



## The Effect of Return on Asset and Current Ratio on Stock Returns

Tri Utami<sup>1</sup>, Dudi Hendaryan<sup>\*2</sup>

Universitas Langlangbuana, Indonesia<sup>1\*2</sup>

[utri9900@gmail.com](mailto:utri9900@gmail.com)<sup>1</sup>, [dudihendaryan@gmail.com](mailto:dudihendaryan@gmail.com)<sup>\*2</sup>

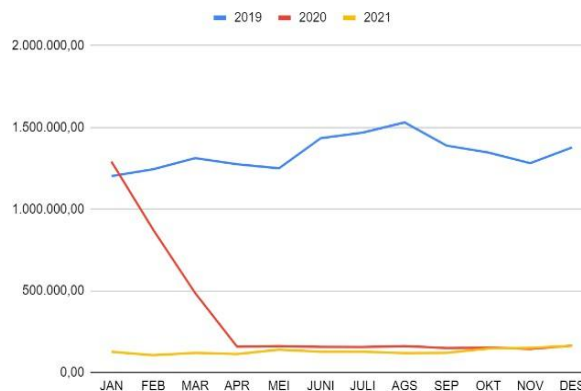
**Abstract:** Increasing Stock Return on the company is something that investors expect because when the company has a high Stock Return value, investor welfare will increase. This study aims to analyze and test how much influence Return On Assets (ROA) and Current Ratio (CR) have on Stock Returns. This Study uses secondary data presented on the IDX. The population in this study was 41 tourism companies. The sample used was a purposive sampling method obtained from 15 tourism companies. The analysis method used is panel data regression analysis, classical assumption test, and hypothesis testing using the t-test and f-test. In analyzing the data, this study uses the Econometric Views (Eviews) version 12 program tool. The results showed that Return On Assets (ROA) partially had no effect on Stock Returns. While the Current Ratio (CR) partially affects Stock Returns. Simultaneously Return on Assets (ROA) and Current Ratio (CR) have a significant effect on Stock Returns. This is influenced by other variables that are not included in this study.

**Keywords:** Return on Asset (ROA); Current Ratio (CR); Stock Return

### INTRODUCTION

At the end of 2019, precisely in Wuhan, Hubei Province, China, the world is facing the Covid-19 virus outbreak. The COVID-19 virus is a new type of virus whose cause and cure are still unknown, which is troubling the entire world population. The negative impact given by the spread of this virus covers all sectors including the economy, tourism, trade, industry, transportation, and so on. The outbreak of this pandemic virus has made Indonesia's economic condition so concerning because there has been a significant decline in various sectors, one of which is the tourism sector.

The tourism sector is one of the sectors most affected by various situations that occur in society today, ranging from pandemics to geopolitical problems and so on. As in 2020, the Indonesian government established a Large-Scale Social Restrictions (PSBB) policy to suppress the spread of the COVID-19 virus, causing a significant impact on the tourism sector. The outbreak of the COVID-19 pandemic virus has made Indonesia's economic conditions so concerning because there has been a decline in the tourism sector, which is one of the country's sources of foreign exchange income. The data listed here shows foreign tourist visits in the 2019-2021 period. In 2019, tourists who visited a total of 16,108,600 visits decreased by 74.84%, in 2020, which only reached 4,052,923 visits, in 2021, it decreased again by 24.95% or a total of 1,557,530 visits. The decline in foreign tourists is due to the implementation of the PSBB by the government. The following is cumulative data on foreign tourists for the 2019-2022 period:



**Figure 1. Cumulative Data on Foreign Tourists 2019-2021**  
 Source: <https://kemenparekraf.go.id/> (2024)

This happened because of the implementation of the PSBB which was implemented by the government with the aim of breaking the chain of the spread of Covid-19, resulting in most people or foreign tourists postponing vacation plans until conditions improved. The biggest sector affected by COVID-19 is the tourism sector, which is directly related to human resources in the form of services and involves many individuals. Not only that, docks and airports began to reopen with restrictions on crossings and flights followed by strict health protocols and mandatory PCR for passengers.



**Figure 2. Cumulative Data on Foreign Tourists 2022-2023**  
 Source: <https://kemenparekraf.go.id/> (2024)

From the data above the end of foreign tourist visits to Indonesia through all entrances in January 2023 amounted to 735,947 consisting of 620,905 foreign tourist visits through the main entrance and other entrances (non-MPD) or 84.37% of the total visits and 115,042 foreign tourist visits through other border entrances (MPD) or 15.63% of the total visits. This number experienced a growth of 503.34% compared to January 2022 which amounted to 121,978 visits.

The tourism sector is one of the sub-sectors that has great potential to improve the Indonesian economy. One of the companies listed on the Indonesia Stock Exchange (IDX) is this sub-sector. In today's global era, with the rapid development of technology, several tourist attractions in Indonesia have unique cultures that attract local and foreign tourists, this is one of Indonesia's strengths in tourism development. Companies with good financial and managerial performance can survive in the competitive business world. To survive in a competitive business world, companies must be managed effectively and efficiently. Good company performance is that the company can generate



the maximum possible profit and the amount of the company's ability to fulfill its obligations. The profit of a company can be measured by the profitability ratio approach, namely Return On Assets (ROA), which is a ratio to measure the company's ability to utilize its activities to generate profits. The company's ability to fulfill its obligations can be measured by the liquidity ratio approach. One of the ratios included in the liquidity ratio is the Current Ratio (CR), which is a ratio measures the company's ability to pay short-term liabilities with current assets that will soon become cash.

Company performance in tourism companies Based on financial reports published on the Indonesia Stock Exchange website, the company experienced fluctuations in financial performance during the 2019-2023 period. The conditions of Return On Assets and Current Ratio in tourism companies listed on the Indonesia Stock Exchange are as follows:

**Table 1. Conditions of Return on Asset and Current Ratio in Tourism Companies Listed on the Indonesia Stock Exchange for the 2019-2023 Period**

No	Company Name	Issuers Code	Year	ROA	CR
1	PT Jakarta International Hotels & Development TBK	JIHD	2019	2,1	71,30%
			2020	54,1	54,10%
			2021	63,4	63,40%
			2022	2	64,20%
			2023	8893,98	68,73%
2	PT Arthavest TBK	ARTA	2019	10,78	707,29%
			2020	2,84	909,62%
			2021	3,27	875,03%
			2022	0,08	1480,14%
			2023	0,81	389,97%
3	PT Pakuwon Jati TBK	PWON	2019	12,3	2,90%
			2020	4,23	3,70%
			2021	5,37	3,40%
			2022	5,98	3,60%
			2023	227,95	515,59%
4	PT Panorama Sentrawisata TBK	PANR	2019	-1,05	1,46%
			2020	-12,08	0,92%
			2021	-9,2	0,71%
			2022	1,92	0,95%
			2023	2136,03	1,22%
5	PT Island Concepts Indonesia TBK	ICON	2019	9,29	2,65%
			2020	1,87	1,99%
			2021	-0,09	2,05%
			2022	-6,27	0,94%
			2023	-6968,73	93,51%
6	PT MNC Land TBK	KPIG	2019	0,91	285,54%
			2020	1,05	185,53%
			2021	0,63	136,87%
			2022	0,56	112,19%
			2023	208,84	84,21%
7	PT Pembangunan Jaya Ancol TBK	PJAA	2019	5,63	102,64%
			2020	-9,72	29,59%
			2021	-6,22	85,39%
			2022	3,96	60,29%
			2023	14,10	74,40%

Source: data that has been processed from IDX (2024)

Based on this data, the level of Return On Assets of each company in the tourism sub-sector has changed from 2019-2023. It can be seen that PT Jakarta International Hotels & Development (JIHD) is a tourism company with the highest Return On Assets among other tourism companies, namely 8893.98 in 2023. Meanwhile, the low Return On Assets result is found in the company PT Island Concepts Indonesia TBK (ICON),



which is -6968.73 in 2023. The company's good financial performance will be reflected in the company's ratios. If the resulting company ratios are good, the rate of return on shares that investors can receive will also be good.

Based on this data, showing the Current Ratio of tourism companies, it can be seen that PT Arthavest Tbk is a company that has a very high level of liquidity (Current Ratio) in 2022 of 1480.14% compared to 2021 of 875.03% and higher among other tourism companies. Meanwhile, the tourism company that has the lowest level of liquidity (Current Ratio) is PT Island Concepts Indonesia Tbk (ICON), which is 0.94% in 2022. The company's Current Ratio is calculated by dividing current debt by current assets. In other words, the current ratio shows how much current assets are available to the company compared to all of its current debt.

**Table 2. Condition of Stock Returns in Tourism Companies listed on the Indonesia Stock Exchange for the Period 2019-2023**

No	Company	Periods %				
		2019	2020	2021	2022	2023
1	JIHD	0,38%	-0,30%	-0,06%	-0,19%	0,10%
2	ARTA	-0,67%	-0,40%	8,37%	0,12%	0,11%
3	PWON	-0,12%	-0,09%	-0,09%	-0,01%	-0,04%
4	PANR	-0,36%	-0,54%	0,38%	1,47%	0,18%
5	ICON	-0,02%	0,15%	0,37%	-0,41%	-0,16%
6	KPIG	-0,02%	-0,19%	-0,11%	-0,24%	-0,12%
7	PJAA	-0,20%	-0,39%	-0,06%	0,28%	0,31%

Source: data that has been processed from Yahoo (2024)

Based on the data above, the Stock Returns of all tourism companies fluctuate annually during the 2019-2023 timeframe. It can be seen that PT Panorama Sentrawisata Tbk (PANR), is a tourism company with the highest Stock Return among other tourism companies every year, namely 1.47% in 2022. However, PT Arthavest Tbk (ARTA), decreased when viewed from the previous year 2022 which was recorded at 0.12%. One of the causes of this decline is because profits decreased because sales also decreased. Based on the phenomena described above, as well as the existence of several studies that are not in line, it can strengthen in conducting this research. Therefore, the authors are interested in conducting research with the title: "The Effect of Return On Assets and Current Ratio on Stock Returns". From the statement above, the hypothesis is as follows: H1: Return On Asset affects Stock Returns. H2: Current Ratio Affects Stock Returns. H3: Return On Asset and Current Ratio Affect Stock Returns.

## METHODS

Research design is a framework of research methods and techniques designed to achieve scientific objectives by obtaining and then managing the information or data needed to answer research problems. In this study, two analyses were used, namely descriptive and verification. The data analysis technique used in this study is multiple linear regression analysis to determine and explain the influence of Return on Assets, Current Ratio and Stock Returns. Verification analysis according to Sugiyono (2017) is "a method used to test whether or not the hypothesis that has been set in research on two or more variables is accepted. Verification research in this study was used to determine how much influence Return On Asset, Current Ratio and Stock Returns have on the Tourism Sub-Sector listed on the Indonesia Stock Exchange for the 2019-2023 Period.



From the total population of 41 tourism sub-sector companies listed on the Indonesia Stock Exchange during the 2019–2023 period, there were 15 companies used as samples in this study. The period used in this study was 5 years so that it was multiplied by 5 research periods, namely 75 samples of company financial reports.

**Table 3. List of Samples of Tourism Sub-Sector Companies Listed on the Indonesia Stock Exchange**

No	Company Name	Issuer Code	IPO Date
1	PT Arthavest TBK	ARTA	05-Mei-2002
2	PT Bukit Uluwatu Villa TBK	BUVA	12-Juli-2010
3	PT Dafam Property Indonesia TBK	DFAM	27-Apr-2018
4	PT Island Concepts Indonesia TBK	ICON	08-Juli-2005
5	PT Graha Andrasentra Properindo TBK	JGLE	29-Juni-2016
6	PT MNC Land TBK	KPIG	30-Mar-2000
7	PT Sanurhasta Mitra TBK	MINA	28-Apr-2017
8	PT Andalan Perkasa Abadi TBK	NASA	07-Agu-2017
9	PT Pembangunan Graha Lestari Indah TBK	PGLI	05-Apr-2000
10	PT Panorama Sentrawisata TBK	PANR	18-Sep-2001
11	PT Pembangunan Jaya Ancol TBK	PJAA	02-Juli-2004
12	PT Destinasi Tirta Nusantara TBK	PDES	08 Juli 2008
13	PT Jaya Sukses Makmur Sentosa TBK	RISE	09 Juli 2018
14	PT Satria Mega Kencana TBK	SOTS	10 Des 2018
15	PT Indonesian Paradise Property TBK	INPP	12 Jan 2004

Source : Data processed by the author from IDX (2024)

## RESULTS AND DISCUSSION

**Table 4. The condition of return on equity (ROA) in the Tourism sub-sector listed on the Indonesia Stock Exchange (IDX) for the period 2019-2023**

No	Issuers Code	Periods					Mean	Max	Min
		2019	2020	2021	2022	2023			
1	ARTA	0,14	-2,84	-3,27	-0,08	0,81	-5,89	0,81	-3,27
2	BUVA	-2,71	-52,24	-19,38	-10,78	1,00	-84,91	1,00	-52,24
3	DFAM	2,15	-4,01	-5,19	-6,47	-0,60	-13,64	2,15	-6,47
4	ICON	9,29	1,87	-0,09	-6,27	-1,63	4,47	9,29	-6,27
5	JGLE	-3,26	-3,40	-3,30	-44,30	-3,12	-54,88	-3,12	-44,30
6	KPIG	0,91	1,05	0,63	0,56	0,99	3,35	1,05	0,56
7	MINA	0,64	-8,46	-4,29	-3,26	-2,76	-15,92	0,64	-8,46
8	NASA	-0,05	-0,57	-0,44	-0,02	0,56	-0,97	0,56	-0,57
9	PGLI	6,18	5,86	10,05	5,86	-113,20	5,31	10,05	-113,20
10	PANR	-1,05	-12,21	-9,20	1,92	7,55	-19,03	7,55	-12,21
11	PJAA	5,63	-9,72	-6,22	3,96	6,28	-5,09	6,28	-9,72
12	PDES	-0,30	-0,26	-0,21	0,10	13,29	1,99	13,29	-0,30
13	RISE	0,28	-1,67	1,57	1,36	0,46	1,63	1,57	-1,67
14	SOTS	-7,09	-6,61	-5,62	-4,08	-3,44	-24,09	-3,44	-7,09
15	INPP	26,05	-6,32	-0,47	0,76	1,98	20,42	26,05	-6,32
	MAX	26,05	5,86	10,05	5,86	13,29			
	MIN	-7,09	-52,24	-19,38	-44,30	-113,20			
	MEAN	15,97	-94,47	-45,05	-61,35	-93,41			

Source: data that has been processed (2024)





Based on the results of the Return on Asset (ROA) above, the company that has the maximum value in the highest return on asset ratio is PT Indonesian Paradise Property Tbk (INPP) of 26.05% with a mean return on asset value of 20.42% and a minimum value of - 6.32% in 2020. Furthermore, the bank that has the lowest value is PT Pembangunan Graha Lestari Indah Tbk (PGLI) of -113.20% with a mean return on asset value of 5.31% and a maximum value of 10.05 in 2021. Changes in the return on assets value of a company depend on efficient asset management. A decrease in this ratio can show that the company is not efficient in managing its assets to generate profits.

**Table 5. Current Ratio (CR) conditions in the Tourism sub-sector listed on the Indonesia Stock Exchange (IDX) for the period 2019-2023.**

No	Issuers Code	Periods					Mean	Max	Min
		2019	2020	2021	2022	2023			
1	ARTA	707,29	909,62	875,03	1.480,14	389,97	4050,07	1.480,14	389,97
2	BUVA	0,28	8,19	3,98	4,83	0,85	17,45	8,19	0,28
3	DFAM	1,60	1,38	1,38	1,27	1,37	5,90	1,60	1,27
4	ICON	2,65	1,99	2,05	0,94	0,87	7,80	2,65	0,87
5	JGLE	3,02	2,60	2,20	3,50	3,60	12,04	3,60	2,20
6	KPIG	285,54	185,53	136,87	112,19	102,67	740,66	285,54	102,67
7	MINA	16,20	8,90	4,98	8,80	7,67	40,41	16,20	4,98
8	NASA	354,25	131,21	285,41	225,34	269,77	1050,16	354,25	121,21
9	PGLI	227,83	192,91	184,10	287,97	233,57	939,52	287,97	192,91
10	PANR	1,46	0,92	0,71	1,04	1,22	4,37	1,46	0,71
11	PJAA	102,64	29,59	85,39	60,29	74,40	292,79	102,64	29,59
12	PDES	117,00	40,00	31,00	60,00	102,00	268,40	117,00	31,00
13	RISE	400,00	348,00	857,00	1081,00	297,00	2745,40	1081,00	348,00
14	SOTS	104,74	49,42	37,33	144,16	144,48	364,55	144,48	37,33
15	INPP	2,43	3,67	2,46	3,13	1,91	12,07	3,67	1,91
	MAX	707,29	909,62	875,03	1.480,14	389,97			
	MIN	0,28	0,92	0,71	0,94	0,85			
	MEAN	2324,99	1910,99	2507,92	3472,10	1629,82			

Source: data that has been processed (2024)

Based on the results, the company that has the lowest Current Ratio value is PT Bukit Uluwatu Villa Tbk (BUVA) 0.28 if presented to 28% in 2019, with a maximum CR value of 8.9 if presented to 890% in 2022 and a mean value of 17.45 if percent to 1,745%. Meanwhile, the one with the highest Current Ratio value is PT Arthavest Tbk (ARTA) of 1,480.14 in 2022 when percent to 148.014%, with a minimum value of 389.97 in 2023 when percent to 38,997% and a mean value of 4050.07 when percent to 405,007%. The increase in the value of this ratio shows that the company has more current assets than current liabilities, meaning that the company has a good position to meet the company's short-term obligations.



**Table 6. Conditions of stock returns in the tourism sub-sector listed on the Indonesia Stock Exchange (IDX) for the period 2019-2023.**

No	Kode Emiten	Periods					Mean	Max	Min
		2019	2020	2021	2022	2023			
1	ARTA	-0,66	-0,43	8,38	0,13	0,11	7,44	8,38	-0,66
2	BUVA	-0,64	-0,26	0,09	0,00	0,02	-0,81	0,09	-0,64
3	DFAM	-0,55	-0,49	0,86	-0,76	-0,42	-1,02	0,86	-0,76
4	ICON	-0,31	0,09	0,38	-0,41	-0,17	-0,28	0,38	-0,41
5	JGLE	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
6	KPIG	-0,02	-0,22	-0,11	-0,24	-0,13	-0,62	-0,02	-0,24
7	MINA	-0,35	-0,90	0,00	0,60	-0,38	-0,73	0,60	-0,90
8	NASA	0,19	-0,86	-0,41	-0,18	-0,66	-1,39	0,19	-0,86
9	PGLI	0,17	-0,27	0,87	-0,30	-0,53	0,36	0,87	-0,53
10	PANR	-10,00	-0,54	0,38	1,48	0,24	-8,63	1,48	-10,00
11	PJAA	-0,20	-0,39	-0,13	0,29	0,37	-0,36	0,37	-0,39
12	PDES	-0,46	-0,94	0,00	0,55	-0,45	-0,92	0,55	-0,94
13	RISE	0,20	-0,30	-0,10	1,88	-0,10	1,66	1,88	-0,30
14	SOTS	0,44	-0,13	0,37	0,15	0,08	0,85	0,44	-0,13
15	INPP	0,01	0,04	-0,11	-0,31	0,61	-0,25	0,61	-0,31
	MAX	0,44	0,09	8,38	1,88	0,61			
	MIN	-10,00	-0,94	-0,41	-0,76	-0,66			
	MEAN	-12,19	-5,63	10,56	3,13	-1,80			

Source: data that has been processed (2024)

Based on the stock return results above, the tourism company that has the lowest stock return value is PT Panorama Sentrawisata Tbk (PANR) with a total of -10.00 in 2019, a maximum stock return value of 1.48 in 2022 and a mean value of -8.63. Meanwhile, the tourism company that has the highest stock return is PT Arthavest Tbk (ARTA) 8.38 in 2021 with a minimum value of -0.66 in 2019 and a mean value of 7.44. The increase or decrease in the value of a company's stock return is due to stock prices that fluctuate annually depending on the strength of supply and demand. When demand increases, the stock price will increase, and if supply is high, the stock price will decrease.

The multicollinearity test is a test to check whether the regression model has found a correlation between independent variables or independent variables (Jusmansyah, 2020).

**Table 7. Multicollinearity Test Results**

	X1	X2
X1	1.000000	0.052369
X2	0.052369	1.000000

Source: Data that has been processed (2024)

Based on the table above, it shows that the correlation coefficient value of X1 and X2 is 0.052369. The Multicollinearity Test provisions are if the Variance Inflation Factor (VIF) > 10 then there is multicollinearity and vice versa if VIF < 10 then there is no multicollinearity. In this study, the VIF value of 0.052369 < 10, it can be concluded that this regression model passes the multicollinearity test.

The heteroscedasticity test aims to determine whether there is a difference in variance from the residuals of one observation to the next in the regression model. If the variance is different, it is called heteroscedasticity, but if the observed variance remains, it is called homoscedasticity (Jusmansyah, 2020).

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**Table 8. Heteroscedasticity Test Results**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.479671	0.134646	3.562465	0.0007
X1	-0.001878	0.010808	-0.173787	0.8625
X2	0.002314	0.005268	0.439334	0.6617

Source: Data that has been processed (2024)

The provisions in the heteroscedasticity test are that the probability value must be greater than 0.05 and based on this table which states that the probability for X1 is  $0.8625 > 0.05$  and X2 is  $0.6617 > 0.05$ , it can be concluded that in this regression model, there is no heteroscedasticity problem in the model in this study or passes the heteroscedasticity test.

**Table 9. Panel Data Regression Test Results**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.082370	0.207619	-0.396734	0.6930
X1	0.004134	0.008715	0.474379	0.6370
X2	0.000963	0.001014	0.949307	0.3464

Source: Data that has been processed (2024)

The explanation is as follows:

The constant value (C) for this regression model is -0.082370. This explains that with the independent variable fixed or zero, the dependent variable will be -0.082370.

The beta coefficient value of the return on assets variable (X1) of 0.004134 explains that if the return on equity increases by 0.004134, there will also be an increase in stock returns.

The beta coefficient value of the variable earning per share (X2) of 0.000963 explains that if earning per share increases by 0.000963, there will also be an increase in stock returns.

So the panel data regression analysis equation in this study can be formulated as follows:

$$\text{Stock Return} = -0,082370 + 0,004134 \text{ ROA} + 0,000963 \text{ CR}$$

The T-test is used to determine the effect of the independent variable on the dependent variable for the probability value. If the calculated t probability value has an error rate (alpha) of less than 0.05, the independent variable is considered to have a large influence on the dependent variable, but if the calculated t probability value is greater than the error rate (alpha) of 0.05, the independent variable is said not to have much influence on the variable (Diver 2020).

**Table 10. Test Result T**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.135677	0.140990	-0.962319	0.3391
X1	0.003274	0.007471	0.438247	0.6625
X2	0.001281	0.000434	2.952189	0.0043

Source: data that has been processed (2024)





The effect of the independent variables on the dependent variable partially is as follows:

The T-test results on the ROA variable (X1) were obtained from the t value of  $0.438247 < t$  table, namely 1.992997 and sig value. 0.6625 indicates that H1 is rejected with H0 accepted, meaning that the ROA variable has no significant effect on stock returns in tourism sub-sector companies partially.

The T-test results on the CR (X2) variable were obtained from the t value of  $2.952189 >$  from the t table, namely 1.992997 and the sig value. 0.0043 indicates that H2 is accepted and H0 is rejected, meaning that the CR variable has a partial and significant effect on stock returns in tourism sub-sector companies.

The simultaneous test (F test) basically shows whether all independent variables included in the model have a simultaneous influence or not on the variable (Diver, 2020)

**Table 11. F-Test Result**

R-squared	0.111855
Adjusted R-squared	0.087184
S.E. of regression	1.036009
Sum squared resid	77.27860
Log-likelihood	-107.5427
F-statistic	4.533930
Prob(F-statistic)	0.013977

Source: data that has been processed (2024)

The calculated F value of  $4.533930 > f$  table 3.123907 and sig value of 0.013977  $< 0.05$  indicates that Ha is accepted and Ho is rejected, meaning that the independent variables simultaneously and significantly impact the dependent variable.

#### The Effect of Return on Asset on Stock Returns

Based on the results of the partial test (t test) that has been carried out, it shows that the return on assets (X1) is obtained from the t value of  $0.438247 < t$  table, namely 1.992997 and the sig value of  $0.6625 > 0.05$ , indicating that H1 is rejected and H0 is accepted and it can be perceived that the ROA variable does not have a partially significant impact on stock returns in the Tourism Sub-Sector.

This research is in accordance with previous research Alfian & Indah (2023) in their research entitled "The Effect of ROA, CR, ATO, and DER on-Stock Returns of Various Automotive & Component Industry Sub-Sectors During the Covid-19 Pandemic" which states that ROA has no significant impact on stock returns. This can show that if ROA is low, it shows that the company is not using assets optimally to generate profits.

#### The Effect of Current Ratio on Stock Returns

Based on the results of the partial test (t test) that has been carried out, it shows that partially CR (X2) obtained a t count of  $2.952189 >$  from the t table, namely 1.992997 and the significance value of  $0.0043 < 0.05$  indicates that H2 is accepted and H0 is rejected, it can be perceived that the CR variable has a significant impact on the Stock Return of the Tourism Sub-Sector company.

This research is in line with research (Kusumawardani, 2023) in his research entitled "The Effect of Return on Asset, Debt to Equity Ratio, and Current Ratio on Stock Returns" which states that CR has a significant impact on stock returns. This shows that a high CR in a company has good liquidity, the company has enough assets to cover its short-term liabilities. So that it can increase investor interest in the company's shares which in turn can encourage an increase in stock prices and increase stock returns.

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However, this research is not in line with other research conducted by (Erick et al., 2021) in his research entitled "The Effect of Current Ratio (CR), Debt To Equity Ratio (DER), Return On Assets (ROA) And Return On Equity (ROE) On Stock Returns In Food And Beverages Companies Listed On The Indonesia Stock Exchange In 2014-2018" which states that CR has no significant impact on stock returns. This shows that the lower the CR value, the worse the financial situation so the CR value is not significant.

#### The Effect of Return on Asset and Current Ratio on Stock Returns

Based on the results of the verification study described above, the calculated  $f$  value of 4.533930 >  $f$  table 3.123907 and the significance value of 0.013977 < 0.05 indicate that simultaneously the ROA and CR variables have a significant effect on Stock Returns so that H3 is accepted and H0 is rejected, and it can be perceived that the independent variables simultaneously and significantly affect the dependent variable in the Tourism Sub-Sector companies listed on the IDX for the 2019-2023 period.

Based on the results of testing the coefficient of determination using Eviews 12 ROA and CR simultaneously have a positive impact on Stock Returns with a coefficient of determination R-Squared value of 11.18 which indicates that the dependent variable (stock return) can get the influence of the independent variable (ROA and CR) of 11.18 while the remaining 88.82 is influenced by other variables that are not in this study. If the two variables are interpreted together, it turns out that the ROA variable has a lower value than the CR variable, so the ROA variable reduces the impact of the CR value on stock returns.

This research is in line with Nasution (2018) entitled "The Effect of Current Ratio, Debt To Equity Ratio, Total Asset Turnover, Return On Asset and Price Earning Ratio on Stock Returns in Food and Beverage Sector Manufacturing Companies listed on the IDX for the 2010-2015 Period" which states that simultaneously ROA and CR simultaneously affect stock returns.

### CONCLUSION

The results showed that, partially, return on assets did not have a significant effect on stock returns. This shows that if the return on equity value increases, it will affect the stock return value. This can show that if ROA is low, it shows that the company is not using assets optimally to generate profits. Furthermore, partially the Current Ratio has a significant effect on stock returns. This shows that a high CR in a company has good liquidity, the company has enough assets to cover its short-term liabilities. So that it can increase investor interest in the company's shares which in turn can encourage an increase in stock prices and increase stock returns. And finally, simultaneously, the return on assets and current ratio has a significant effect on stock returns. This shows that when a company has an increasing Current Ratio, it will affect the stock return that will be received by investors. So it can be interpreted that if the return on assets value increases, the stock return value will not necessarily increase, and if the current ratio value increases, the stock return value will increase.

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