluate how well a company is performing. to find out the financial performance of the company. According to Cashmere (2018:104), the financial ratio is a calculation that divides one number by another to compare the numbers in a financial account. One component can be compared with another in the same financial statement or another in a different financial account. The numbers compared can then be numbers from one period or many periods.

Financial ratios are the language of business, according to Werner R. Murhadi (2019:1). Users can learn the financial situation of the company from the financial statements. Many interested individuals can observe the financial status of the company by understanding its financial statements.

Financial ratios are tools businesses use to analyze their financial situation and compare financial information in their financial statements to determine how well they are performing. The ratio describes the relationship or balance between two quantities. The measure used is the ratio that describes the relationship between two financial variables.

According to Harahap (2015), financial ratios are findings related to comparing one financial statement post with another post with a substantial relationship.

According to Kasmir (2019), comparing financial ratios involves dividing one financial ratio by another to compare the data in the financial statements. Comparing one component with another in a single financial statement report or between existing components in financial statements is possible.

According to some experts, it can be implied that financial ratios are financial statement analysis activities that involve comparing numbers and dividing one number by another to determine the permanent relationship between these figures todetermine the financial condition of the company, which remains a resource. the goal of maximizing shareholder wealth.

The font size for the heading is 11 points in boldface, and subsections with 10 points and not bold. Do not underline any headings or add dashes, colons, etc.

2.1.2 Liquidity Ratio

The liquidity ratio, according to Hery (2018), is a statistic that shows the company's ability to meet commitments or pay off short-term debt. The liquidity ratio, also known as the working capital ratio, is a statistic used to assess a company's liquidity. Comparing the elements of the balance sheet, total current assets, and total current liabilities is the secret (short-term debt). As Cashmere reveals (2018).

The ratio of current assets to current liabilities is known as the liquidity ratio. These ratios can be tools or data sources that businesses can use to improve management. The company's performance and financial status are reflected in the liquidity ratio. A business's capacity to pay its short-term financial obligations is known as liquidity. The danger is that the lower thegreater liquidity. It is said to be liquid if a corporation can fulfill its obligations.

Sutrisno (2012) defines liquidity as the ability of a corporation to pay obligations that must be fulfilled immediately. Short-term obligations must be fulfilled immediately, so this ratio can be used to assess the level of security of short-term creditors and determine whether business activities will not be hampered if these short-term obligations are quickly billed. One of the liquidity ratios is the current ratio.

The current Ratio is a ratio that describes the company's ability to pay off debt. It represents the company's ability to pay off its short-term debts. In the short term, the higher this ratio, the more current assets of the company can serve as collateral for short-term debt, but if Current. If the ratio is too high, it can be concluded that the business cannot manage its finances effectively because it does not allocate money effectively and efficiently. This will be detrimental to the company's profit expansion.

Current ratio (CR) According to Sawir (2010: 8), it is the most commonly used measure to determine the ability to meet short-term liabilities because this ratio shows how far from short-term creditors is met by assets estimated to be cash. In the same period, the calculation of the current ratio is carried out.

The liquidity ratio is the current ratio. According to Sudana (2015),the Current Ratio is a ratio that measures a company's ability to repay current debt using its current assets. The relationship between current assets and current liabilities is used in this ratio to measure the liquidity condition of a company or entity. In other words, the current ratio is a technique or approach used to determine whether a company's current assets can be used to cover or pay off all of its current liabilities in the near future.

The application of this ratio is not only intended to evaluate or identify liquidity problems of the enterprise. But the business can also evaluate how its working capital is used. The current ratio, which indicates the approximate liquidity status of the company, is a ratio that is often used in the analysis of financial statements. Divide current assets by current

liabilities to obtain a current ratio. Calculating the current ratio is as simple as dividing all current assets by current liabilities. The current ratio can be calculated using the following formula.

$$Current\ ratio = \frac{current\ asset}{current\ liability} x\ 100\%$$

2.1.3 Solvability Ratio

Cashmere (2019) states that the solvency ratio is a ratio used to measure how much a company's assets are financed by debt. The solvency ratio, also known as the leverage ratio, is a statistic used to assess how much debt is used to fund a company's assets. It refers to the debt burden of the enterprise in relation to its assets. The solvency ratio, in a broad sense, is used to assess the ability of a company to fulfill all its immediate and long-term commitments if the company is dissolved (liquidated) (Kasmir, 2018).

Utilizing fixed costs to increase profitability is known as leverage. Leverage is a ratio that describes the relationship between debt and a company's capital. This can show how much funding a company comes from debt or outside sources and how much the company's capacity is represented by capital (Harahap, 2013). Leverage is also used to provide an overview of the business's financial structureto observe the risk of bad debts. As a result, businesses with high leverage ratios must use a broader language than businesses with low leverage ratios.

The solvency Ratio is a business's ability to repay current short-term and long-term debt received from creditors. Solvency will often be assessed and contrasted with current assets for the short term. When a company must decide whether to give credit to creditors, it must consider its solvency. Solvency will reveal the company's credit-making capacity. Therefore, it is important for businesses to get a loan. The amount of money lent to creditors will be known to the business. It is also easy for a business to thrive if it knows how to repay the borrowed money.

Solvency is an essential indicator that businesses need to know to understand how to get a loan. Solvency will always appear in the discussion of debt.

Debt to Equity Ratio (DER) is the ratio used to evaluate debt to equity, according to Cashmere (2018). By comparing all debt, including current debt, with all equities, this ratio is sought.

Debt to Equity Ratio (DER) is one of the ratios known as debt ratio that affects a company's equity. The debt-to-equity ratio is calculated to determine how much the amount of debt earned by the company will affect the existing equity. The debt-to-equity ratio is determined using the same formula used to determine the debt-to-asset ratio. However, the company's equity is being compared here. To determine how equity affects the company's ability to repay debts, the entire amount of the company's debt will be compared with the total amount of the company's equity. The formula can calculate debt to Equity Ratio:

$$debt\ to\ equity\ ratio = \frac{total\ \ debt}{equity} x\ 100\%$$

2.1.4 Activity Ratio

The activity ratio, according to Hery (2018), is the ratio used to measure how well a company uses its resources or to measure its capacity to carry out its regular operations. The ratio used to assess how well a business uses its inventory is called the activity ratio. Also known as the measurement of the effectiveness (efficiency) of using enterprise resources.

The activity ratio is the use of the company's assets to make a profit, especially for shareholders who have provided funds to buy the company's assets. Ineffective asset management will increase costs (expenses) and reduce potential revenue. Effective use of assets, on the other hand, will bring maximum profit, allowing for cost reduction. The activity ratio is used in efficiency evaluation to analyze inventories, fixed assets, and commercial receivables. The activity ratio can be used to assess the company's performance in relation to its competitors.

This ratio is used to assess how efficiently an enterprise uses its resources. Another way to put it is that this ratio measures how well a company uses its resources. Cashmere (2017).

Total Asset Turnover (TATO) is an activity ratio (efficiency ratio) comparing net sales with average total assets to assess a company's capacity to generate sales from its total assets. One of the components of the activity ratio is the turnover of total assets. Activity ratios are used to measure how well a business is using its resources. The ability of a corporation to conduct its regular business is also evaluated using the ratio of activities. The activity ratio consists of receivables, inventory, working capital, and fixed asset turnover, in addition to total asset turnover.

Total Asset Turnover is a ratio used to measure how much income will be generated from each rupiah of money invested in total assets, according to Hery (2017: 143).

Total Asset Turnover is one of the activity ratios that calculates how many assets are used in business operations by comparing the number of assets used with the number of sales realized over a certain period. This ratio is also used to measure how widely a company's assets are used in its operations (Kasmir, 2017).

Total Asset Turnover is a number that shows how well a business manages its assets to generate revenue. The total asset turnover ratio, often known as the total asset turnover ratio (TATO), is an important indicator in investment analysis. The figures in the financial accounts of the company are depicted in this financial analysis (financial statements). The company's ability to generate revenue through its assets can be determined using the total asset turnover ratio. The formula can calculate total Asset Turnover:

$$total\ asset\ turnover \frac{sales}{total\ \ assets} x\ 100\%$$

2.1.5 Profit

Profit is an increase in the investor's assets from the investment proceeds after deducting investment costs. However, from the point of view of accounting, profit is the difference between the selling price and the cost of production.

Profit is a metric to assess a company's success over a certain period. The more effective the management of the company, the more profit obtained. The company's annual financial statements form the basis of this assessment. Profit can also be used to forecast revenue growth for the next year (Fadhilah, 2019).

Profit is the main goal in building a business. Many are looking for different ways to make a profit. Understanding what profit is an important part of your business. Profit is a fundamental concept for any business.

The concept of period profit, according to Ghozali and Chairi (2014), is intended to measure the success of an enterprise. Efficiency relates to how well a business uses its financial resources to make a profit. Efficiency is usually measured by comparing current period earnings with previous period revenues or the profits of other businesses in the same industry. The idea of period profit concentrates on operating profit for the current period resulting from the regular business operations of the enterprise. Therefore, the occurrence or change of values under management's control and the result of the choices made now constitute an element of profit.

According to the KBBI, profit is the difference between a high selling price and the purchase price or production cost. Profit can be interpreted as profit. Profit is calculated as total revenue minus total costs. In general, profit is the income that remains after the cost is paid. These costs include material costs, interest on debts, and taxes. Profit is the money you get from your business after all expenses are recorded. Profit is a reward for the owner of the business or his investment. There are three forms of profit, namely operating profit, gross profit, and net profit.

2.1.6 Profit Growth

The profit growth rate is an increase or decrease in the current year. A company that shows profit growth that the company is doing well. Every business strives for profit growth as a key component to increase the value of its operations. Businesses that make more money can increase the correlation between their size and profit rate. Companies with strong profit growth will have many assets, giving them more opportunities to increase profitability (Put, 2011). In addition, investors also consider and anticipate the company's profit growth as a factor in making investments and future decisions. When profit growth decreases or is negative, it indicates that the company is less able to manage resources and cannot bring profit to the company. Positive profit growth can reflect the company's ability well and maximize the resources it must create profits for, indicating that the company's performance is good. The ability of corporate governance to forecast future revenue growth and business development can be measured by year-over-year revenue growth.

Profit growth is a statistic that shows the company's ability to boost net profit compared to the previous year. Positive profit growth shows that the business has successfully managed its resources to generate profits and displayed healthy financial performance (Rachmawati&Handayani, 2014).

According to Harahap (2015), profit growth indicates the company's ability to increase net profit in the previous year. For users of financial statements that explain the possibilities of the future business and the financial health of the organization, profit growth is one of the most important and vital predictive information. The growth of several factors, such as company size, age, leverage level, sales volume, and changes in previous profits, affects profits (Anggani, 2017).

Profit growth, according to Estininghadi (2018), is an increase and contraction of business compared to the previous period or year. The size of profit as a measure of active increase depends largely on the timing of revenue and cost measurements.

According to Arthur J. Keown (2011: 135), profit growth is an increase from the previous profit period for the business. growth in net profit of the previous year with year compared to the profit of the previous year.

The benefits of profit growth according to (Haryono, 2017: 70) The profit growth can be used as a basis for making decisions on whether the company will distribute profits as dividends to shareholders or will be withheld in the form of retained earnings for investment financing in the future. Profit growth is calculated by current period profit minus previous period profit subdivided by previous period profit, according to Stice et al. (2015).

$$Profit\ Growth = \frac{net\ profit\ running\ year - net\ profit\ last\ year}{lnet\ profit\ last\ year}$$

III. Indentations and Equations

3.1 Types of research

The type of research used is a special study, namely research on certain objects in property and real estate companies listed on the Indonesian stock exchange. The research method used is the quantitative analysis method.

According to Sugiyono (2018), quantitative data is a research methodology that uses numerical research data that will be measured using statistics as a calculation test instrument related to the problem under study to produce findings. Because the research data is in the form of numbers and the analysis uses statistics, this is known as the quantitative method. A study presented as value-free is quantitative research. In other words, quantitative research sticks to the standard of objectivity.

3.2 Sources of Research Data

This research uses a secondary data source. Secondary data is information obtained through parties or intermediaries who have collected such information; In other words, researchers do not bring their own data to the field directly. The source of the data is in the form of financial reports on property and real estate companies that the author got from the official website of the Indonesia Stock Exchange yaituwww.idx.co.id

3.3 Population and Sample

3.3.1 Population

According to Sugiyono (2019), the term "population" refers to a generalized area consisting of objects or subjects with a certain number or trait that the researcher has chosen to investigate to conclude. The population in this study is property and real estate companies listed on the Indonesia Stock Exchange, totaling 26 companies.

3.3.2 Sample

According to Sugiyono (2017), the sample reflects the size and characteristics of the population. Since the study population is unknown, the researcher must decide how many samples to use. The sample for this study consisted of real estate and property companies listed on the Indonesia Stock Exchange (IDX), and specific criteria were used to ensure that the sample was representative and met the established standards. The sample in this study was 78 samples.

The purpose of sampling is a sampling methodology with certain criteria in accordance with the purpose of the investigation, used as the sampling method for this study is Purpose Sampling, which is a sampling technique with certain criteria according to the purpose of the study. Property and real estate companies listed on the Indonesia Stock Exchange are the sample criteria (IDX).

The required criteria are:

1. Property and real estate sub-sector companies listed on the Indonesia Stock Exchange during the observation period of 2019, 2020, and 2021.
2. Property and real estate companies that have earned profits for the last three years, namely 2019, 2020, and 2021.

IV. Figures and Tables

4.1 Description of the object of study

This study uses secondary data obtained from the Indonesia Stock Exchange (IDX) company which publishes the annual report for the 2019-2021 period. The type of sample used is *purposive sampling*. Of all property and real estate companies listed on the Indonesia Stock Exchange, only 26 companies have sample criteria, with the number of data obtained as many as 78 (26 x 3 years).

4.2 Descriptive Statistics

Table 2.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic
CR	78	.13	65.25	4.2018	8.24217
DER	78	.01	55.73	1.8594	6.74299
TATO	78	.01	.84	.1642	.16611
PL	78	-1.00	17.27	.8374	2.76920
Valid N (listwise)	78				

Source: Processed data, 2022

Based on the descriptive statistics table above, it can be explained as follows:

1. The *variable Current Ratio* (CR) indicates the number of samples (n) there are 78, the minimum value is 13, the maximum value is 65.25, and the average value is 4.2018 with a standard deviation value of 8.24217.
2. The *Debt to Equity Ratio* (DER) variable shows that the number of samples (n) is 78, the minimum value is 01, the maximum value is 55.73, and the average value is 1.8594 with a standard deviation value of 6.27499.
3. The *variable Total Asset Turnover* (TATO) indicates the number of samples (n) is 78, the minimum value is 01, the maximum value is 84, and the average value is 1642 with a standard deviation value of 16611.
4. The Profit Growth Variable (PL) shows that the number of samples (n) there are 78, the minimum value is -1.00, the maximum value is 17.27, and the average value is 8374 with a standard deviation value of 2.76920.

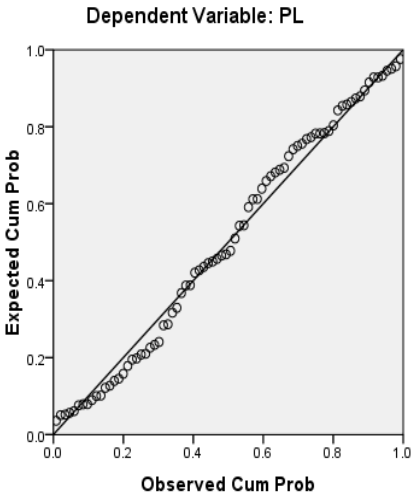
4.3 Classical Assumption Test Results

Before hypothesis testing, first testing is carried out regarding the presence or absence of violations of classical assumptions. A good hypothesis testing result does not violate the two classical assumptions underlying the linear regression model, both assumptions are as follows:

4.3.1 Data Normality Test

The normality test aims to test whether, in regression models, disruptive or residual variables have a normal distribution. As it is known that the t-test and the F-test assume that the residue value follows the normal distribution. If this assumption is violated, the statistical test becomes invalid for a small sample count (Ghozali, 2011).

Figure 1.
Normal Probability Plot



Source: Processed data, 2022

Based on the normal *probability* plot graph shows that the regression model is feasible to use in this study because, in the normal graph, the plot shows dots spreading around the diagonal line, and the spread follows the diagonal line. The data owned looks even and quite good. This means that the regression model meets the assumption of normality, which means that the data is normally distributed.

Table 3.
Kolmogorov-Smirnov Result Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		78
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	.27204980
Most Extreme Differences	Absolute	.071
	Positive	.071
	Negative	-.066
Kolmogorov-Smirnov Z		.631
Asymp. Sig. (2-tailed)		.821
a. Test distribution is Normal.		

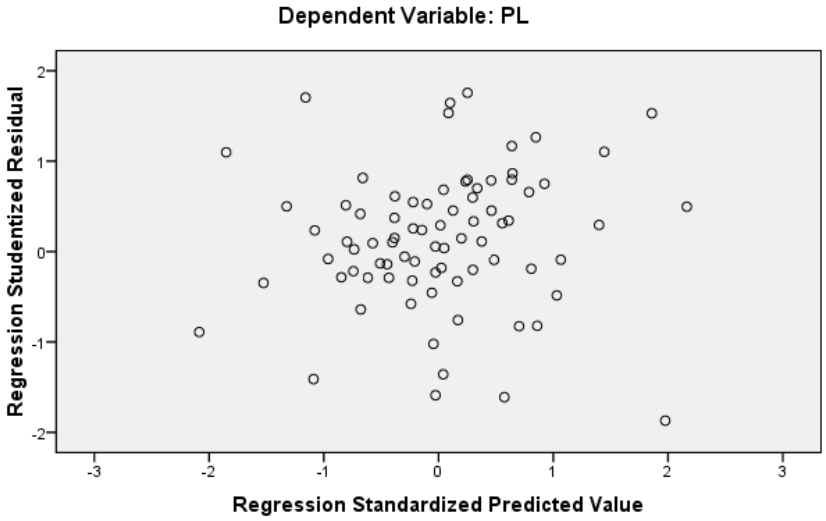
Source: Processed data, 2022

Based on table 3 of the Kolmogorov-Smirnov test results above, the magnitude of the Kolmogorov-Smirnov value is 0.631 with a significance of 0.821 where > 0.05. Thus, it can be concluded that the regression model is normally distributed.

4.3.2 Heteroskedasticity Test Results

The heteroskedasticity test aims to test whether, in the regression model, there is a variance similarity from the residual of one observation to another. The test in this study used a plot graph between the predicted value of the dependent variable, namely ZPRED, and the residual SRESID. There is no heteroskedasticity if there is no clear pattern, and the dots spread above and below the number 0 on the Y axis. A good regression model is a model free from the problem of heteroskedasticity (Ghozali, 2011: 139-143).

Figure 2.
Heteroskedastisity Test



Source: Processed data, 2022

Based on figure 4.2 of the scatter plots chart above, the dots spread randomly both above and below the number 0 on the Y axis, and it is also seen that these points form a certain pattern. Thus, it can be concluded that this study is free from the problem of heteroskedasticity.

Table 4.
Glejser Test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.288	.055		5.016	.000
	CR	.171	.130	.168	1.226	.226
	DER	.024	.028	.051	.463	.712
	TATO	-.153	.121	-.142	-1.347	.281
a. Dependent Variable: ABS_RES1						

Source: Processed data, 2022

Based on table 4.3 of the glejser test, it is known that the results of the heteroskedasticity test for each independent variable have a significant value above 0.05, so it can be said that in this study, there is no heteroskedasticity.

4.4 Hypothesis Test

Table 5.
T Test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.298	.034		8.683	.000
	CR	.037	.012	.338	3.055	.003
	DER	.041	.064	.072	.635	.527
	TATO	.174	.097	.203	2.110	.046
a. Dependent Variable: PL						

Source: Processed data, 2022

Based on the test results with the multiple linear regression method to test the influence of independent variables on dependent variables, a regression equation can be compiled as follows:

PL = 0,298 + 0,037 CR + 0,041 DER + 0,174 TATO + e

4.4.1 Partial Hypothesis Testing Results (t-test)

The partial test aims to find out how far the influence of the independent variable (X) on the dependent variable (Y) partially (Ghozali, 2011).

1. Hypothesis 1: Effect of Current Ratio (CR) on Profit Growth (PL)
   Based on the statistical t-test in table 4.4, the CR variable shows a calculated value of 3.055 with a significance of 0.003. The significance level is smaller than the significance level of 0.05 this shows that: the "Current Ratio affects Profit Growth". Thus hypothesis 1 is accepted.
2. Hypothesis 2: Effect of Debt to Equity Ratio (DER) on Profit Growth (PL)
   Based on the static t-test in table 4.4, the DER variable shows a calculated value of 0.635 with a significance of 0.527. The significance level is greater than the significant level of 0.05, which shows that: the "Debt to Equity Ratio (DER) has a positive but not significant effect on Profit Growth". Thus hypothesis 2 is rejected.
3. Hypothesis 3: Effect of Total Asset Turnover (TATO) on Profit Growth (PL)
   Based on the statistical t-test in table 4.4, the TATO variable shows a calculated value of 2.110 with a significance of 0.046. The significance level is smaller than the significant level of 0.05 this shows that: the "Total Asset Turnover (TATO) affects Profit Growth". Thus hypothesis 3 is accepted.

4.4.2 Determinant Test Results (R^2)

The determinant coefficient measures how far the model can explain the variation of dependent variables. The coefficient value is between zero and one and is indicated by the adjusted value R^2.

Table 6.

Determinants Result R2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.666[a]	.534	.599	2.13546
a. Predictors: (Constant), TATO, CR, DER				

Source: Processed data, 2022

From table 6, it is known that the value of Adjusted R^2 is 0.599. This means that the dependent variable or Profit Growth can be explained by the independent variables CR, DER, and TATO of 59.9%. While other variables outside this study explain the remaining 40.1%.

4.5 Discussion

4.5.1 Effect of *Current Ratio* on Profit Growth

Based on the research results, *the Current Ratio* variable has a positive and significant effect on profit growth. This result is evidenced by a calculated t-valueof 3.055 with a significance of 0.003. The significance level is smaller than the significant level of 0.05.

This can show that the *current ratio* is a measure for users of financial statements to determine the ability of a company to make a profit in the future. A high current ratio will affect the increase in profits, and companies with a low *current ratio,* tend to experience a decrease in profits. This is because a high *current ratio* guarantees the company's ability to repay its debts and shows high company cash in financing company funds. Cash is the most liquid current asset, so companies will have no trouble utilizing available cash. With this high liquidity, it is stated that management is good at maintaining its cash current assets to pay its obligations. With this good management, it will be able to increase the company's profit, especially by utilizing its current assets.

The results of this study are in line with Nafiya AyuKusumawardani (2021), Nuraini (2020), RikeJolandaPanjaitan (2018), and DiyanWulansari (2018) with the results of the study, namely *the Current ratio* has a positive and significant effect on profit growth.

4.5.2 Effect of *Debt to Equity Ratio* on Profit Growth

Based on the research results, the debt *to Equity Ratio* variable has a positive but insignificanteffect on profit growth. This result is evidenced by a $_{calculated}$ t-value of 0.635 with a significance of 0.527. The significance level is greater than the significant level of 0.05.

This can show that the *Debt to Equity Ratio* is a ratio used to measure the proportion of debt to company capital. The results of the study, it shows that the Debt *to Equity Ratio* has a positive effect on profit growth in property and real estate companies. This shows that the amount of debt cannot affect profit growth likely because the company's debt is not used optimally for operational activities. Corporate debt will be able to affect the company's profit growth if it is used optimally for operating activities that generate revenue so that the company's profit can grow.

The results of this study are in line with YuslindaNasution (2022), Sri Lestari (2021), and Ikhwanul Ihsan (2020), the results of the study, namely the *Debt to equity ratio*, havea positive effect on profit growth.

4.5.3 Effect of *Total Asset Turnover* on Profit Growth

Based on the results of the variable research, *Total asset turnover* has a positive and significant effect on profit growth. This result is evidenced by a $_{calculated}$t-value of 2.110 with a significance of 0.046. T. The degree of significance is smaller than the significant level of 0.05. This shows that *total assets turnover* is a measure for users of financial statements to determine the ability to generate profits in the future. If the *total assets turnover* is high, it will affect the increase in profit. This will show that the higher the *total assets turnover*, the faster the turnover rate of current assets, and the net profit generated will increase because the company can already use these assets to increase sales which affect revenue. An increase in revenue can increase the net profit of a company.

The results of this study are in line with NafiyaAyuKusumawardani (2021), NafiyaAyuKusumawardani (2021), Ikhwanul Ihsan (2020), and Nuraini (2020) results of the study, namely *total assets turnover* has a positive and significant effect on profit growth.

V. CONCLUSION

Based on the results of the discussion of data analysis through proof of the hypothesis of the falsification raised regarding the effect of current ratio, debt to equity ratio, and total turnoverasset on profit growth in property and real estate companies listed on the Indonesian stock exchange for the 2019-2021 period which has been explained in CHAPTER IV, the conclusions of this study can be drawn as follows:

1. The variable Current Ratio affects Profit Growth; this is proven by the calculated value of 3.055 with a significance of 0.003. The significance level is smaller than the significance level of 0.05, which shows that the Current Ratio affects profit growth in property and real estate companies listed on the Indonesian stock exchange for the 2019-2021 period.
2. The variable Debt to Equity Ratio (DER) does not affect Profit Growth, it is proven that the calculated value is 0.635 with a significance of 0.527. This significance level is greater than the significant level of 0.05, which shows that the Debt to Equity Ratio (DER) has a positive insignificant effect on Profit Growth in property and real estate companies listed on the Indonesian stock exchange for the 2019-2021 period.
3. Variable Total Asset Turnover (TATO) affects profit growth this is proven by the calculated value of 2,110 with a significance of 0.046. The significance level is smaller than the significant level of 0.05, which shows that Total Asset Turnover (TATO) affects Profit Growth in property and real estate companies listed on the Indonesian stock exchange for the 2019-2021 period.

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