

Article info : *Received*: Sept 2024; *Revised* : Oct 2024; *Accepted*: Nov 2024

The Effect Of Current Ratio (Cr) And Debt To Asset Ratio (Dar) On Net Profit Margin (Npm)

Siti Sonia¹; Nufzatutsaniah²¹⁻²Universitas Pamulang, Email : sitisonia19@gmail.com; dosen01011@unpam.ac.id

Abstract. *This research aims to find out whether the Current Ratio (CR) and Debt to Asset Ratio (DAR) have an effect on the Net Profit Margin (NPM) at PT Gajah Tunggal Tbk for the 2013–2022 period. This research uses a descriptive method with a quantitative approach. The population used in this research is the financial report of PT Gajah Tunggal Tbk, while the sample used is the profit and loss report and balance sheet of PT Gajah Tunggal Tbk for the 2013–2022 period. The data analysis method uses descriptive statistical analysis tests, classical assumption tests, multiple linear regression tests, coefficient of determination tests, and hypothesis tests with the help of the SPSS version 27 program. The results of this research show that the Current Ratio (CR) has a partial and significant effect on Net Profit Margin (NPM). Debt to Asset Ratio (DAR) has no partial and significant effect on Net Profit Margin (NPM). Current Ratio (CR) and Debt to Asset Ratio (DAR) do not have a significant effect on Net Profit Margin (NPM). The coefficient of determination is 0.425 or 42.5%. This means that the variables Current Ratio (CR) and Debt to Asset Ratio (DAR) have an influential contribution of 42.5% to Net Profit Margin (NPM), while the remainder (100% - 42.5% = 57.5%) is influenced by factors others not researched.*

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

A. INTRODUCTION

The automotive industry is one of the business industries that is growing rapidly at the moment, because it cannot be denied that developments over time have forced people to use modes of transportation to carry out their daily activities when traveling.

With the automotive industry producing various brands of vehicles, it makes it easier for human activities to travel faster, save time and be more efficient. The automotive industry is closely linked to daily human needs, especially in Indonesia, automotive is a very superior industry. Therefore, companies operating in the automotive industry compete with each other to gain market share.

Every company certainly wants to get maximum profits in order to achieve common goals and to maintain the company's survival. So the company continues to strive to improve the company's performance and financial condition which is reflected in the company value.

Investors will be interested in companies that have a healthy financial condition and have good company value.

In this study, researchers chose the machinery industry sector because manufacturing companies in the machinery industry sector are mainly in the automotive sector. The automotive industry contributes greatly to the national economy, where the automotive industry is one of the mainstay sectors whose development continues to be prioritized because it plays a major role in national economic growth.

In 1927, one of the overseas manufacturers established an automotive factory in Tanjung Priok. However, the automotive industry in Indonesia at that time was not well developed. Due to the influence of World War II and the colonial transition period. Then after independence, the automotive industry in Indonesia started to move again. Around 1953, the emergence of Astra as an automotive pioneer was developed by the nation's children. At that time, the business being developed was still focused on European-made cars as the ruler of the automotive market. At this time, Japan has not yet demonstrated its automotive market capabilities in Indonesia.

Business competition between companies and between countries is carried out freely and strictly because many foreign companies are emerging in the country due to increasingly thin borders between countries. Competition in business and the thinning of borders between countries has a big influence on companies in a country to be able to compete with other companies in the country and other foreign companies. To overcome this competition, one method used is to show good company performance in the eyes of the public in general and investors in particular.

On the Indonesia Stock Exchange (BEI), the automotive industry is included in the manufacturing industry sub-sector. There are a number of companies listed on the IDX, as many as 903 companies listed with shares.

PT Gajah Tunggal Tbk is a tire manufacturing company headquartered in Jakarta. This company began its history in 1951 with a business in the production and distribution of bicycle outer tires and inner tubes.

Tabel 1 The Progress of Current Ratio (CR), Debt to Asset Ratio (DAR) and Net Profit Margin (NPM) PT Gajah Tunggal Tbk Periods 2013-2022.

Years	<i>Current Ratio (%)</i>	<i>Debt to Asset Ratio (%)</i>	<i>Net Profit Margin (%)</i>
2013	228.96	65.08	13.29
2014	204.34	64.8	4.84
2015	179.8	69.18	0.29
2016	173.93	68.7	3.75
2017	162.95	68.7	2.84
2018	141.3	70.1	3.05
2019	139.93	66.91	2.39
2020	150.38	61.44	4.87
2021	162.65	60.96	3.24
2022	154.81	61.59	2.93

B. LITERATURE REVIEW

Management

According to Afandi (2018:1) Management is a collaborative process between employees to achieve organizational goals in accordance with the implementation of the functions of planning, organizing, personnel, directing, leadership, and supervision.

According to John F. Mee in Aditama (2020), management is the art of achieving maximum results with minimum effort in order to achieve prosperity for both leaders, workers and society.

Financial Management

Astawinetu & Handini (2020:2) financial management is the management of financial functions, namely how to obtain funds (rising of funds) and how to use funds (allocation of funds).

Irfani (2020:11) states that financial management is a company's financial management activities related to efforts to find and use funds effectively and efficiently to realize the company's goals.

Financial management is a scientific discipline that studies company financial management in terms of finding sources of funds, allocating funds, or distributing company profits (Anwar, 2019: 5).

Financial Report

According to Kasmir (2019:7) Financial reports are reports that show the company's financial condition at this time or in a certain period.

According to Werner R. Murhadi (2019: 1) financial reports are the language of business. The financial report contains information about the company's financial condition for users. By understanding a company's financial reports, various interested parties can see the financial health condition of a company.

According to Raymond Budiman (2020:3) a financial report is a document that describes the company's financial condition and company performance in a certain period.

Net Profit Margin

According to Hery (2016:198), Net Profit Margin or net profit margin is a ratio used to measure the percentage of net profit on net sales. This ratio is very important for operations managers because it reflects the sales pricing strategy implemented by the company and its ability to control operating expenses. The greater the Net Profit Margin means the more efficient the company is in incurring costs related to its operational activities. The Net Profit Margin (NPM) ratio shows what percentage of net profit is obtained from each sale. The greater this ratio, the better the company's ability to earn high profits.

C. RESEARCH METHODOLOGY

The research method used by researchers in compiling this research is a quantitative descriptive approach, namely discussing existing problems. The location of this research is focused on the automotive company PT Gajah Tunggal Tbk by taking the financial report calculation period for 2013-2022. data obtained from the official website at the address <https://www.gt-tires.com/id/> offline address JL. Gatot Subroto No. Km 7, Pasir Jaya, Kec. Jatiuwung, Tangerang City, Banten postal code 15135

In this research there are two variables used, namely the independent variable (X) and the dependent variable (Y). The population used in this research is the financial report of PT Gajah Tunggal Tbk for the 2013-2022 period. This research uses a non-probability sampling technique and a purposive sampling technique. Purposive sampling according to Sugiyono (2016:85) is a technique for sampling data sources with certain considerations.

The sample used in this research is the balance sheet and profit and loss report of PT Gajah Tunggal Tbk. period 2013-2022.

D. RESULTS AND DISCUSSION

The normality test is based on the classic acceptance test which shows a P-plot graph with points scattered around the diagonal area and along the diagonal direction, which illustrates that the data is normally distributed. In the multicollinearity test, it is mandatory to test whether the correlation between independent variables is detected in regression mode.

The results of the multicollinearity test show that the tolerance value for the Current Ratio (CR) variable is 0.999 and for the Debt to Asset Ratio (DAR) is also 0.999, both of which are greater than the threshold value of 0.10. Furthermore, the Variance Inflation Factor (VIF) for the Current Ratio (CR) and Debt to Asset Ratio are both 1.001, greater than the critical value 10.00. These results indicate that there is no multicollinearity problem in this study, so the regression analysis is reliable and valid. Therefore, the Current Ratio (CR) and Debt to Asset Ratio (DAR) variables can be used with confidence in regression models without concerns about multicollinearity affecting the results.

Table 2 T test Result

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.544	17.467		.203	.845
	CR	.086	.031	.706	2.792	.027
	DAR	-.214	.251	-.216	-.853	.422

a. Dependent Variable: NPM

First Hypothesis Tester (H1)

It is known that the Current Ratio (CR) variable has a calculated t of 2,792 while the t table is 2.364. The significant value of 0.027 is smaller than 0.05. The calculated t value > t table so it can be concluded that H0 is rejected, meaning the Current Ratio has a significant positive effect on Net Profit Margin.

Second Hypothesis Tester (H2)

It is known that the Debt to Assets Ratio (DAR) variable has a calculated t of – 0.853, while the t table is 2.364. The significant value of 0.422 is greater than 0.05. The calculated t value < t table so it can be concluded that H0 is accepted, meaning it has no effect and is not significant Debt to Asset Ratio to Net Profit Margin.

Tabel 3 F Test Result

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	59.680	2	29.840	4.329	.060 ^b
	Residual	48.253	7	6.893		
	Total	107.934	9			

a. Dependent Variable: NPM

b. Predictors: (Constant), DAR, CR

Based on the results of the F statistical test, It is known that F count is 4.329 while F table is 4.74. The significant value of 0.060 is greater than 0.05. The calculated F value < F table so it can be concluded that H₀ is accepted, meaning there is no significant influence of the Current Ratio and Debt to Asset Ratio on Net Profit Margin at PT Gajah Tunggal Tbk for the 2013-2022 period.

E. CONCLUSIONS AND SUGGESTIONS

The following are conclusions that can be drawn from the results of data analysis and discussion related to the three hypotheses tested in research regarding the influence of the Current Ratio (X₁) and Debt to Asset Ratio (X₂) on Net Profit Margin (Y) at PT Gajah Tunggal Tbk in 2013- 2022:

Net Profit Margin (NPM) at PT Gajah Tunggal Tbk for the 2013-2022 period is partially and significantly influenced by the Current Ratio (CR). based on the results of hypothesis testing with a significant value of $0.027 < 0.05$ and a calculated t value of $2.792 > 2,365$ t table.

Net Profit Margin (NPM) at PT Gajah Tunggal Tbk for the 2013-2022 period is not partially and significantly influenced by the Debt to Asset Ratio (DAR). based on the results of hypothesis testing with a significant value of $0.422 > 0.05$ and a calculated t value of $-0.853 < 2,365$ t table.

Net Profit Margin (NPM) at PT Gajah Tunggal Tbk for the 2013-2022 period is simultaneously and significantly not influenced by the Currency Ratio (CR) and Debt to Asset Ratio (DER). With an adjusted R-squared of 0.425 or 4.25%. This means that the variables Current Ratio (CR) and Debt to Asset Ratio (DAR) have an influential contribution of 4.25% to Net Profit Margin (NPM), while the remainder ($100\% - 4.25\% = 5.75\%$) is influenced by factors others not researched.

Based on the conclusions and limitations of the research above, the researcher proposes several suggestions which are expected to be useful input for related parties. The suggestions that researchers can convey are:

Towards the Company PT Gajah Tunggal Tbk needs to increase the Net Profit Margin (NPM) value and keep it stable. A high Net Profit Margin (NPM) indicates that the company can offer certain benefits to shareholders so that it will increase investors' confidence in investing their capital, whereas a low Net Profit Margin (NPM) only offers small profits to shareholders. Therefore, this affects investors' investment interest. Companies must maintain a low debt to total assets ratio. Debt to Asset Ratio (DAR). Debt to total assets ratio.



A low Debt to Asset Ratio (DAR) can indicate the company's level of financial independence from debt. So the lower the Debt to Asset Ratio (DAR), the healthier the company.

Towards Investors To reduce the amount of loss they will incur when investing in a company, investors must first evaluate and analyze the state of the business with respect to funding, earnings potential, recoverable returns, and other financial factors.

For Further Researchers To ensure consistency of study results from year to year and better validity of the results of this study, future researchers must be able to add more variables, increase the number of samples studied, and extend the research period.

REFERENCES

- Agus, A. (2018). Pengaruh Curren Ratio Dan Debt To Total Asset Ratio Terhadap Net Profit Margin Pada Pt Ulltra Milk Industry & Trading Company Tbk Dan Pt Mayora Indah Tbk. *Jurnal Sekuritas*, 2.
- Bahri, S. (2018). *Metode Penelitian Bisnis*. Yogyakarta: Penerbit Andi.
- Bluman. (2012). *Elementary Statistic A Step By Step Approach Eight Edition*. New York: Mcgraw-Hill.
- Duli. (2019). *Metode Penelitian Kuantitatif*. Yogyakarta: Budi Utama.
- Fadli, A. A. (2018). Pengaruh Current Ratio (Cr) Dan Debt To Total Asset Ratio (Dar) Terhadap Net Profit Margin (Npm) Pada Pt.Mayora Indah Tbk Periode 2009 – 2016. *Jurnal Sekuritas*, Vol.2, No.1, September 2018, 2, 107-118.
- Fitroh, S. F. (2020, Februari). Pengaruh Cash Ratio Dan Current Ratio Terhadap Net Profit Margin Studi Kasus Pada Perusahaan Manufaktur Subsektor Semen Dan Keramik Yang Terdaftar Di Bursa Efek Indonesia. *Jurnal Bina Bangsa Ekonomika*, 13, 184-193.
- Ghozali. (2021). *Aplikasi Analisis Multivariate Dengan Program Ibm Spss*. Badan Penerbit Universitas Di Ponogoro.
- Harahap. (2018). *Analisis Kritis Atas Laporan Keuangan*. Jakarta: Rajawali Pers.
- Hasanah, D. A. (2017, September-Desember). Pengaruh Current Ratio(Cr), Debt To Equity Ratio(Der) Terhadap Net Profit Margin(Npm). *The Asia Pacific Journal Of Managemen*, 4, 123-126.
- Hatmawan, R. &. (2020). *Metode Riset Penelitian Kuantitatif, Uji Asumsi Klasik*. Sleman: Deepublish.
- Hidayat, D. W. (2018). *Analisis Laporan Keuangan*. Uwais Inspirasi Indonesia.
- <https://Www.Gt-Tires.Com/Id/>
- Kasmir. (2014). *Prinsip Prinsip Manajemen Keuangan*. Jakarta: Salamba Empat.
- Kasmir. (2019). *Analisis Laporan Keuangan*. Jakarta: Pt Raja Grafindo Persada.
- Munawir. (2015). *Analisis Laporan Keuangan*. Yogyakarta: Liberty.
- Ningsih, S. R. (2020, Juni). Pengaruh Current Ratio, Debt To Asset Ratio, Dan Net Profit Margin Terhadap Pertumbuhan Laba. *Jurnal Ilmu Dan Riset Manajemen*, 9, 1-15.
- Nurmasari, A. I. (2024, Januari). Pengaruh Current Ratio (Cr) Dan Debt To Asset Ratio (Dar) Terhadap Net Profit Margin (Npm) Pada Pt Ultrajaya Milk Industri & Trading Company Tbk Periode 2013-2022. *Journal Of Research And Publication Innovation*, 2, 960-971.



Phang, A. K. (2012, April). Analisis Faktor-Faktor Yang Mempengaruhi Net Profit Margin. Jurnal Manajemen Dan Akuntansi, 13, 2-16.

Shabrina, N. (2020, Juni). Pengaruh Current Ratio Dan Debt To Assets Ratio Terhadap Net Profit Margin Pada Pt.Ndo Tambang Raya Megah Tbk (Periode 2008-2017). Jurnal Semarak, Vol. 3, No.2, Juni 2020, 3, 91-101.

Sugiyono. (2019). Metode Penelitian Kuantitatif, Kualitatif Dan R & D. Bandung: Alfabeta.

Sujawerni. (2020). Analisis Laporan Keuangan. Yogyakarta: Pustaka Baru Press.

Widiani, P. (2019). Pengaruh Curren Ratio, Cash Ratio, Dan Total Assets Turnover Terhadap Net Profit Margin Pada Industri Makanan Dan Minuman Periode 2013-2017. 1.

Www.Rivankurniawan.Com