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The Effect of Current Ratio and Return on Asset on Company Value in Property and Real Estate Companies Listed on the Indonesia Stock Exchange in the Period 2020-2022

Yusra Muthia Rahman[1*], Meri Diana Putri Purba[2], Ully Monica Br.Damanik[3], Cut Fitri Rostina[4]
Universitas Prima Indonesia, Medan
Corresponding Author: Yusra Muthia Rahman muthiarahman03@gmail.com

A R T I C L E I N F O

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A B S T R A C T

The purpose of this study was to investigate the effects of Return On Assets (ROA) and Current Ratio (CR) on the Financial Value of Manufacturing Companies Listed on the Indonesia Stock Exchange in the Property and Real Estate Sub-Sector. 2020- 2022. The analysis considered both partial and simultaneous effects. Out of a population of 85 firms, 17 suitable sample companies were selected according to the specified criteria. This work is a quantitative study that specifically examines secondary data obtained using a ratio scale in statistical analysis. The employed analytical approach is multivariate linear regression analysis. The data analysis using the F test (simultaneous) shows that the value of the company is consistently and statistically significantly positively impacted by both the current ratio (CR) and return on assets (ROA). The Current Ratio (CR) has a somewhat negative and statistically significant impact on Company value, according to data analysis utilizing the partial t test. But the Return On Assets (ROA) has no bearing on the value of the company and is not statistically significant variable

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INTRODUCTION

Companies in the property and real estate sectors are openly traded and included on the Indonesia Stock Exchange (IDX). This business owns properties, structures, and facilities that serve as assets to support a range of operations. The real estate and property sector is a sustained economic area that will experience annual growth in line with Indonesia's economic growth.

The decision to use the Current Ratio (CR), which indicates how well-positioned a business is to pay its short-term debts. The degree to which current assets are adequate to cover current liabilities is shown by this ratio. The ratio of a company's current assets to its current liabilities directly relates to its capacity to satisfy its short-term obligations. Nevertheless, A profitability indicator called return on asset (ROA) demonstrates a company's ability to produce a profit financially. A financial term called return on asset (ROA) gauges how much profit or return a business makes from its ongoing operations. Greater ratio values correspond to higher levels of business profitability. A measure of a firm's performance, company valuation is based on the stock price, which is the outcome of supply and demand in the capital market. marketplace. This is how the general public views the company's level of success. As a result, it is thought to be crucial to apply the aforementioned ratio when examining a company's finances. and helping investors in making the right decision.

PT. DMS Propertindo Tbk (KOTA) was established on January 7, 2011 and began conducting business in 2014. Graha Mampang Building, 2nd Floor, Jl. Mampang Prapatan Raya No. 100 Jakarta 12760 - Indonesia is the address of DMS Propertindo Tbk's headquarters.

Under the name PT Sentragriya Kharisma, PT. Sentul City Tbk (BKSL), formerly known as PT Royal Sentul Highlands, was founded on April 16, 1993, and it began conducting business in 1995. Sentul City Tbk's operating office is housed in Sentul City Building, Jl. MH. Thamrin Kavling 8, Sentul City housing complex, Bogor 16810 - Indonesia. The head office is located at Menara Sudirman Building, 25th Floor, Jl. Jend.Sudirman Kav. 60, Jakarta 12190 - Indonesia.

Since its founding in 1984, PT Bumi Serpong Damai Tbk (BSDE) has established itself as a leader in the township development industry. BSD City, the company's flagship project in Indonesia, is widely regarded as the most comprehensive urban development planning scheme in the country, mixing residential, business, and commercial space. It is a part of Sinar Mas Land areas.

Table 1.Phenomena in Property and Real Estate Subsector Companies in the Period 2020 – 2022

ISSUER CODE	Year	CURRENT RATIO	RETURN ON ASSET	Company Value
CITY	2020	0.9	0,010	60,81
	2021	1.0	0,014	14,37
	2022	1.61	0,019	9,25
BKSL	2020	2.77	0.030	0,33
	2021	2.02	0.014	0,37
	2022	1.40	0.010	0,38
BSDE	2020	2.37	0.008	0.78
	2021	2.59	0.03	0.60
	2022	2.61	0.04	0.51

It is evident from the table data above that the company PT. KOTA experienced an increase in the Current Ratio every year from 2020-2022 from 0.9 to 1.61. Return on Asset also increased every year from 2020-2022 from 0.010 to 0.019. However, the Company Value decreased every year from 2020-2022 from 60.81 to 9.25. PT. BKSL experienced a decrease in the Current Ratio every year from 2020-2022 from 2.77 to 1.40. Return on Asset also decreased every year from 2020-2022 from 0.030 to 0.010. However, the Company Value increased every year from 2020-2022 from 0.33 to 0.38. PT. BSDE experienced an increase in Current Ratio every year from 2020-2022 from 2.37 to 2.61. Return on Asset also increased from 0.008 to 0.04. On the other hand, the Company Value consistently decreased every year from 2020 to 2022, dropping from 0.78 to 0.51. Based on the information provided in the table above, the author is interested in conducting a study entitled "**The Effect of Current Ratio and Return on Asset on Company Value in Property & Real Estate Sub-Sector Companies Listed on the Indonesia Stock Exchange in 2020-2022**"

LITERATURE REVIEW

Definition of Current Ratio

Current ratio, as defined by Roni et al. (2019), is a liquidity ratio that shows how well a business can pay its short-term debt. The ability of a business to pay off its debts or fulfill its financial obligations is referred to as its liquidity. A corporation falls into the category of liquid companies if it can fulfill its obligations. On the other hand, a corporation is deemed illiquid if it is unable to fulfill its commitments. A financial ratio called the current ratio compares the current assets of a business to its current liabilities in order to determine how liquid the business is.

A company's current ratio can be determined by applying the following formula:

$$\text{Current Ratio} = \frac{\text{Total Current Assets}}{\text{Total Current Liabilities}}$$

Definition of Return on Asset

According to Roni et al. (2019), A profitability measure called return on asset (ROA) is used to evaluate how well a business uses all of its assets to generate profits. The ratio that results from dividing operational profit after taxes by total assets is known as return on assets. A higher ratio value indicates an increase in the company's performance.

$$\text{Returm On Asset} = \frac{\text{Net profit}}{\text{Total Assets}}$$

Understanding Company Value

A company's valuation reflects the current state of the company, and the market will assess the quality of the company and its future prospects if its value is also reasonable. Company value can generate optimal prosperity for shareholders should the company's stock price continue its steady upward path (Christiana & Putri, 2021).

Theory of the Influence of Current Ratio on Company Value

A financial measure called the current ratio is used to evaluate a company's ability to pay short-term debts immediately to creditors after they have been fully collected. Stated differently, the current ratio represents the amount of current assets available for use in meeting impending short-term commitments. A statistic for evaluating a company's margin of safety, or degree of safety, is the rasio current. The current ratio calculates a company's level of liquidity, with a higher current ratio indicating greater liquidity.

Theory the of Influence of Return on Assets on Company

A metric called return on assets (ROA) gauges how well a business generates earnings in relation to the total amount of assets it possesses. Metrics known as Return on Assets (ROA) are used to evaluate how efficiently a company's operations operate overall. Better business performance is indicated by a higher ratio number. A high return on assets (ROA) ratio will entice financiers to contribute to the business. The amount of appreciation in a company's shares is directly related to the level of investor interest in the company's share price. (Helmy, 2013).

Previous Research

Table 2. Previous Research

No	Nama Peneliti	Judul Penelitian	Variabel Penelitian	Hasil Penelitian
1	Wildan Dzulhijar, Leni Nur Pratiwi, Banter Laksana (2021)	Pengaruh Current Ratio (CR), Debt to Equity Ratio (DER), dan Retur on Asset (ROA) terhadap Nilai Perusahaan pada PT Jasa Marga Tbk Tahun 2010-2019	variabel independen : current ratio (cr), debt to equity ratio (der), dan return on asset (roa)	Hasil yang diperoleh menunjukkan bahwa secara simultan variabel Current Ratio, Asset Return Ratio berpengaruh signifikan terhadap Nilai Perusahaan.
2	Liana Sofiani, Enda Mora Siregar (2022)	Analisis pengaruh Return on Asset (ROA), Current Ratio (CR) dan Debt to Asset Ratio (DAR) terhadap Nilai Perusahaan Sektor Makanan dan Minuman	variabel independen : Return on Asset (ROA), Current Ratio (CR), Debt to Asset Ratio (DAR)	Hasil penelitian ini menunjukkan bahwa secara parsial ROA berpengaruh positif dan signifikan terhadap Nilai Perusahaan,
3	Imelda R Purba, A Mahendra	Pengaruh working capital turnover (wct), current ratio (cr), debt to equity ratio (der), dan return on asset (roa) terhadap nilai perusahaan pada perusahaan properti dan real estate yang terdaftar di BEI	variabel independen : working capital turnover (wct), current ratio (cr), debt to equity ratio (der), dan return on asset (roa)variabel dependen: nilai perusahaan	Hasil penelitian ini menunjukkan bahwa variabel Current Ratio (CR) dan Return On Asset (ROA) berpengaruh secara parsial dan simultan terhadap nilai perusahaan.

Conceptual Framework

- **Definition of Conceptual Framework**

A conceptual framework is a cognitive framework that can be used as a methodology to solve problems. This conceptual framework is generally used by researchers as a scientific methodology to describe the correlation between variables during the analysis process. This study is based on the conceptual framework:

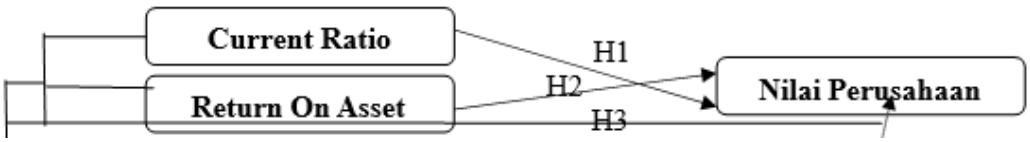

Figure 1. Copceptual Framework

Research Hypothesis

Referring to the theoretical analysis and conceptual framework, the hypotheses of this work are as follows:

H1: Current Ratio affects the valuation of manufacturing businesses in the IDX-listed property and real estate subsector between 2020 and 2022.

H2: Return On Asset of The value of the company is significantly impacted by manufacturing enterprises in the property and real estate subsector that are listed on the IDX for the 2020–2022 timeframe.

H3: The valuation of manufacturing enterprises in the property and real estate subsector listed on the IDX throughout the 2020-2022 period.

METHODOLOGY

Place and Time of Research

This study was carried out at the Indonesia Stock Exchange of PT.. This time was carried out at the end of February until completion.

Research Method

In this study, a quantitative research methodology was applied. Investigate using quantitative methods Quantitative research methods, as defined by Sugiyono (2014:13), are systematic approaches used to test and evaluate certain hypotheses by analyzing the relationship between variables. This research usually involves numerical data and uses statistical techniques to analyze data and establish correlations between variables in a population or experimental subjects.

Nature of Research

This research is associative. Associative research as defined by Sugiyono (2014:55) is a kind of study that looks for connections between two or more variables, specifically the function, impact, and causal connection between independent and dependent variables.

Research Approach and Type

The According to Sugiyono's definition of research technique, this study is quantitative (2017:8). A positivist-based research methodology called quantitative research is used to examine a specific population or sample. Research instruments were used to gather data. and analyzed quantitatively/statistically to support the identified hypotheses.

Research Population

Population is defined by (Sugiyono, 2014: 148) as a general domain comprising both objective and subjective aspects, as well as particular qualities and characteristics chosen by researchers for analysis and subsequent conclusion-making. The financial statements of businesses in the Property and Real Estate Subsector that were openly listed on the Indonesia Stock Exchange (IDX) from 2020 to 2022 are the main subject of this study.

Research Sample

A sample, as defined by Siyoto & Sodik (2015: 64), is a part of a population that has certain characteristics or is selected using a certain method to accurately represent the general population. A sample of businesses in the Property and Real Estate Subsector that were listed between 2020 and 2022 on the Indonesia Stock Exchange was used in this study. There are criteria that companies must meet in order to be used as samples, namely.

Table 3. Population and Sample

No	Keterangan	Jumlah Perusahaan
1	Perusahaan Sub Sektor Properti dan Real Estate yang terdaftar di (BEI)	85
2	Perusahaan Sub Sektor Properti dan Real Estate yang tidak mempublikasikan laporan keuangannya secara lengkap selama periode tahun 2020-2022	(24)
3	Perusahaan Sub Sektor Properti dan Real Estate yang berpotensi mengalami Delisting selama periode tahun 2020-2022	(44)
	Jumlah perusahaan Sub Sektor Properti dan Real Estate yang terpilih menjadi sampel penelitian	(17)
	Jumlah data 17 perusahaan X 3 Tahun	51

Based on the sampling criteria, this study used a total sample of 51 samples obtained from 17 companies, multiplied by a research period of 3 years.

Data Collection Techniques

This study uses the following methodology to collect relevant data:

- **Literature Study**

According to Mestika Zed (2003), "Literature study or literature refers to a series of actions comprising reading, recording, processing, and gathering library data as well as research material processing."

- **Data Sources**

Data related to the impact of current ratio and return on assets on company value are needed for the preparation of the final academic project. The data used in this final assignment investigation includes the following types:

- **Secondary Data**

Sugiyono (2019: 193) defines secondary data as sources that do not supply data for primary data gathering directly. Information gathered from sources—such as books and documents—that aid in sustaining research is referred to as secondary data. The data sources used in this study were taken from the Indonesia Stock Exchange's official website. idx.co.id.II.9 Operational Definitions and Variables

Table 4. Operational Definitions and Variables

No	Variable	Definition	Sclae	Formula
1	Company Value	Brigham and Houston (2019:122) define company value based on Price Book Value (PBV) as a market valuation of a company's stock by considering its book value.	Ratio	Stock Price / Book Value
2	Current Ratio(CR)	According to Harahap (2016:301), this ratio shows the extent to which current assets are able to meet current liabilities.	Ratio	Total Current Assets / Total Current Liabilities

- **Classical Assumption Test and Normality of Instrument Variables**

Classical Assumption Test

The classical assumption test as explained by Purnomo (2017:107) is used to determine the presence of residual heteroscedasticity, autocorrelation, multicollinearity, and normality in the regression model.

Normality Test

In his study, Ghozali (2017:127) identified two methods for determining the normal distribution of residuals: graphical analysis and statistical analysis.

1. 1Graphical Analysis

Writing Aprilinda Ramadina and Islandscript (2011:12) argue that classical To ascertain whether the regression estimation results are indeed free from heteroscedasticity and multicollinearity, assumption testing is required, autocorrelation, and normality errors.

2. Statistical Test

According to Ghozali (2019:158), an alternative approach to assessing The Kolmogorov Smirnov non-parametric statistical diagnostic test is used to determine residual normality.

Multicollinearity Test

The multicollinearity test is an analysis of whether independent variables in a regression model have a correlation or not, according to Ghozali (2012:105).

Heteroscedasticity Test

Ghozali (2012:139) defines the Heteroscedasticity test as a method utilized to assess whether or not a regression model's residuals exhibit inequality of variance in various observations.

1. Scatter Plot Graph

Scatter Plot is often also called a scatter graph, is the representation of values for two distinct numerical variables using dots. Each data point's position on the vertical and horizontal axes displays the associated value. In order to see how variables relate to one another, scatter plots are utilized.

2. White Test

According to Ghozali (2018:144), the White test can be done by conducting a regression analysis of the squared residual value with the independent variable, or by conducting a regression on the squared independent variable and multiplying the independent variable.

Autocorrelation Test

The autocorrelation test as described by Ghozali (2012:110) is employed to ascertain whether the disturbance error in period t and the disturbance error in the preceding period (t-1) are related.

Research Data Analysis Techniques

- **Multiple Linear Regression Analysis**
- The A statistical model called multiple linear regression includes many independent variables. To ascertain the direction and extent of the independent variables' influence on the dependent variable, multiple linear regression analysis is performed.(Ghozali, 2018).

$$Y=a + b_1X_1 + b_2X_2 + e$$ Description:

Y = Company Value a = Constant

b_{1-2} = Regression Coefficient

X1 = Current Ratio

X2 = Return On Asset E = Standard Error

- **R_2 Test (Coefficient of Determination)**

Ghozali (2012:97) defines the A metric called the Coefficient of Determination (R_3) is used to assess how well a model can explain the variability of the dependent variable. The numerical value of the coefficient of determination falls completely between zero and one. A low R-squared number suggests that the independent factors have rather limited explanatory power on the dependent variable.

- **F Test (Simultaneous)**

In Sahir's research (2022:53), To ascertain whether independent factors have a simultaneous impact on the dependent variable, the F experiment is utilized."With the Criteria:

a. If the Fcount value <Ftable and sig> 0.05, then the independent variables collectively do not have a statistically significant impact on the dependent variable.
b. If the Fcount value> Ftable and sig <0.05, then the independent variables collectively do not have a statistically significant impact on the dependent variable.

- **T-Test (Partial)**

According to Sahir (2021:53), "A partial test, often known as a t-test is a statistical test that looks at the regression coefficient to determine the partial importance of each independent variable on a dependent variable." With Requirements:

a. The independent variable has a less significant impact on the dependent variable if the computed t value <t-table value with a significance level> 0.05.
b. The independent variable has a marginally significant impact on the dependent variable if the computed t value is greater than the t-table value at a significance level of less than 0.05.

RESULTS AND DISCUSSION

Descriptive analysis is the presentation of data together with the minimum, maximum, average, and standard deviation values of variables expressed in natural logarithms, namely the variables Current Ratio (X1), Return on Asset (X2), and Company Value (Y).

Table 5. Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CR	51	.14	14.47	3.5835	3.18315
ROA	51	.00	.76	.0800	.17251
NP	51	.60	56.60	15.8684	14.93467
Valid N (listwise)	51				

The analysis of the above data shows that:

1. 51 samples (N) make up the Current Ratio (X1) variable. X1 has a maximum value of 14.47 and a minimum value of 0.14. X1's mean, or average value, is 3.5835, while its standard deviation is 3.18315.
2. There are 51 samples (N) in the Return On Asset (X2) variable, with a minimum value of 0.00 and a maximum value of 0.76. With a standard deviation of 0.17251, the average value, or mean, is 0.0800.
3. The lowest value (0.60), maximum value (56.60), average value (mean) (15.8684), and standard deviation (14.93467) of the 51 samples (N) in the Firm Value (Y) variable.

Classical Assumption Test

- **Normality Test**

The To ascertain whether our data contributions are normal, we apply the Normality Test. Three approaches are used to conduct this test: the Kolmogorov-Smirnov test, the Probability Plot test, and the Histogram Graph normalcy test.

- **Histogram Graph Normality Test**

Data Histogram Before and After Transformation

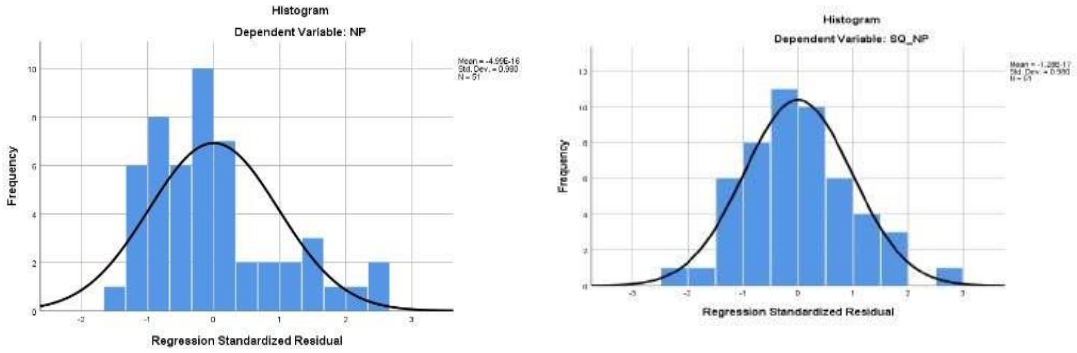

Figure 2. Histogram Graph Normality Test

Based It is evident from the provided graph that the data has a normal distribution, which is represented by a bell-shaped curve with no rightward slope or left.

- **Probability Plot Normality Test**

Results of the P-P-Plot Normality Test Before and After Transformation

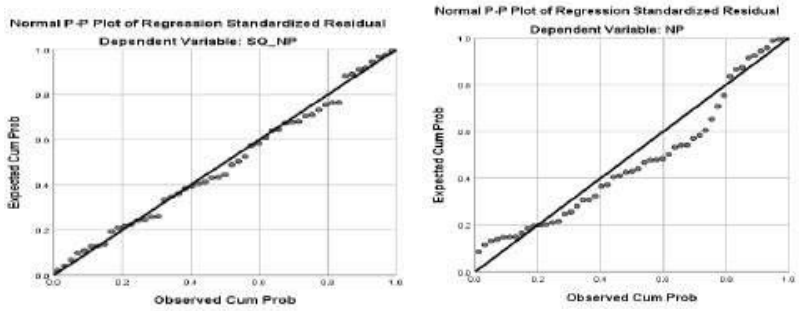

Figure 3. Probability Plot Normality Test

The image analysis reveals that the data points fit the diagonal line, leading to the conclusion that the distribution of the data used in this investigation is normal.

- **Kolmogorov-Smirnov Normality Test**

  Kolmogorof Smirnov Normality Test Results Before Transformation

Table 6. One-Sample Kolmogrov

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		51
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	13.86999344
Most Extreme Differences	Absolute	.143
	Positive	.143
	Negative	-.091
Test Statistic		.143
Asymp. Sig. (2-tailed)		.011[c]

a.Test distribution is Normal.a
b.Calculated from data.b
c. Lilliefors Significance Correction.c

A 2-tailed significance value of 0.011 is displayed in the above table, which is less than the conventional cutoff of 0.05. This suggests that the distribution of the data is not normal. Researchers used a Data Transformation test to get past non-normal data.

Table 7. Kolmogorov Smirnov Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		51
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.61644294
Most Extreme Differences	Absolute	.074
	Positive	.074
	Negative	-.044
Test Statistic		.074
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal.a
b.Calculated from data.b
c.Lilliefors Significance Correction.c
d.This **is** a lower bound of the true significance.d

Based on the table above, The table above's data indicate that the Sig value is 0.200> 0.005. Consequently, it may be said that this test is normal and there is no indication of normality.

- **Multicollinearity Test**

The Multicollinearity Test is considered successful if the tolerance is less than 10 and the Variance Inflation Factor (VIF) score is> 0.1.

Table 8. Multicollinearity Test

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	CR	.940	1.064
	ROA	.940	1.064
a. Dependent Variable: NP			

Based on the results given, it can be seen that all variables produce tolerance values > 0.1 and VIF < 10. Therefore, all variables are considered to have passed the multicollinearity test.

- **Heteroscedasticity Test**

This test is used to measure the existence of unequal variances among residuals from various observations in a regression model.

- **Scatterplot Test**

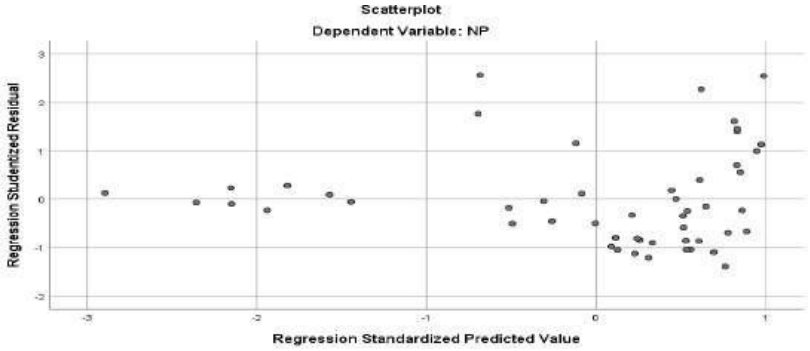

Figure 4. ScatterPlot Heteroscedasticity Test

Based on the given figure, it is clear that the data is randomly distributed and has no clear pattern. Furthermore, the data is not collected in one location, indicating no evidence of heteroscedasticity.

- **White Test**

Table 9. White Heteroscedasticity Test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	264.794	60.650		4.366	.000
	CR	-17.047	13.004	-.189	-1.311	.196
	ROA	-188.754	239.953	-.114	-.787	.435
a. Dependent Variable: Res2						

By using White's significance test, The data does not exhibit heteroscedasticity symptoms if the significance value (sig) is more than 0.05, the current ratio variable value (-17.047), the return on asset variable (-188.754), and the current ratio variable value (0.435).

- **Autocorrelation Test**

The purpose of the The purpose of the autocorrelation test is to ascertain whether the residuals of one observation and the other data in the regression model are correlated. The lack of autocorrelation is a hallmark of the perfect regression model.

The Durbin Watson test (DW test) is used in the testing procedure. The regression model does not display autocorrelation if du <DW. The results of the Durbin Watson test (DW test) are as follows:

Table 10. Durbin Watson Test

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.371[a]	.137	.102	14.15600	.706

a. Predictors: (Constant), ROA, CR

b. Dependent Variable: NP

With two independent variables (k = 2) and 51 data points, the DW value is 0.706 according on the computation results shown in the table. The dU ratio = 4-1.6309 yields a value of 2.3691 based on the dU value of 1.6309 obtained from the Durbin Watson table. Therefore, (1.6309 > 0.706 < 2.3691) < dU < DW < 4-dU. Thus, it can be said that these results exhibit autocorrelation. The researcher used the Cochrane Orcutt technique to try to solve this issue (Ghozali, 2018: 125). The Cochrane Orcutt test generates a new DW value by transforming the values of all the research variables in order to determine whether autocorrelation issues are present in the regression model.

Table 11. Autocorrelation Test

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.646[a]	.418	.405	10.78546441	2.055

a. Predictors: (Constant), LAG_RES

b. Dependent Variable: Unstandardized Residual

After using the Cochrane Orcutt method, the value of DW is 2.055. Then (1.6309<2.055<2.3691) or dU<DW<4-dU. Furthermore, it can be concluded that there is no anticorrelation.

Data Analysis Results

- **Multiple Linear Regression Analysis Results**

Table 12. Results of Multiple Linear Regression Analysis

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	22.142	3.026		7.317	.000
	CR	-1.534	.649	-.327	-2.365	.022
	ROA	-9.689	11.973	-.112	-.809	.422

Dependent Variable: NP

The results of the table above are:

Company Value = 22.142+(-1.534) CR + (-9.689) ROA

1) If the constant value (a) is 22.142, then it can be concluded that if the Current Ratio and Return On Asset variables are both zero (0), then the Company Value variable will maintain its value of 22.142.
2) The Current Ratio coefficient of -1.534 indicates that for every 1 unit increase in the Current Ratio variable, while other independent variables remain the same, the company value will decrease by -1.534 units.
3) The Return On Asset coefficient of -9.689 indicates that for every 1 unit increase in the Return On Asset variable, while other independent variables remain the same, the company value will decrease by -9.689 units.

Determination Coefficient

Table 12. Determination Coefficient Test

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.371[a]	.137	.102	14.15600	.706

a. Predictors: (Constant), ROA, CR

b.Dependent Variable: NP

The Adjusted R Square value, according to the determination coefficient test, is 10.2%, or 0.102. This indicates that 10.2% of the variance of the independent variable, or the market value of the company, can be explained by changes in the current ratio and return on asset variables. Moreover, other characteristics not covered in this study, such as debt to equity and net profit margin, account for the remaining 89.8%, and several other factors.

- **Partial Hypothesis Test (T-Test)**

Table 13. Partial Hypothesis Test (T Test)

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	22.142	3.026		7.317	.000
	CR	-1.534	.649	-.327	-2.365	.022
	ROA	-9.689	11.973	-.112	-.809	.422

Dependent Variable: NP

DF= N-K (51-3)=48

a. The t value <0.05 causes the acceptance of H1 and the rejection of H0. It is implied by this statement that the independent and dependent variables are causally related.
b. The null hypothesis, or H0, is accepted and the H1 hypothesis is rejected if t is greater than 0.05. This suggests that there isn't any relationship at all between the independent and dependent variables.

The table above shows that:

1. Given that the Current Ratio variable has a At a significance level of 0.022 <0.05 and a value of -tcount < -ttable, where -2.365 <-1.67722, the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted. As a result, it may be said that the company's worth is significantly and negatively impacted by the current ratio.
2. In the event when the Return On Asset variable is worth -tcount < -ttable, Where -0.556 <ttable value -1.67722, and a the alternative hypothesis (H1) is rejected and the null hypothesis (H0) is accepted at a significance level of 0.422. According to the analysis, Return On Asset has no statistically significant effect on the value variable for the company.

- **Simultaneous Hypothesis Testing (F Test)**

Table 14. Simultaneous Hypothesis Testing (F Test)

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1533.389	2	766.695	3.826	.029[b]
	Residual	9618.836	48	200.392		
	Total	11152.225	50			

a. Dependent Variable: NP
b. Predictors: (Constant), ROA, CR

F-table: F (k-1; n-k)=(3-1;51-3)

a. If the significance value of F is less than 0.05, hypothesis H0 is rejected and hypothesis H1 is accepted. This suggests that the dependent variable is significantly impacted by the independent factors taken together.
b. Accept the alternative hypothesis (H1) and reject the null hypothesis (H0) if the F value is greater than 0.05. This suggests that when taken into account collectively, the independent factors have little effect on the dependent variable.

The F value that was calculated using a significance threshold of 0.029 is 3.826, as can be seen in the above table. If the Ftable result is 3.19, meaning that the significance threshold is 0.05 (0.029<0.05) and the Fcount value is greater than the Ftable (3.826>3.19), then the company's worth is positively and significantly impacted by both the current ratio and return on asset.

The Effect of Current Ratio on Company Value

Through partial testing, it can be seen that the level of There is a 0.022 significance (sig) <0.05. Furthermore, it is evident that the Current Ratio significantly lowers the value of the company when comparing the t count value of -2.365 with the t table value of -1.67722. The study's conclusions are in line with the body of research showing the current ratio's minimal influence on financial performance.

This research supports the findings of a study conducted in 2021 by Wildan Dzulhijar, Leni Nur Pratiwi, and Banter Laksana, which found that the current ratio variable independently has a significant impact on company value.

According to Kashmir (2018: 134), the current ratio is a financial indicator that's used to evaluate a company's ability to settle its short-term debts immediately or debts once all bills have been paid. In other words, the percentage of present assets that can be utilized to pay short-term future liabilities.

Based on the researcher's analysis of the Current Ratio Descriptive Statistics calculation table, it is clear that the company maintains a strong financial situation when viewed from the highest perspective. The company's larger assets indicate its capacity to settle all its obligations. The study's conclusions indicate that the company is in a healthy financial position since it has the capacity to use its current assets to satisfy its short-term obligations. Therefore, the degree of investor trust in the company's investment prospects greatly influences the company's worth.

Effect of Return on Assets on Company Value

Partial The test findings indicate that 0.422 > 0.05 is the threshold of significance (sig). Furthermore, it is evident from the comparison of the t count (-0.556) and t table (-1.67722) that there is no relationship between Return on Assets (ROA) and Financial Performance. This analysis validates that Return on Assets has no partial impact on Company Value, which is consistent with earlier findings. The results of this analysis are similar with studies by Limesta and Wibowo (2021), which demonstrate that Return on Assets constantly affects firm value in a negative and statistically insignificant way.

Return On Asset is a metric that evaluates a company's ability to maximize earnings by taking into account all of the assets it has, according to Mardiyanto (2009:196). A statistic called return on asset (ROA) is used to evaluate the overall operational efficiency of a business. Better business performance is indicated by a higher ratio number. A high return on asset ratio will entice investors to allocate their money in that way. The amount that a company's share price has appreciated is directly proportional to the degree of investor interest in the company's shares. The researcher claims that if you examine the table of findings from the descriptive statistical Return On Asset computation. It can be observed that the Company does not have significant control over its equity valuation. Furthermore, it should be noted that the company's net profit tends to decrease as the company's overall burden increases. This criterion refers to a situation where the company is carrying increasing debt and cannot be paid off within the specified time limit. Therefore, the company should immediately pay off its debts to sectors related to the company so that investors and consumers will again trust this company to invest their capital.

CONCLUSIONS AND RECOMMENDATIONS

Conlusions

The purpose of this study was to investigate and gather empirical data about the relationship between return on asset and current ratio on Company Value.

1. The partial t-test examination of the data reveals that while the current ratio has a somewhat negative and significant impact on the value of the company, return on asset does not company value.
2. The results of the F test (simultaneous) show that Current Ratio and Return On Asset have a positive and statistically significant influence on Company Value.
3. The value of the coefficient of determination is 0.102, or 10.2%. This demonstrates that fluctuations in the independent factors on company value may be explained by changes in the Return On Asset and Current Ratio variables. In the meantime, other variables not covered in this study account for the remaining 89.8%, including Debt To Equity, Net Profit Margin, and others.

Recommendations

The researcher provides the following suggestions:

1. This study is expected to provide valuable contributions in the form of new ideas for academics in the future. This study aims to provide literature and references that can serve as valuable references for future research efforts, so as to improve our understanding of the impact of Current Ratio and Return On Asset on firm value.
2. The purpose of this study is to provide valuable insights and knowledge to researchers about the impact of Current Ratio and Return On Asset on firm value.
3. The purpose of this study is to offer valuable insights to provide guidance for corporate financial management in making decisions regarding the impact of Current Ratio and Return On Asset on Firm Value.
4. This study provides an alternative for investors who want to allocate their resources through selecting strong and best performing companies for investment.

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