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THE EFFECT OF CURRENT RATIO AND DEBT TO EQUITY RATIO ON RETURN ON ASSETS AT PT ELECTRONIC CITY INDONESIA TBK FOR THE PERIOD (2015-2024)

Farah Destia Aninda[1], Pebriana T. Manurung[2], Angga Putra Pratama[3]
[1]Faculty of Economics and Business, Pamulang University, South Tangerang
Email : farahdestia@gmail.com[1], pebisandi21@gmail.com[2], anggaputra2408@gmail.com[3]

Abstract

This study aims to analyze the effect of Current Ratio (CR) and Debt to Equity Ratio (DER) on Return on Assets (ROA) at PT Electronic City Indonesia Tbk for the period 2015–2024. The research method used is a quantitative approach with an associative research type. The data used is secondary data obtained from the company's annual financial reports and publications from the Indonesia Stock Exchange (IDX). The analysis techniques used include descriptive statistical analysis, classical assumption tests, multiple linear regression analysis, and hypothesis testing (t-test and F-test) with the help of SPSS version 26 software. The results show that, partially, the Current Ratio (CR) does not have a significant effect on Return on Assets (ROA), with a significance value of 0.580 > 0.05. Similarly, the Debt to Equity Ratio (DER) does not have a significant effect on Return on Assets (ROA), with a significance value of 0.452 > 0.05. Simultaneously, CR and DER also had no significant effect on ROA, as evidenced by a calculated F value of 0.379 < F table 4.46 and a significance value of 0.698 > 0.05. The coefficient of determination (R^2) value of 0.098 indicates that CR and DER can only explain 9.8% of the variation in ROA, while the remaining 90.2% is influenced by other factors outside the research model. Thus, it can be concluded that liquidity and capital structure are not yet dominant factors in determining the profitability of PT Electronic City Indonesia Tbk during the research period.

Keywords: Current Ratio, Debt to Equity Ratio, Return on Assets, Liquidity, Capital Structure

Introduction

Financial performance is an important indicator that shows a company's ability to manage resources to achieve profitability and business sustainability. One of the most common ways to assess financial performance is through financial ratio analysis. Financial ratios provide an overview of a company's liquidity, solvency, activity, and profitability in a given period. This information is very useful for management, investors, creditors, and other external parties in making economic decisions. In the context of financial analysis, the Current Ratio (CR) is a liquidity ratio that describes a company's ability to meet its short-term obligations with its current assets. A high CR reflects the company's ability to maintain liquidity, but a value that is too high may indicate unproductive idle funds. Conversely, a low CR indicates a risk of liquidity difficulties that could affect the smooth operation of the company.

In addition to liquidity, the company's capital structure is also an important factor in assessing financial health. The Debt to Equity Ratio (DER) is used to measure the extent to which a company uses debt compared to its own capital. A high DER indicates dependence on debt, which has the potential to increase financial risk due to interest expenses, while a DER that is too low may indicate suboptimal use of external financing sources for business expansion. Therefore, the balance between debt and equity is important in maintaining the company's financial stability and performance. A company's profitability can be measured through Return on Assets (ROA), which is a ratio that shows a company's ability to generate net income from its total assets. The higher the ROA value, the more efficient the company is in managing its assets to generate profits. ROA also reflects the effectiveness of management in utilizing available resources to generate added value for shareholders. PT Electronic City Indonesia Tbk is one of the largest electronics retailers in Indonesia, engaged in the sale of electronic products and household appliances. Based on its financial reports for the 2015–2024 period, the company has shown fluctuations in its key financial ratios. Its CR increased in several years but tended to decline after 2020, indicating challenges in liquidity management. Meanwhile, the DER has shown a downward trend, indicating an improvement in the capital structure. However, the ROA rate has tended to stagnate at a low level, reflecting that the company's profitability is not yet optimal. Previous studies on the relationship between CR, DER, and ROA have shown mixed findings. Some studies state that CR has a positive effect on ROA because good liquidity can facilitate operational activities and increase profits. However, there are also studies that show a negative or insignificant effect. Similarly, with DER, some studies find that an increase in DER reduces ROA due to increased interest expenses, while other studies show a positive effect if debt is used productively. These conditions indicate an interesting research gap that warrants further study. Thus, this study aims to determine the effect of the Current Ratio on Return on Assets, the effect of the Debt to Equity Ratio on Return on Assets, and the simultaneous effect of the Current Ratio and Debt to Equity Ratio on Return on Assets at PT Electronic City Indonesia Tbk for the period 2015–2024. This study is expected to provide empirical contributions to corporate management in financial decision-making and enrich the literature related to financial ratio analysis in the electronic retail sector.

Theoretical Framework

Current Ratio is a company's ability to meet its short-term obligations. Meanwhile, according to Kasmir (2014:134), the current ratio is a ratio used to estimate a company's ability to pay debts that have a short payment period and are approaching maturity. The formula for calculating the current ratio is:

$$Current\ Ratio = \frac{Current\ Assets}{Current\ Liability}$$

Debt to Equity Ratio is used to measure the ratio between total debt and equity. Meanwhile, according to Kasmir (2013:155), the debt to equity ratio is a ratio used to estimate total debt against total equity. The formula for the debt to equity ratio is:

$$Debt\ to\ Equity\ Ratio = \frac{Total\ Debt}{Total\ Equity}$$

Return on Assets is the ability of assets to generate profits. Meanwhile, according to (Harahap, 2010:305), Return on Assets (ROA) is a measure of asset turnover relative to sales. The higher the ROA, the healthier the company. This means that assets will turn over faster and generate profits. The formula for calculating return on assets (ROA) is:

$$Return\ on\ Equity = \frac{Net\ Income}{Total\ Equity} \times 100\%$$

The relationship between variables in this study shows that the Current Ratio (CR) acts as a liquidity indicator that describes a company's ability to meet its short-term obligations with its current assets. Good liquidity can facilitate operational activities and potentially increase Return on Assets (ROA), but if it is too high, it can indicate idle funds that reduce asset utilization efficiency, thereby negatively impacting profitability.

Meanwhile, the Debt to Equity Ratio (DER) reflects the company's capital structure, where proportional use of debt can increase ROA through the leverage effect, while an excessively high DER adds to interest expenses and financial risk, which can reduce profits. Simultaneously, CR and DER reflect the company's ability to manage liquidity and capital structure to generate profits from its total assets. A combination of effective liquidity management and optimal capital structure is expected to increase the company's profitability, but if both are not managed properly, their effect on ROA will be insignificant.

Method

This study is a quantitative study with an associative approach that aims to analyze the effect of Current Ratio (CR) and Debt to Equity Ratio (DER) on Return on Assets (ROA) at PT Electronic City Indonesia Tbk for the period 2015–2024. The data used is secondary data from the company's annual financial reports, publications from the Indonesia Stock Exchange (IDX), and other supporting documents. The research population is all financial reports from 2015 to 2024, using a saturated sampling technique, so that all data is used as a sample. The analysis was conducted using SPSS version 26 through descriptive statistics, classical assumption tests, multiple linear regression analysis, and hypothesis testing (t-test, F-test, and coefficient of determination). The data collection technique used was the documentation method, which is a data collection technique by searching, identifying, and recording information from official documents or reports. Data was collected through:

1. Annual Financial Reports of PT Electronic City Indonesia Tbk for the period 2015–2024.
2. Financial Reports published on the Indonesia Stock Exchange (IDX) website.
3. Other supporting sources such as independent auditor reports, macroeconomic data, and electronic retail industry data.
4. The collected data is then processed into financial ratios using formulas in accordance with financial accounting theory.

Results

Research Data

Tabel 1. Data

Year	Total CR	Total DER	Total ROA
2015	**1403.00%**	**10.77%**	**1.74%**
2016	**1028.73%**	**11.77%**	**-1.71%**
2017	**918.08%**	**14.13%**	**-0.52%**
2018	**213.11%**	**31.02%**	**0.53%**
2019	**208.07%**	**35.59%**	**1.80%**
2020	**239.82%**	**39.77%**	**-1.18%**
2021	**258.73%**	**37.37%**	**0.46%**
2022	**210.77%**	**45.25%**	**0.71%**
2023	**196.18%**	**48.89%**	**0.77%**
2024	**196.59%**	**49.00%**	**0.50%**

Source : Process The Annual Financial Report data of Electronic City Indonesia Tbk

Descriptive Statistical Analysis

Descriptive statistics are research techniques that provide an overview of the situation and events in a research process. The following are the results of the descriptive statistical analysis in this study:

Table 2. Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Sum	Mean	Std. Deviation
Current Ratio	10	2	14	49	4.87	4.509
Debt to Equity Ratio	10	0	0	3	.32	.150
Return on Assets	10	0	0	0	.00	.011
Valid N (listwise)	10					

Source: SPSS Output

1. Current Ratio (CR)
   Based on the results of descriptive statistical analysis over 10 years in Table 1 above, it is known that the minimum value is 2, the maximum value is 14, the mean or average is 4.87, and the standard deviation is 4.509. This shows that the average Current Ratio value is quite high even though the data variation is also large, as indicated by the fairly high standard deviation. Thus, in general, the company has a good ability to meet its short-term obligations, because its current assets are greater than its current liabilities.
2. Debt to Equity Ratio (DER)
   Based on the results of descriptive statistical analysis over 10 years in Table 1 above, it is known that the minimum value is 0, the maximum value is 0, the mean or average is 0.32, and the standard deviation is 0.150. This relatively low DER value indicates that the proportion of debt to company equity is small, so the company's financial risk level can be said to be low. This means that most of the company's funding comes from its own capital rather than debt.
3. Return on Assets (ROA)
   Based on the results of descriptive statistical analysis over 10 years in Table 1 above, it is known that the minimum value is 0, the maximum value is 0, the

mean or average is 0.00, and the standard deviation is 0.011. The ROA value is very small, even close to zero, indicating that the company's ability to generate profits from its total assets is still low. In other words, the effectiveness of asset utilization in generating profits has not been optimal during the research period.

Classical Assumption Test

Normality Test

Imam Ghozali (2013:160) states that the normality test aims to test whether in a regression model, the disturbance variable or residual has a normal distribution.

Table 3. One Sample Kolmogorov Smirnov Test

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			10
Normal Parameters[a,b]	Mean		.0000000
	Std. Deviation		.01084507
Most Extreme Differences	Absolute		.149
	Positive		.135
	Negative		-.149
Test Statistic			.149
Asymp. Sig. (2-tailed)[c]			.200[d]
Monte Carlo Sig. (2-tailed)[e]	Sig.		.763
	99% Confidence Interval	Lower Bound	.752
		Upper Bound	.774

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.
e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 1314643744.

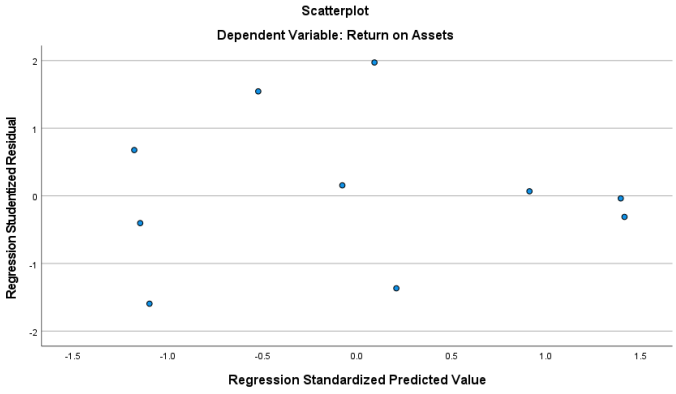
Source: SPSS Output

Based on the test results in Table 2 above, a Monte Carlo Sig. (2-tailed) value of 0.763 was obtained with a lower bound of 0.752 and an upper bound of 0.774. This significance value is greater than 0.05 (0.763 > 0.05), so it can be concluded that the residual data is normally distributed.

1. Heteroscedasticity Test

The heteroscedasticity test aims to determine whether there is variance inequality in the regression model from one observation to another. One way to detect the presence of heteroscedasticity is to look at the scatterplot between the Standardized Predicted Value and Standardized Residual values.

Figure 1. Heteroscedasticity Test



Source: SPSS Output

Based on , it can be seen that the points on the scatterplot graph are scattered randomly, do not form a clear pattern, and are not clustered in one area. This indicates that the residual variance is constant or homogeneous. Thus, it can be concluded that there is no heteroscedasticity in this regression model.

2. Multicollinearity Test

Imam Ghozali (2013:105) states that the multicollinearity test aims to test whether the regression model finds a correlation between independent variables. This is seen based on the tolerance and variance inflation factor (VIF) values.

If the tolerance value is ≤ 0.10 or the VIF value is ≥10, then multicollinearity occurs.

If the tolerance value is ≥ 0.10 or the VIF value is ≤ 10, then there is no multicollinearity.

Table 4. Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-.020	.032		-.636	.545		
	Current Ratio	.001	.002	.504	.580	.580	.171	5.842
	Debt to Equity Ratio	.053	.066	.692	.797	.452	.171	5.842

a. Dependent Variable: Return on Assets

Source: SPSS Output

Based on the table above, it is known that the VIF values of the Current Ratio (X1) and Debt to Equity Ratio (X2) variables are 5.482 < 10. And the tolerance value of 0.171 > 0.1 means that there is no multicollinearity in the data.

3. Autocorrelation Test

The autocorrelation test is used to determine whether there is a deviation from the classical assumption of autocorrelation, namely the existence of correlation between sample members.

Durbin-Watson Interpretation Guidelines

Criteria	Description
< 1.000	**Autocorrelation Present**
1.100 – 1.550	**No Conclusion**
1,550 – 2,460	**No Autocorrelation**
2,460 – 2,900	**No Conclusion**
> 2,900	**Autocorrelation Present**

Source: Sugiyono (2018:184)

Table 5. Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.313[a]	.098	-.160	.012	2.498

a. Predictors: (Constant), Debt to Equity Ratio , Current Ratio

b. Dependent Variable: Return on Assets

Source: SPSS Output

Based on Table 5 above, the Durbin-Watson (DW) value of the regression model is 2.498. When compared to the Durbin-Watson interpretation guidelines, this value falls

within the range of 2.460–2.900, which means that it cannot be conclusively determined whether autocorrelation is present or not (no conclusion area). However, because the DW value is close to 2, it can generally be said that this regression model does not show any significant signs of autocorrelation.

Multiple Regression Analysis

Multiple linear regression can be used to determine the linear effect of several independent variables on a dependent variable.

Table 6. Multiple Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-.020	.032		-.636	.545		
	Current Ratio	.001	.002	.504	.580	.580	.171	5.842
	Debt to Equity Ratio	.053	.066	.692	.797	.452	.171	5.842

a. Dependent Variable: Return on Assets

Source: SPSS Output

From Table 6 Multiple Linear Regression Analysis above, the following regression equation is obtained:

$Y = a + \beta_1 X_1 + \beta_2 X_2 + e$

$Y = -0.020 + 0.001X_1 + 0.053X_2 + e$

The multiple linear regression equation has the following interpretation:

a. The constant (a) of -0.020 indicates that if the Current Ratio (CR) and Debt to Equity Ratio (DER) variables are zero, then the Return On Assets (ROA) value is -0.020.
b. The regression coefficient of the Current Ratio (X1) variable of 0.001 indicates that every 1-unit increase in the Current Ratio will increase the Return On Assets (ROA) by 0.001, assuming other variables remain constant.
c. The regression coefficient of the Debt to Equity Ratio (X2) variable is 0.053, indicating that every 1-unit increase in the Debt to Equity Ratio will increase the Return On Assets (ROA) by 0.053, assuming other variables remain constant.

However, because the significance value (Sig.) for both variables is greater than 0.05 (CR = 0.580; DER = 0.452), statistically there is no significant effect between Current Ratio and Debt to Equity Ratio on Return On Assets.

Hypothesis Testing

1. Partial Test (t-test)

To determine the effect of Promotion (X1) and Service Quality (X2) on Customer Satisfaction (Y), a t-test (partial test) can be used. As a comparison to see the significant effect, a significance level of 5% (0.05) is used and the calculated t is compared with the table with the following criteria:

If the result obtained is positive:

If $t_{calculated} \geq t_{(table)}$, then H0 is rejected and H_1 is accepted.

If $t_{calculated} \leq t_{table}$ then H0 is accepted and H_1 is rejected

Table 7. Partial Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-.020	.032		-.636	.545		
	Current Ratio	.001	.002	.504	.580	.580	.171	5.842
	Debt to Equity Ratio	.053	.066	.692	.797	.452	.171	5.842

a. Dependent Variable: Return on Assets

Source: SPSS Output

Given the t-table value = (α/2; n-k-1)
= (0.05/2; 10-2-1) = (0.025; 7) = 2.365

a. Current Ratio (CR) versus Return On Assets (ROA)

   Based on the partial test results, a t-value of 0.580 with a significance of 0.580 was obtained. Because the significance value of 0.580 is > 0.05 and the t-value of 0.580 is < the t-table value of 2.365, H_0 is accepted and H_a is rejected. This means that, partially, the Current Ratio (CR) does not have a significant effect on Return On Assets (ROA).

b. Debt to Equity Ratio (DER) on Return On Assets (ROA)

   Based on the partial test results, a t-value of -0.792 with a significance of 0.452 was obtained. Because the significance value of 0.452 is greater than 0.05 and t-value is 0.797, which is less than the table value of 2.365, H_0 is accepted and H_a is rejected.This means that, partially, the Debt to Equity Ratio (DER) does not have a significant effect on Return On Assets (ROA).

From the partial test results, it can be concluded that the Current Ratio (CR) does not have a significant effect on Return On Assets (ROA). And the Debt to Equity Ratio (DER) also does not have a significant effect on Return On Assets (ROA).

2. Simultaneous Test (F Test)

The F test is used to test the effect of independent variables together on the dependent variable. The testing procedure is as follows:

If $F_{calculated} \geq F_{table}$ then H0 is rejected and H_1 is accepted.

If $F_{calculated} \leq F_{(table)}$, then H0 is accepted and H_1 is rejected.

Table 8. Simultaneous Test (ANOVA)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.000	2	.000	.379	.698[b]
	Residual	.001	7	.000		
	Total	.001	9			

a. Dependent Variable: Return on Assets

b. Predictors: (Constant), Debt to Equity Ratio , Current Ratio

Source: SPSS Output

Based on Table 7 (Simultaneous Test/ANOVA), the result shows that the value of $F_{calculated}$is 0.379 with a significance value of 0.698. With a sample size (n) = 10, the number of independent variables (k) = 2, and a significance level (α) = 0.05, the value of $F_{table}$is 4.46. Because the significance value (0.698) is > 0.05 and Fcount (0.379) is < Ftable (4.74), H0 is accepted and Ha is rejected. This shows that the Current Ratio (CR) and Debt to Equity Ratio (DER) simultaneously have no significant effect on Return On Assets (ROA).

Correlation Coefficient Analysis

Correlation is denoted by (r) with the condition that the value of r is not more than (-1≤ r ≤ +1). If r = -1, it means that the correlation is perfectly negative, r = 0 means that there is no correlation, while r = +1 means that the correlation is very strong. The meaning of the value of r will be consulted with the interpretation table as follows:

Table 9. Correlation Coefficient

Correlations

		Current Ratio	Debt to Equity Ratio	Return on Assets
Current Ratio	Pearson Correlation	1	-.910**	-.126
	Sig. (2-tailed)		<.001	.729
	N	10	10	10
Debt to Equity Ratio	Pearson Correlation	-.910**	1	.233
	Sig. (2-tailed)	<.001		.517
	N	10	10	10
Return on Assets	Pearson Correlation	-.126	.233	1
	Sig. (2-tailed)	.729	.517	
	N	10	10	10

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output

1. The relationship between Current Ratio (CR) and Return on Assets (ROA)
   Pearson Correlation Value = -0.126, indicating a very weak negative relationship between CR and ROA. Significance value (Sig. 2-tailed) = 0.729 > 0.05, meaning there is no significant relationship between CR and ROA. Conclusion: There is no significant effect of Current Ratio on Return on Assets, with a very weak correlation level and a negative relationship direction.
2. Relationship between Debt to Equity Ratio (DER) and Return on Assets (ROA)
   Pearson Correlation value = 0.233, indicating a weak negative relationship between DER and ROA. Significance value (Sig. 2-tailed) = 0.517 > 0.05, meaning that there is no significant relationship between DER and ROA. Conclusion: There is no significant relationship between Debt to Equity Ratio and Return on Assets, with a weak negative correlation.
3. Relationship between Current Ratio and Debt to Equity Ratio
   Pearson Correlation Value = -0.910 with Sig. 0.001 < 0.01, indicating a very strong and significant negative relationship between CR and DER. This means that the higher the Current Ratio, the lower the Debt to Equity Ratio tends to be, and vice versa.

Determination Coefficient Analysis

The coefficient of determination (r2) is essentially used to estimate the extent to which a model is able to explain the variation in its dependent variable.

Table 10. Coefficient of Determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.313[a]	.098	-.160	.012	2.498

a. Predictors: (Constant), Debt to Equity Ratio , Current Ratio

b. Dependent Variable: Return on Assets

Source: SPSS Output

Based on Table 10 above, the R Square value is 0.098. This means that the Current Ratio (CR) and Debt to Equity Ratio (DER) variables have a 9.8% effect on the variation of the Return on Assets (ROA) variable. Meanwhile, the remaining 90.2% (100% - 9.8%) is explained or influenced by other variables outside this model that were not examined in this study.

Discussion

The Effect of Current Ratio (CR) on Return on Assets (ROA)

Based on the results of the t-test (partial), a t-value of 0.490 was obtained with a significance value of 0.580. Since the significance value is greater than 0.05 (Sig. 0.580 > 0.05) and the t-value is smaller than the t-table (0.580 < 2.365), it can be concluded that the Current Ratio (CR) does not have a significant effect on Return on Assets (ROA). These results indicate that the company's liquidity level has not been able to significantly affect the level of profitability generated. In other words, even though the company has sufficient current assets to meet its short-term obligations, this does not necessarily have a direct impact on increasing profits generated from the use of company assets. This condition can occur because some of the company's current assets have not been optimally utilized for operational activities that generate profits. Thus, the results of this study indicate that at PT Electronic City Indonesia Tbk, the level of liquidity is not a major factor in determining the amount of profit generated from the use of company assets.

The Effect of Debt to Equity Ratio (DER) on Return on Assets (ROA)

Based on the results of the t-test (partial), a t-value of –0.792 was obtained with a significance value of 0.452. Since the significance value is greater than 0.05 (Sig. 0.452 > 0.05) and the |t value|* is smaller than the t table (0.792 < 2.365), it can be concluded that the Debt to Equity Ratio (DER) does not have a significant effect on Return on Assets (ROA). This result shows that the company's capital structure, particularly the ratio of total debt to equity, does not have a significant effect on the company's ability to generate profits from its assets. The low DER value at PT Electronic City Indonesia Tbk indicates that the company uses more equity than borrowed funds, so the company's financial risk is relatively low. However, the low DER also indicates that the company has not optimally utilized external financing to increase productive activities that can drive profitability. Therefore, the results of this study indicate that

the decision to finance through debt at PT Electronic City Indonesia Tbk has not been a major factor influencing the effectiveness of asset utilization in generating profits.

The Combined Effect of Current Ratio (CR) and Debt to Equity Ratio (DER) on Return on Assets (ROA)

Based on the results of the F test (simultaneous), the calculated F value is 0.379 with a significance value of 0.698, while the F table value is 4.46. Because the calculated F value is smaller than the F table (0.379 < 4.46) and the significance value is greater than 0.05 (Sig. 0.698 > 0.05), it can be concluded that the Current Ratio (CR) and Debt to Equity Ratio (DER) together do not have a significant effect on Return on Assets (ROA). This means that the combination of liquidity and capital structure has not been able to contribute significantly to the company's profitability. The low simultaneous influence value indicates that factors other than CR and DER play a greater role in influencing the profitability of PT Electronic City Indonesia Tbk. These factors can be operational efficiency, asset turnover, net profit margin, or market conditions that affect the company's sales performance. In addition, the determination test results show that the R Square value is 0.098, which means that CR and DER can only explain 9.8% of the variation in ROA, while the remaining 90.2% is influenced by other factors outside this research model. This reinforces the conclusion that liquidity and capital structure are not dominant factors in determining the profitability of PT Electronic City Indonesia Tbk during the 2015–2024 period.

Conclusion

Based on the results of the analysis conducted in this study regarding the effect of Current Ratio (CR) and Debt to Equity Ratio (DER) on Return on Assets (ROA) at PT Electronic City Indonesia Tbk for the period 2015–2024, it can be concluded that:

1. There is no significant effect of Current Ratio on Return on Assets (ROA) at PT Electronic City Indonesia Tbk. These results indicate that a high level of company liquidity does not necessarily increase profitability, because the current assets owned have not been fully utilized optimally for operational activities that generate profits.
2. There is no significant effect between the Debt to Equity Ratio and Return on Assets (ROA) at PT Electronic City Indonesia Tbk. This indicates that the company's capital structure, particularly the ratio between debt and equity, has not had a significant effect on the company's ability to generate profits from its total assets.
3. There is no significant simultaneous effect between the Current Ratio and Debt to Equity Ratio on Return on Assets (ROA) at PT Electronic City Indonesia Tbk. This means that neither liquidity nor capital structure alone has a significant effect on the company's profitability. The coefficient of determination (R^2) value of 0.098 indicates that these two variables can only explain 9.8% of the variation in ROA, while the remaining 90.2% is influenced by other factors outside the scope of this study.

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