

The Effect Of Current Ratio (CR) And Debt To Asset Ratio (DAR) On Net Profit Margin (NPM) At PT Bekasi Fajar Industrial Estate Tbk Period 2010-2022

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Abstract

This study aimed to determine the effect of the current ratio and debt-to-asset ratio on the net profit margin at PT Bekasi Fajar Industrial Estate Tbk. This type of research uses quantitative research methodology with an associative approach. The population was all financial statements at PT Bekasi Fajar Industrial Estate Tbk with samples from 2010 to 2022. Using SPSS version 26 software, this research includes the classical assumption test (normality, multicollinearity, heteroscedasticity, and autocorrelation), multiple linear regression test, determination coefficient test, and hypothesis testing with a significant level of 0.05. Partially, the CR did not affect the NPM. Partially, the DAR did not affect the NPM variable. Simultaneously, both the CR and the DAR, neither of them had influenced the NPM.

Keywords: Current Ratio; Debt to Asset Ratio; Net Profit Margin

JEL Classification: G39

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Introduction

The growth of the fast-moving business sector in Indonesia requires companies to see changes in the globalized world structure and manage company operations effectively in an increasingly sophisticated business environment with increasing human needs. To get the maximum profit, the company must continue to apply different methods to beat the competition that always appears. The global economy is facing various new and significant problems as a result of the Covid-19 outbreak that has changed the situation since the end of 2019 including Indonesia. Road restrictions, social distancing, and other pandemic management measures are expected to reduce the dominant impact on the world industry.

Covid-19 has had a striking impact on the financial condition of business entities. Since almost all areas of the economy have been affected by this virus, and many companies have had to face unprecedented difficulties. Almost every field of industry has been affected by the Covid-19 outbreak and many companies have had to drastically change their business practices. The pandemic has provided valuable lessons for companies to strengthen their management practices to avoid the uncertain economic crisis in the future.

Employment, economic income, and regional economic production increase when industrial estates are present. Industrial estates have the potential to play an important role in the economy by creating jobs and other employment opportunities for the surrounding community so as to increase their income. PT Bekasi Fajar Industrial Estate Tbk is part of the business actors operating in the industrial estate sector. Industrial estates are trading centers that combine many economic sectors including technology, manufacturing, and logistics. The manufacturing sector and several related businesses are greatly helped by the existence of industrial estates. Along with industrial growth and increased business competitiveness in various sectors need to be more efficient. Therefore, the activities of companies that focus on developing and managing industrial estates are becoming increasingly important and strategic.

Financial performance, the impact of the Covid-19 outbreak, and related events in the real estate subsector are issues faced by PT Bekasi Fajar Industrial Estate Tbk. Although the Covid-19 outbreak caused losses and affected the company's operations, PT Bekasi Fajar Industrial Estate Tbk managed to turn the losses into profits in 2022.

Research on financial performance at PT Bekasi Fajar Industrial Estate Tbk, which is part of a business entity that operates in the development and management of world-class industrial estates, is of interest to researchers to use this company as described. This research is limited to three variables, namely CR, DAR, and NPM. The CR variable (X1) is used to assess

the company's capacity to meet financial obligations. The DAR variable (X2) is used to calculate the percentage of borrowed funds to total funds in the company. The NPM variable (Y) is used to assess the company's financial success.

To avoid misunderstandings in this research, so the problem formulation in this research : Does CR have an influence on NPM at PT Bekasi Fajar Industrial Tbk for the period 2010-2022., does DAR have an influence on NPM at PT Bekasi Fajar Industrial Tbk for the period 2010-2022., and do CR and DAR have an influence on NPM at PT Bekasi Fajar Industrial Tbk for the period 2010-2022?

The research objectives are based on the main problems that have been compiled, namely : Seeing the effect of CR on NPM at PT Bekasi Fajar Industrial Estate Tbk for the period 2010-2022., seeing the effect of DAR on NPM at PT Bekasi Fajar Industrial Estate Tbk for the period 2010-2022., and seeing the effect of CR and DAR on NPM at PT Bekasi Fajar Industrial Estate Tbk for the period 2010-2022.

Literature Review

Current Ratio

According to Kasmir (2019: 134), the current ratio is a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately when billed as a whole. In other words, how much current assets are available to cover short-term liabilities that are due immediately. A current ratio that is too high indicates excess cash or other current assets compared to what is needed now or a low level of liquidity than current assets and vice versa. Current Ratio can be an indicator of the quality of management and profitability of the company, but its interpretation should be adjusted to the context of the industry and the overall financial condition of the company. A high Current Ratio value is generally seen as positive for the company, but keep in mind that a Current Ratio that is too high or too low can have negative consequences depending on various factors such as the company's industry, business strategy, and risk profile.

Debt To Asset Ratio

According to Kasmir (2019: 158), the debt to asset ratio is a debt ratio used to measure the ratio between total debt and total assets. In other words, how much the company's assets are financed by debt or how much the company's debt affects the management of assets. The higher the Debt To Asset Ratio, the greater the proportion of the company's assets that are financed by debt, this indicates that the company is more at risk of default if it has difficulty

generating income or paying liabilities. Conversely, a low Debt To Asset Ratio indicates that the company relies more on its own capital to finance its assets, this is generally considered a better indicator of financial health as the company has greater flexibility and is less likely to default.

Net Profit Margin

According to Cashmere (2019: 202), net profit margin is a measure of profit by comparing earnings after interest and taxes compared to sales. Companies can measure how much profit has been generated, this can make investors more confident to work together by buying shares from the company. Theoretically, Current Ratio and Net Profit Margin have a positive relationship. A high Current Ratio indicates the company's ability to meet its debt obligations. A good Current Ratio can increase investor confidence and reduce funding costs, potentially increasing Net Profit Margin. However, a high Current Ratio may indicate less than optimal asset utilization efficiency. In general, Debt To Asset Ratio and Net Profit Margin have a negative relationship. A high Debt To Asset Ratio generally has a negative impact on Net Profit Margin due to increased interest expenses. However, if debt is used for investments that generate returns higher than interest costs, then Net Profit Margin can increase.

Previous Research

According to Wati and Pasaribu's research (2022), it says that Current Ratio has an effect on Net Profit Margin. Meanwhile, according to Sekar Marfita Stema's research (2019) which states that Current Ratio has no significant effect on Net Profit Margin. According to Shabrina's research (2020), it says that Debt To Asset Ratio has a positive and significant effect on Net Profit Margin. Meanwhile, according to Wati and Pasaribu's research (2022), it says that Debt To Asset Ratio has no significant effect on Net Profit Margin. According to Shabrina's research (2020), said that Current Ratio and Debt To Asset Ratio have a positive and significant effect on Net Profit Margin. Meanwhile, according to research by Angkasa and Nofiana (2023), said that Current Ratio and Debt to Total Asset Ratio have no significant effect on Net Profit Margin.

Hypothesis Development

According to Sugiyono (2019: 99), the hypothesis is a temporary answer to the formulation of problems in a study. It is said to be temporary because the answers given are based on relevant theories and are not yet based on data collection. Based on the framework, the hypotheses in this study are as follows:

1. Effect of Current Ratio on Net Profit Margin

- a. Ho1: Current Ratio (CR) has no effect on Net Profit Margin (NPM) at PT Bekasi Fajar Industrial Estate Tbk for the period 2010-2022.

- b. Ha1: Current Ratio (CR) has an effect on Net Profit Margin (NPM) at PT Bekasi Fajar Industrial Estate Tbk for the period 2010-2022.
2. Effect of Debt To Asset Ratio on Net Profit Margin
 - a. Ho2 : Debt To Asset Ratio (DAR) has no effect on Net Profit Margin (NPM) at PT Bekasi Fajar Industrial Estate Tbk for the period 2010-2022.
 - b. Ha2 : Debt To Asset Ratio (DAR) has an effect on Net Profit Margin (NPM) at PT Bekasi Fajar Industrial Estate Tbk for the period 2010-2022.
3. The Effect of Current Ratio and Debt To Asset Ratio on Net Profit Margin
 - a. Ho3 : Current Ratio and Debt To Asset Ratio (DAR) have no effect on Net Profit Margin (NPM) at PT Bekasi Fajar Industrial Estate Tbk for the period 2010-2022.
 - b. Ha3 : Current Ratio and Debt To Asset Ratio (DAR) have an effect on Net Profit Margin (NPM) at PT Bekasi Fajar Industrial Estate Tbk for the period 2010-2022.

Research Methods

Type of Research

This type of research uses quantitative research methodology, namely a methodology with a research approach that collects, analyzes, and interprets data in the form of numbers and statistics. This type of quantitative research uses an associative problem formulation approach. According to Sugiyono (2019: 65), the formulation of associative problems is a formulation of research problems that asks about the relationship between two or more variables. Associative research is a type of research with problem characteristics in the form of cause-and-effect between two or more variables, so that the purpose of this study is to see how a variable affects other variables.

Population

According to Sugiyono (2019: 126), population is a generalization area consisting of objects or subjects that have certain qualities and characteristics set by researchers to study and then draw conclusions. The population in this study are all financial statements of PT Bekasi Fajar Industrial Estate Tbk for the period 2010-2022.

Sample

According to Sugiyono (2019: 127), the sample is part of the number and characteristics of the population. The sample used in this study is the financial statements in the form of financial position reports and income statements at PT Bekasi Fajar Industrial Estate Tbk starting from 2010 to 2022.

Results and Discussions

Overview of Research Objects

The leading industrial estate developer and operator in Indonesia is PT Bekasi Fajar Industrial Estate Tbk, also known as BeFa. BeFa was built on August 24, 1989 which is one of the first industrial estate operators and developments in Indonesia. Over time BeFa finally managed to get its flagship product, BeFa MM2100 Industrial Estate which is located in the Greater Jakarta area. Since then local and foreign companies have begun to see BeFa as a center of innovation, research and advanced manufacturing. The vast land area in the prepared industrial estate will be managed through BeFa with the help of all necessary infrastructure and other facilities. To meet international standards, BeFa also provides and maintains related infrastructure and facilities. In addition, BeFa actively participates in the improvement of various support services such as restaurants, hotels and coffee shops, all of which are equally important. This is undoubtedly supported by its vision of being responsible for the development of a comprehensive, top-notch, and curated business area in Indonesia and beyond. To this end, BeFa always strives to hand out extra points along with special satisfaction to its customers.

Descriptive Statistical Analysis

Descriptive statistics are intended to analyze the topic under study through sample and population data without arranging free conclusions. The data (N) used in this research along with the maximum, minimum, average, and standard deviation values on each variable studied are presented through descriptive statistics.

Table 1 Descriptive Statistical Analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CR	13	.75	11.40	5.0646	3.51610
DAR	13	22.00	45.57	30.7585	6.01747
NPM	13	-47.55	55.87	27.2746	32.32430
Valid N (listwise)	13				

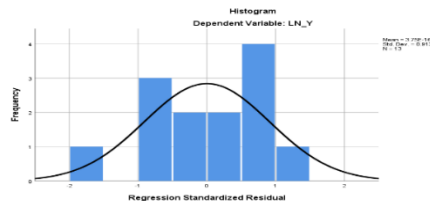
Source: SPSS-26 Data Processing

The results of the descriptive statistical analysis in the table above can be concluded that CR has a minimum value of 0.75%, a maximum value of 11.40%, a standard deviation of 3.51610% or 351.61%, and an average value of 5.0646% or 506.46%. Furthermore, DAR has a minimum value of 22%, a maximum value of 45.57%, a standard deviation of 6.01747% or 617.47%, and an average value of 30.7585% or 30.75%. Then for NPM has a minimum value

of -47.55%, a maximum value of 55.87%, a standard deviation of 32.32430 or 32.32%, and an average value of 27.2746 or 27.27%.

Normality Test

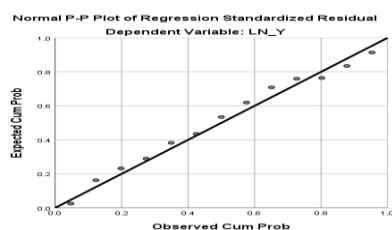
The normality test is carried out to examine whether in a regression model, the independent variable, and the dependent variable or both are normally distributed or abnormally distributed.



Source: SPSS-26 Data Processing

Figure 1 Histogram Graph of Normality Test

As per the histogram graph above, it shows how well the curve graphs on the diagonal direction. This shows that the regression completes the requirements of the normality assumption.



Source: SPSS-26 Data Processing

Figure 2 P-Plot Normality Test Graph

In accordance with the Probability-Plot graph above, the data is normally distributed and the residual points in the table have a plot that follows the diagonal plot, so it is stated that the data is normally distributed.

**Table 2 Kolmogorov-Smirnov Normality Test
One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residual
N		13
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.98514636
Most Extreme Differences	Absolute	.111
	Positive	.068
	Negative	-.111
Test Statistic		.111
Asymp. Sig. (2-tailed)		.200 ^{c,d}

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

Source: SPSS-26 Data Processing

In accordance with the table above, shows Asymp. Sig. (2-tailed) > 0.05 or 0.200 is the significant value obtained from the Kolmogorov-Smirnov test. As a result, it is stated that the data is normally distributed.

Multicollinearity Test

The multicollinearity test is intended to see the possibility that the regression model finds a relationship between independent variables or independent variables.

Table 3 Multicollinearity Test
Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.	Collinearity Statistics	
		B	Std. Error	Coefficients			Tolerance	VIF
1	(Constant)	77.753	48.015		1.619	.136		
	CR	-4.887	2.465	-.532	-1.982	.076	.989	1.012
	DAR	-.836	1.440	-.156	-.581	.574	.989	1.012

a. Dependent Variable: NPM

Source: SPSS-26 Data Processing

In accordance with the table above, proving the amount of Tolerance for CR and DAR is 0.989 and the amount of VIF is 1.012. It is said if no multicollinearity is found in this research because the amount of Tolerance exceeds 0.10 and the amount of VIF is below 10.

Autocorrelation Test

The autocorrelation test arises because the confounding error is not free from one observation to another.

Table 4 Durbin-Watson Autocorrelation Test
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.538 ^a	.289	.147	29.85441	1.430

a. Predictors: (Constant), DAR, CR

b. Dependent Variable: NPM

In accordance with the table above, Durbin-Watson shows the number (DW) = 1.430 which can dL be compared with the total sample (n) = 13 and independent variables (k) = 2 at a significant level of 0.05 so that it can be obtained:

DW	dL	dU	4-dL	4-Du
1.430	0.8612	1.5621	3.1388	2.4379

In accordance with the table above, proving the regression model cannot be concluded. The limit of autocorrelation through the *Durbin-Watson* test states if the value of $dL < DW <$

dU or $0.8612 < 1.430 < 1.5621$ which means there is no decision. So what to do next is the Runs Test.

Table 5 Runs Test

Runs Test

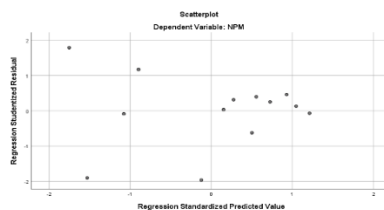
	Unstandardized Residual
Test Value ^a	3.29648
Cases < Test Value	6
Cases >= Test Value	7
Total Cases	13
Number of Runs	6
Z	-.561
Asymp. Sig. (2-tailed)	.575

a. Median

In accordance with the table above, states Asymp. Sig. (2-tailed) is $0.575 > 0.05$. Until it can be said that there are no symptoms of autocorrelation, so linear regression can be continued.

Heteroscedasticity Test

This heteroscedasticity test is to decide whether the variation in residuals between one monitoring and another proves the difference in regression models.



Source: SPSS-26 Data Processing

Figure 3 Heteroscedasticity Test Chart

In accordance with the picture above, the data (dots) do not gather at one point or form a certain pattern, which means that there is no heteroscedasticity problem.

Table 6 Glejser Test

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	-1.793	2.123		-.844	.423
	CR	.288	.165	.532	1.747	.119
	DAR	.528	.605	.266	.872	.408

a. Dependent Variable: AbsRes

Source: SPSS-26 Data Processing

In accordance with the table above, the significant value for CR is $0.119 > 0.05$ and for DAR is $0.408 > 0.05$ so that there are no symptoms of heteroscedasticity or homoscedasticity.

Multiple Linear Regression Test

The purpose of this test is to understand to what extent X1 and X2 affect Y. This research predicts the effect of CR (X1) and DAR (X2) on NPM (Y).

Table 7 Multiple Linear Regression Test

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	77.753	48.015		1.619	.136
	CR	-4.887	2.465	-.532	-1.982	.076
	DAR	-.836	1.440	-.156	-.581	.574

a. Dependent Variable: NPM

In accordance with the table above, it proves that the multiple linear regression comparison is as follows : $Y = 77.753 - 4.887 X1 - 0.836 X2$

The comparison means something like :

- a. Constant Coefficient 74.966 If CR (X1) and DAR (X2) are 0, then NPM (Y) is 77.753.
- b. Variable CR -0.047 NPM can decrease by 4,887 if the other independent variables are consistent and then CR increases by 1%, but the value is negative, which states that there is a negative relationship between the two variables. Greater CR results in lower NPM.
- c. Variable DAR -0.786 NPM can decrease by 0.836 if the other independent variables are consistent and then DAR increases by 1%, but the value is negative which states that there is a negative relationship between the two variables. Greater DAR results in lower NPM.

Test Coefficient of Determination (R²)

The coefficient of determination test (R²) is basically to estimate the extent to which the regression model can explain the dependent variable.

Table 8 Test Coefficient of Determination

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.538 ^a	.289	.147	29.85441

a. Predictors: (Constant), DAR, CR

b. Dependent Variable: NPM

In accordance with the table above, it shows that the correlation coefficient (R) with the coefficient of determination (R Square) is 0.289. This issue states that CR and DAR have an influence of 28.9% while the unexamined side has an influence of 71.1%.

Hypothesis Test

T Test

The t test is applied to test the hypothesis of CR (X1) and DAR (X2) on NPM (Y) by comparing the tcount value with ttabel , and this research applies a significance level of 5% or 0.05.

Table 9 t test of the effect of CR on NPM

Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	51.251	14.465		3.543	.005
	CR	-4.734	2.376	-.515	-1.992	.072

a. Dependent Variable: NPM

Source: SPSS-26 Data Processing

In accordance with the table above, states $-t_{table} < -t_{hitung} < t_{table}$ or $(-2,200 < -1,992 < 2,200)$ along with $Sig. > 0.05$ or $(0.072 > 0.05)$. So it is said that Ho1 is accepted and Ha1 is rejected, which means that CR has no significant effect on NPM.

Table 10 t test of the effect of DAR on NPM

Coefficients^a

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	Std. Error	Coefficients Beta		
1	(Constant)	43.628	50.441		.865	.406
	DAR	-.532	1.612	-.099	-.330	.748

a. Dependent Variable: NPM

Source: SPSS-26 Data Processing

In accordance with the table above, states $-t_{table} < -t_{hitung} < t_{table}$ or $(-2.200 < -0.330 < 2.200)$ along with $Sig. > 0.05$ or $(0.748 > 0.05)$. So it is said that Ho2 is accepted and Ha2 is rejected, which means that DAR has no significant effect on NPM.

F test

The F test is applied to evaluate the hypothesis jointly between CR (X1) and DAR (X2) on NPM (Y).

Table 11 F Test of the Effect of CR and DAR on NPM

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3625.471	2	1812.736	2.034	.182 ^b
	Residual	8912.857	10	891.286		
	Total	12538.328	12			

a. Dependent Variable: NPM

b. Predictors: (Constant), DAR, CR

Source: SPSS-26 Data Processing

In accordance with the table above, it can be seen that $F_{hitung} < F_{table}$ or $(2.034 < 4.10)$ along with $Sig. > 0.05$ or $(0.182 > 0.05)$. So it is said that Ho is accepted and Ha is

rejected. This situation states that for 2010-2022, both CR and DAR have no significant effect on NPM at PT Bekasi Fajar Industrial Estate Tbk.

Conclusions

The following are some conclusions drawn from the results of research and testing based on the results that have been studied. Partially, the CR variable for the period 2010-2022 did not have a significant effect on the NPM variable at PT Bekasi Fajar Industrial Estate Tbk. Partially, the DAR variable for the period 2010-2022 did not have a significant effect on the NPM variable at PT Bekasi Fajar Industrial Estate Tbk. Simultaneously, both the CR variable and the DAR variable for the period 2010-2022, neither of them had a significant influence on the NPM variable at PT Bekasi Fajar Industrial Estate Tbk.

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