

# Influence Analysis of Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Debt To Equity Ratio (DER), and current ratio (CR), Against Corporate Profit Growth In Automotive In Indonesia Stock Exchange

**Mohd. Heikal<sup>1</sup>**  
**Muammar Khaddafi<sup>1</sup>**  
**Ainatul Ummah<sup>2</sup>**

<sup>1</sup>Fakultas Ekonomi, Universitas Malikussaleh Lhokseumawe

<sup>2</sup>Alumni Faculty of Accounting Department of Economics, University Malikussaleh Lhokseumawe, Kampus Bukit Indah, Po.Box 141 Lhokseumawe, Aceh, Indonesia  
Email: ammar.dhafi88@gmail.com

DOI: 10.6007/IJARBSS/v4-i12/1331 URL: <http://dx.doi.org/10.6007/IJARBSS/v4-i12/1331>

## ABSTRACT

The purpose of this research to analyze the effect of Return On Asset, Return On Equity, Net Profit Margin, Debt To Equity Ratio and Current Ratio toward growth income either simultaneously or partially on automotive companies that were listed in Indonesia stock exchange. Independent variables used in this research were Return On Asset, Return On Equity, Net Profit Margin, Debt To Equity Ratio and Current Ratio and dependent variable in this research was growth income.

The data used in this research was secondary data as 55 samples with purposive sampling. The method used to analyze the relation between independent variable and dependent variable was multiple linear regression and classical assumption test.

The findings of this research identified that simultaneously independent variables Return On Asset, Return On Equity, Net Profit Margin, To Equity Ratio and Current Ratio with F test, effected together to growth income significantly 0.000. While the result partially with T test, Return On Asset, Return On Equity, and Net Profit Margin to growth income with significance and positive of each was 0.029, 0,041 and 0.008. While Debt To Equity Ratio and Current Ratio to growth income with significance and negative of 0.008 and 0,001.

Companies must be able to demonstrate a good performance, high growth potential, and delivered company information sufficient to investors about the company.

**Keywords:** *Return On Asset, Return On Equity, Net Profit Margin, Debt to Equity Ratio and Current Ratio*

1. INTRODUCTION

1.1. Background

Ratio analysis is a form or manner that is commonly used in analyzing the financial statements of a company. By using tools such as ratio analysis will be able to explain or illustrate the analyzer about the good and bad circumstances or financial position of a company. In this study consisted of using profitability ratios Return on Assets (ROA), Return on Equity (ROE) and Net Profit Margin (NPM), consisting of a leverage ratio Debt To Equity Ratio (DER) and liquidity ratios consists of current ratio (CR).

An assessment of the financial performance of the company through the financial ratio analysis to obtain a description of the financial development of the company, so we can assess what has been achieved in the past and in the future is running. In this study to measure the company's financial performance, earnings growth is used, because profit is as a tool to measure the performance of the company, which provides information relating to the management responsibilities in the management of the resources entrusted to them. (by Munawir, 2007: 68).

TABLE 1.1 FINANCIAL RATIOS AUTOMOTIVE COMPANY

No	The average ratio	2008	2009	2010	2011	2012
1	<i>Return On Asset (ROA)</i>	5,82	10,65	8,68	0,08	12,25
2	<i>Return On Equity (ROE)</i>	27,65	26,96	19,24	0,16	22,95
3	<i>Net Profit Margin (NPM)</i>	8,42	10,82	8,99	0,08	9,13
4	<i>Debt To Equity Ratio(DER)</i>	113,51	106,69	61,69	90,82	88,23
5	<i>Current ratio (CR)</i>	142,16	193,92	133,80	111,73	127,06
6	Profit Growth	76,65	49,17	81,52	77,36	181,44

Source: Processed data (2014)

Based on Table 1.1 can be seen that the average financial ratios automotive companies listed in Indonesia Stock Exchange during the years 2008 to 2012 profit with the amount varying each year. The phenomenon that occurs is, sometimes while Return on Assets (ROA) increased the company acquired in 2009 actually decreased earnings growth in 2009, where in 2009 the Return on Assets (ROA) worth 10.65% higher than the previous year of 5.82 %, but the growth in profits in 2009 decreased by 49.17% compared to 2008 is 76.65%.

In Table 1.1 Return on Equity (ROE) decreased the company acquired in 2010 actually increased profit growth in 2010, where in 2010 the Return On Equity (ROE) amounting to 19.24% lower than the previous year of 26.96%, but growth in profits in 2010 to increase the amount of 81.52% compared to 49.17% in 2009 ie. And when the net profit margin increased profit growth in 2009 actually declined in 2009, where in 2009 the net profit margin was 10.82% lower than in 2008 amounted to 8.42%, but profit growth has decreased by 49.17% 76.65% compared to

2008. Then the net profit margin in 2011 was 8.99% back but growth declining profits have increased 81.52% in 2011.

At Debt To Equity Ratio (DER) decreased profits actually go down and vice versa when the Debt To Equity Ratio (DER) increases earnings growth has increased, this phenomenon is seen in the year 2009 at which time the Debt To Equity Ratio (DER) experienced a decrease in the amount of 106.69% 113.54% compared to 2008, profits earned itself involved decreases in the amount of 49.17% compared to 76.65% in 2008. At Current Ratio (CR) in 2011 decreased by 111.73% compared to the year 2010 amounted to 133.80%, earnings growth actually go down in 2011 amounted to 77.36% compared to 81.52% the previous year.

## 1.2. Problem Formulation

Based on the above background, the formulation of the problem is formed as follows:

1. How to Influence Return on Assets (ROA) on the growth of the company's earnings Automotive in Indonesia Stock Exchange?
2. How to Influence the Return On Equity (ROE) to the profit growth in its Automotive in Indonesia Stock Exchange?
3. How to Influence Net Profit Margin (NPM) on the growth of the company's earnings Automotive in Indonesia Stock Exchange?
4. How To Influence Equity Debt Ratio (DER) to the profit growth in its Automotive in Indonesia Stock Exchange?
5. How to Influence Current Ratio (CR) of the Earnings growth at Automotive company in Indonesia Stock Exchange?
6. How to Influence Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Debt To Equity Ratio (DER), and the current ratio (CR) of the profit growth in automotive companies in Indonesia Stock Exchange?

## 1.3 Research Objectives

Based on the above background, the formulation of the problem is formed as follows:

1. To analyze the effect of Return on Assets (ROA) on the growth of the company's earnings Automotive in Indonesia Stock Exchange.
2. To analyze Effect Return On Equity (ROE) to the profit growth in its Automotive in Indonesia Stock Exchange.
3. To analyze the effect of net profit margin (NPM) of the income growth in the company's Automotive in Indonesia Stock Exchange.
4. To analyze the effect of Debt To Equity Ratio (DER) to the profit growth in its Automotive in Indonesia Stock Exchange.
5. To analyze the influence of the Current Ratio (CR) on the growth of the company's earnings Automotive in Indonesia Stock Exchange.
6. For analyzing the influence Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Debt To Equity Ratio (DER), and the current ratio (CR) of the Earnings Growth at Automotive Company in Indonesia Stock Exchange?

## 2. Theoretical Framework and Hypothesis Development

### 2.1. Effect of Return on Assets (ROA) of the Income Growth

According Prastowo (2002:86), Return on Assets (ROA) is used to measure the effectiveness of the company in generating profits by exploiting its assets. This ratio may give an indication of

good or bad neighbor management in implementing cost control or management of his property. Return on Assets (ROA) is often used as a tool to measure the rate of return on total assets after interest expense and taxes, (Brigham, 2001:109). The high Return On Assets (ROA) will be good for the company.

Value Return on Assets (ROA) high would indicate that the company is able to generate profits relatively high value assets. Investors would like the company to the value of Return on Assets (ROA) is high, as companies with Return on Assets (ROA) which is capable of producing high levels of corporate profits is greater than the Return on Assets (ROA) is low (Ang, 2001:231)

Return on Assets (ROA) is a financial ratio used to measure the degree to which the assets have been used to generate profits. The greater Return on Assets (ROA) shows that the better the company's performance, because of the greater rate of return on investment. (Riyanto, 2001:267). According to Harahap (2002: 304), the profitability of a company's ability to generate earnings for a certain period.

H 1 = Return on Assets (ROA) positive effect on Profit Growth

## 2.2. Effect of Return On Equity (ROE) Earnings To Growth

Ratios Return on Equity (ROE) shows the extent to which companies manage their own capital (net worth) effectively, measure the profitability of the investment that has been made owners of their own capital or shareholders of the company. Ang (2001) which states that the higher the ratio Return on Equity (ROE) will increase the profit growth. Return on Equity (ROE) indicates the profitability of own capital or often referred to as business profitability (Sawir, 2005: 20).

The higher the value the higher the ROE level of profit generated due to additional working capital can be used to finance the company's operations that could ultimately result in profit, (Suwarno: 2004). Irawan (2011) in his research found that the results of the Return On Equity (ROE) effect on profit growth This is due to the nature and pattern of investments made by the company are very precise so that all assets can be used efficiently so that profits be maximized. In addition to the revenue generated by capital from debt can be used to cover the cost of capital.

H 2 = Return On Equity (ROE) positive effect on Profit Growth

## 2.3. Effect of Net Profit Margin (NPM) Earnings To Growth

The greater the ratio of net profit margin, the better for being role in the company's ability to profit quite high. The higher net profit margin (NPM) showed that increasing the company achieved net profit to net sales (Harahap: 2007:304). Irawan (2011) in his research proved that the net profit margin (NPM) effect on profit growth. This is due to that the company has a ratio of Net Profit Margin (NPM) is high tend to have higher earnings growth as well and vice versa. Net Profit Margin (NPM) is high indicates that the company is able to increase its business through the achievement of operating profit in the period. With the achievement of these earnings, investors will get a positive picture of the performance of the company so that investors can expect a high return on its equity. Thus it can be said that earnings growth will also increase.

H 3 = Net Profit Margin (NPM) positive effect on Profit Growth

## 2.4. Effect of Debt To Equity Ratio (DER) Earnings To Growth

Debt to equity ratio (DER) reflects the company's ability to meet all its obligations, which is indicated by what proportion of equity capital used to pay the debt. In other words, this ratio is used to determine what portion of any equity capital as collateral for overall corporate debt or to assess the amount of debt used by the company.

According Darsono (2005:54), "Debt to equity ratio (DER) is a ratio that shows the percentage of provision of funds by the shareholders of the lender". The greater the debt-to-equity ratio (DER), the greater the loan capital that would cause the larger the debt burden (interest cost) that must be borne by the company. The growing debt burden of the company's profits will be reduced. Thus the debt-to-equity ratio (DER) a high impact on the size of the company's ability to distribute or make a profit are high.

Debt to equity ratio (DER) is a financial ratio that indicates the proportion of relationships (relativity) between debt and equity used to finance the company's assets. The greater the proportion of debt used for capital structure of a company, the greater the amount of obligations (Riyanto, 2001:25).

Companies with debt-to-equity ratio (DER) is high will have difficulties to obtain additional funds from outside. Obligation not something bad if it can provide benefits to its owner and used effectively and earned enough income to pay interest periodically. With a Debt-To-Equity Ratio (DER) which bear the company's high risk high losses but also the opportunity to earn increased profits. Debt to equity ratio (DER) high impact on improving earnings changes, meant to give effect to the company's profits (Kuswadi, 2005:90). Irawan (2011) in his research found that the results Debt to equity ratio (DER) negative effect on earnings growth. Princess (2010) found that the higher the DER identified high total debt that can be used to generate income.

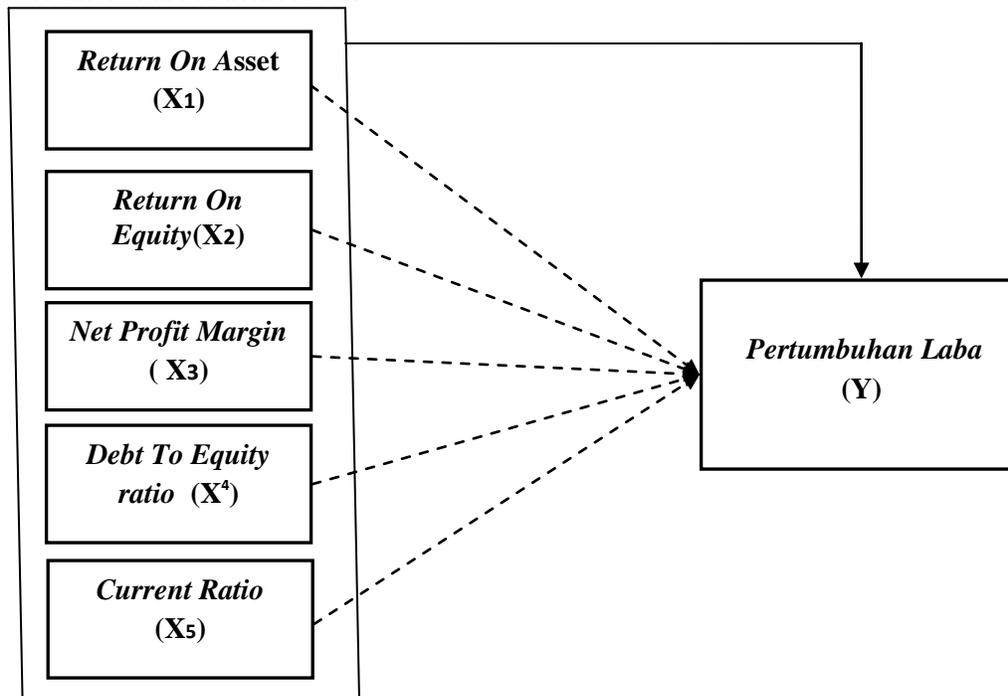
H 4 = Debt-to-equity ratio (DER) negative effect on Profit Growth

#### 2.5. Effect of Current Ratio (CR) Earnings To Growth

Current ratio (CR) is a company's ability to pay off short-term debt with current assets of the company. Current ratio (CR) indicates not a good proxy for the company in determining its future earnings growth (Women: 2010). This could be influenced by the supply of raw materials and goods in process is not ready for sale listed in the Current assets, so that the magnitude of this component will increase the current ratio (CR) but did not make a profit because the company must pay for the processing fee to process the inventory into finished goods ready for sale. In addition, if excessive inventories are not making a profit because the company must pay as the cost of storage and physical damage. So the effect of the current ratio (CR) ratio is negative. Where the current ratio (CR) growing niche to experience a decline in profits. Ang (2001) stated that the high CR value of a company will reduce uncertainty for investors, however, indicate that the funds idle (idle cash) that will reduce the level of corporate profits.

H 5 = Current Ratio (CR) negative effect on Profit Growth

**CONCEPTUAL FRAMEWORK**



Description:

- F Test
- T Test

**3. METHODOLOGY**

**3.1. Population and Sample**

Population to be studied in this research is all the automotive companies listed in Indonesia Stock Exchange during the period 2008 to 2012, amounting to 12 companies. The selection of samples was determined by using a purposive sampling method in order to obtain a representative sample that is representative of the data to be examined in accordance with the following criteria:

1. Automotive companies listed on the Stock Exchange in the year 2008 to 2012.
2. Companies have a complete financial statements and audited in the year 2008 to 2012.

**3.2. Data Collection Techniques**

Data used in this study are secondary data from annual financial reports that in the period 2008-2012. Secondary data is data that has been collected by the data collection agency and published to the community of data users (Kuncoro, 2009:148). Therefore, data collection techniques used in this study using the techniques of documentation that is by collecting, recording, and reviewing secondary data in the form of audited financial statements published by the company Automotive Indonesia Stock Exchange.

**3.3. Operationalization of Variables**

**3.3.1. Independent Variables**

Independent variables are variables that can affect a change in the dependent variable and has a positive or negative relationship for the other dependent variables (Kuncoro, 2009:50). Independent variables used in this study is ROA, ROE, NPM, DER and Current Ratio

$$\text{Return On Asset} = \frac{\text{laba sebelum bunga dan pajak}}{\text{total aktiva}} \text{ Mardiyanto (2009:61)}$$

$$\text{Return On Equity} = \frac{\text{laba sebelum bunga dan pajak}}{\text{total ekuitas}} \text{ Mardiyanto (2009:61)}$$

$$\text{Net Profit Margin} = \frac{\text{laba bersih}}{\text{penjualan bersih}} \text{ Mardiyanto (2009:61)}$$

$$\text{Debt To Equity Ratio} = \frac{\text{Total Kewajiban}}{\text{Total Modal}} \text{ Sartono (2001:64)}$$

$$\text{Rasio lancar} = \frac{\text{aktiva lancar}}{\text{kewajiban lancar}} \text{ Sartono (2001:62)}$$

### 3.3.2. Dependent Variable

The dependent variable used in this research is earnings growth. According to Usman (2003), earnings growth used in this study is the profit after tax, which reduced earnings income for the period t-1 and period t divided by the period t-1.

$$\Delta Y_{it} = \frac{(Y_{it} - Y_{it-1})}{Y_{it-1}}$$

Description:

$\Delta Y_{it}$  = profit growth in period t

$Y_{it}$  = profit of firm i in period t

$Y_{it-1}$  = profit of firm i in period t-1

### 3.4. Methods of Data Analysis

#### 3.5.1. Descriptive Statistics Analysis

According Nurgiyantoro (2004:42), descriptive statistical analysis is a technique that provides descriptive information about the data held and does not intend to test the hypothesis. This analysis is only used to present and analyze the data with the calculations in order to clarify the circumstances or characteristics of the data in question. The measurements used in this study is the mean, standard deviation, maximum, and minimum. Mean is used to determine the average data is concerned. Standard deviation is used to determine how much data is concerned vary from the average. Used to determine the maximum amount of data that is most relevant. The minimum is used to determine the smallest amount of data is concerned.

#### 3.5.2. Testing Assumptions Classic

Data analysis method used is multiple regression analysis model Using regression analysis methods in testing the hypothesis, first tested whether the model meets the assumptions of classical or not. Testing includes normality test, autocorrelation, multicollinearity test and test heteroskedastisitas.

#### 3.5.3 Multiple Linear Regression Analysis

The analytical method used is multiple linear regression analysis. In this study there are only five independent variables are return on assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Debt To Equity Ratio (DER) and current ratio (CR) and there is one dependent

variable is the growth earnings have a relationship of mutual influence of these variables. Regression model that can be obtained in this analysis are:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + \epsilon$$

Description:

- Y = profit growth
- a = Constanta
- X1 = Return on assets
- X2 = Return On Equity
- X3 = Net Profit Margin
- X4 = Debt to Equity Ratio
- X5 = Current Ratio
- b<sub>1</sub>b<sub>2</sub>b<sub>3</sub>b<sub>4</sub>b<sub>5</sub> = regression coefficient
- € = standard error

### 3.5. Hypothesis Testing

#### a. The T test (partial)

T statistical test basically shows how far the influence of the explanatory variables / independent individual in explaining variation in the dependent variable (Ghozali, 2006:260 ). According Ghozali (2006:260) This test is performed with the following conditions:

Ho is accepted if the number of significance > 5%

Ha is accepted if the number of significance < 5%

#### b. Testing F (simultaneous)

This test aims to determine the effect of independent variables together against the dependent variable to see significant value F. If the significance F value less than 0.05 then the alternative hypothesis can not be rejected or with  $\alpha = 5\%$  statistically independent variables affect the dependent variable together (Ghozali, 2006:260).

## 4. Results of Data Analysis and Discussion

### 4.1 Discussion

#### 4.1.1. Hypothesis Testing

##### 4.1.1.1. T Test Results (Partial Test)

To determine the effect of independent variables on the dependent variable can be partially seen from the results of the t test. The following description of the results of the t test (partial) to determine the effect of independent variables on the dependent variable partially. T test results can be seen in Table 4.1 below:

TABLE 4.1 PARTIAL RESULTS OF SIGNIFICANCE TEST

Model		Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	67.741	21.268		3.185	.003
	Return On Asset	5.425	2.409	.312	2.252	.029
	Return On Equity	1.580	.751	.269	2.104	.041
	Net Profit Margin	5.377	1.942	.350	2.769	.008
	Debt To Equity Ratio	-.339	.123	-.266	-2.766	.008
	Current Ratio	-.466	.128	-.402	-3.650	.001

a. Dependent Variable: Profit Growth

Source: Data processed (2014)

a. Return on Assets (ROA) effect on Profit Growth In Automotive Company in Indonesia Stock Exchange.

From Table 4.1 it can be seen the model equations for a variable return on assets has a significance level, which is 0,029 less than the significance level  $\alpha$  value (0.05). If a significant level  $\alpha < 0.05$ , then the hypothesis stated return on assets has a positive effect on earnings growth in the automotive company in Indonesia Stock Exchange. The positive influence between the return on assets with income growth suggests that any increase in the value of return on assets in general will lead to increased profits for companies means increasing the company's ability to generate earnings growth will ensure that the company's profit will increase due to ROA is a ratio that shows how effective the company resulting operating profit / profit for the company

The results are consistent with previous research conducted by Irawan (2011), Cahyanigrum (2010), Hapsari (2007), and Appriyani (2011) which resulted in that there is a significant and positive effect between return on assets with income growth. The results of this study also supports the theory Ang, (2001:231). Which states that companies with Return on Assets (ROA) which is capable of producing high levels of corporate profits is greater than the Return on Assets (ROA) is low. Sartono (2001:64) mentions that the Return on Assets (ROA) is one of the profitability ratio, ie the ratio that shows how effective the company operates so as to produce a profit / profit for the company. According to Harahap (2002: 304), the profitability of a company's ability to generate earnings for a certain period.

b. Return on Equity (ROE) effect on Profit Growth In Automotive Company In Indonesia Stock Exchange

For variable Return On Equity acquired a significance level of 0.041 is smaller than the significance level  $\alpha$  (0.05). If the value of significant level  $\alpha < 0.05$ , then the hypothesis stating Return On Equity positive and significant effect on income growth in the automotive company in Indonesia Stock Exchange. The positive influence between the Return On Equity Earnings Growth occurs because the company is able to effectively manage capital so that

profit the company generated higher. The results are consistent with previous studies conducted by Irawan (2011) and Appriyani (2011) where Return On Equity positive and significant effect on earnings growth at companies listed in Indonesia Stock Exchange 2009-2011. This study also supports the theory Suwarno (2004), which mentions The higher the value the higher the ROE level of profit generated due to additional working capital can be used to finance the company's operations that could ultimately result in profit. Harahap (2002: 304), mentions that the profitability of a company's ability to generate earnings for a certain period. On the other hand Ang (2001:231) also states that the higher the ratio Return on Equity (ROE) will increase the profit growth. Then Irawan (2011) in his research found the Return On Equity (ROE) effect on profit growth due to the nature and pattern of investments made by the company are very precise so that all assets can be used efficiently so that profits be maximized. In addition to the revenue generated by capital from debt can be used to cover the cost of capital.

c. Net Profit Margin (NPM) effect on Profit Growth In Automotive Company in Indonesia Stock Exchange.

To Net Profit Margin acquired a significance level of 0.008 is smaller than the significance level  $\alpha$  (0.05). If the level of significance  $< \alpha = 0.05$ , then the hypothesis is stated net profit margin positive and significant effect on income growth in the automotive company in Indonesia Stock Exchange. The positive influence between the Net Profit Margin Profit Growth occurs because the company is able to generate high profits from each sale of the company so that the company's earnings growth will continue to increase.

The results of this study are consistent with previous studies conducted by Irawan (2011), Cahyanigrum (2010) Hapsarai (2007) and Appriyani (2011) concluded that the net profit margin positive and significant effect on earnings growth. This is due to that the company has a ratio of Net Profit Margin (NPM) is high tend to have higher earnings growth resulting from higher sales as well. The results of this study support the theory Harahap (2007:304) states The higher net profit margin (NPM) showed that increasing the company achieved net profit to net sales. These results are also consistent with the results of research conducted by Women (2010) which states NPM ratio increased due to the increase in sales is greater than the increase in costs that will add to earnings in the future. Then Irawan (2011) found that the company had a ratio of Net Profit Margin (NPM) is high tend to have higher earnings growth as well and vice versa.

d. Debt To Equity Ratio (DER) effect on Profit Growth In Automotive Company in Indonesia Stock Exchange.

For Debt To Equity Ratio acquired a significance level of 0.008 is smaller than the significance level  $\alpha$  (0.05). If the level of significance  $< \alpha = 0.05$ , then the hypothesis stating Debt To Equity Ratio is negative and significant effect on income growth in the automotive company in Indonesia Stock Exchange. The existence of a negative influence between Debt To Equity Ratio by Profit Growth occurs because of the high proportion of debt that the company will be higher the liabilities of the company and ultimately the company's profit growth will be low.

The results of this study are consistent with previous studies conducted by Irawan (2011). The results of this study support the theory RJ (2001:25) which states that the debt-to-equity ratio (DER) is a financial ratio that indicates the proportion of relationships (relativity)

between debt and equity used to finance the company's assets. The greater the proportion of debt used for capital structure of a company, the greater the number of its obligations. These results are also in accordance with the opinion Kuswadi (2005:90), which states that The Debt To Equity Ratio (DER) are high company to bear the risk of high losses but also the opportunity to earn increased profits. Debt To Equity Ratio (DER) high impact on improving earnings changes, meant to give effect to the company's advantage. On the other hand Princess (2010) argues that the higher DER identifies that the total high debt that can be used to generate income

e. Current Ratio (CR) effect on Profit Growth In Automotive Company in Indonesia Stock Exchange.

Current Ratio is obtained for a significance level of 0.001 is smaller than the significance level  $\alpha$  (0.05). If the level of significance  $\alpha = 0.05$ , then the hypothesis stating the meaning of the Current Ratio and significant negative effect on income growth in the automotive company in Indonesia Stock Exchange. The existence of negative effects between the Current Ratio Profit Growth occurs because the inventory of raw materials and goods in process is not ready for sale listed in the Current assets, so that the magnitude of this component will increase the current ratio (CR) but did not make a profit because the company must pay for processing fee to process the inventory into finished goods ready for sale.

The results of this study are consistent with previous research conducted by the daughter (2010). The results of this study support the notion Daughter (2010) which states that the current ratio (CR) indicates not a good proxy for the company in determining its future earnings growth. On the other hand Ang (2001) stated that the high CR value of a company will reduce uncertainty for investors, however, indicate the presence of idle funds that will reduce the level of corporate profits.

4.3.1.2. F Test Results (Test Simultaneous)

F-test is conducted to determine the effect of independent variables on the dependent variable simultaneously. F-test results in Table 4.2 to the following:

Table 4.2. SIMULTANEOUS SIGNIFICANCE TEST RESULTS

ANOVA <sup>b</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	432193.443	5	86438.689	12.445	.000 <sup>a</sup>
	Residual	340340.616	49	6945.727		
	Total	772534.059	54			
a. Predictors: (Constant), Current Ratio, Debt To Equity Ratio, Return On Equity, Net Profit Margin, Return On Asset						
b. Dependent Variable: Profit Growth						

Source: Data processed (2014)

Based on Table 4.2 above F test results obtained for ROA, ROE, NPM DER, and CR positive and significant effect on earnings growth with a significant level of 0.000 which is  $\alpha = 0.05$ .

According Ghozali (2006:260) Ha accepted if the number of significance  $<0.05$ . The results are consistent with previous studies conducted by Irawan (2011) and Cahyaningrum (2010).

### **5.1 CONCLUSION**

Based on the results of research and discussion, the researcher suggests the following conclusions:

1. The Return On Asset positive and significant effect on earnings growth in its Automotive in Indonesia Stock Exchange.
2. Return On Equity positive and significant effect on income growth in the company's Automotive in Indonesia Stock Exchange.
3. Net Profit Margin positive and significant effect on income growth in the company's Automotive in Indonesia Stock Exchange.
4. Debt To Equity Ratio and significant negative effect on the company's Automotive Earnings Growth in Indonesia Stock Exchange.
5. Current Ratio and significant negative effect on the company's Automotive Earnings Growth in Indonesia Stock Exchange.
6. Return on Assets, Return on Equity, Net Profit Margin, Debt To Equity Ratio Current ratio and positive and significant impact on Profit Growth at Automotive companies in Indonesia Stock Exchange.

### **5.2 ADVICE**

The advice can be given in this study are as follows:

1. Those companies, more attention is expected that the company's ability to generate profits by means of the use of cost effective and efficient downloading, managing debt, and Regulate the use of external funds in financing the expansion and future operations.
2. Studies For further, in order to further expand the company to be tested, so that many samples will be Obtained and Obtain more accurate results. Researchers also suggested to the next Researchers will use a longer time.

### **REFERENCES**

- Ang, R. (2001). Buku Pintar Pasar Modal Indonesia. Media Soft Indonesia.
- Arikunto, S. (2002), Prosedur Penelitian, Rineka Cipta: Jakarta.
- Brigham Eugene F. dan Houston Joel F, (2005), Manajemen Keuangan, Edisi kesepuluh, Buku Satu, (Terjemahan Ali Akbar Yulianto). Erlangga : Jakarta.
- Bursa, Efek Indonesia, (2011), Laporan Keuangan Auditan, Sumber : [Http//.. www. Idx.co.id](http://www.idx.co.id). Di unduh Tanggal 15 januari 2012.
- Cahyaningrum (2010), Analiis manfaat Rasio keuangan dalam memprediksi pertumbuhan laba perusahaan Manufaktur di Bursa Efek Indonesia
- Darsono, (2005). Manajemen Keuangan Perusahaan. Bayumedia Publishing : Malang.
- Ghozali, I. (2006). Aplikasi Analisis Multivariate dengan Program SPSS. Badan Penerbit Universitas Diponegoro, Semarang.
- Hapsari, Epri Ayu (2007) Analisis Rasio Keuangan untuk memprediksi pertumbuhan laba Pada perusahaan manufaktur di bursa efek jakarta selama 2001-2005
- Harahap, Sofyan Safri (2006). Analisis Kritis Atas Laporan Keuangan. Edisi Revisi, Yogyakarta : UPP. AMP. YKPN.
- Harahap, Sofyan Safri. (2007). Teori Akuntansi: Laporan keuangan. PT.Bumi Aksara. Jakarta.

- Harmono, (2009), Manajemen keuangan berbasis balanced scorcard. Universitas Merdeka Malang.
- Horne, James C Van dan John M. Wachowicz, JR. (2005). Prinsip-Prinsip Manajemen Keuangan, Salemba Empat : Jakarta
- Ikatan Akuntan Indonesia, (2009), Standar Akuntansi Keuangan. Salemba Empat, Jakarta.
- Irawan (2011), Pengaruh Rasio Keuangan Terhadap Pertumbuhan Laba Pada Perusahaan Asuransi yang terdaftar di Bursa Efek Indonesia selama tahun 2007-2011.
- Indah, Kurniawaty (2009), Analisis Rasio Keuangan untuk menilai kinerja perusahaan daerah air minum pada PDAM kota sorong.
- Kuswadi.2005. Meningkatkan Laba Melalui Pendekatan Akuntansi Keuangan dan Akuntansi Biaya. Jakarta: PT Elex Media Komputindo.
- Kuncoro, M. (2009), Metode Riset Untuk Bisnis dan Ekonomi, Edisi ketiga, PT. Glora Aksara Pratama, Erlangga.
- Martono dan Harjito 2008. Manajemen Keuangan Perusahaan. Jilid Pertama. Edisi Ketiga. Malang: Bayumedia Publishing.
- Meriewaty, Dian dkk (2005). Analisis Rasio Keuangan terhadap Perubahan Kinerja pada Perusahaan di Industri Food And Beverages Yang Terdaftar di BEJ. Jurnal Akuntansi.
- Muchlis, (2000), Manajemen keuangan. Jilid pertama. Edisi ke dua. PT. Grasindo Jakarta
- Munawir, S. (2007), Analisa Laporan Keuangan. BPFE, Yogyakarta
- Mardiyanto, Handoyo. (2009). Intisari Manajemen Keuangan. PT Grasindo : Jakarta
- Nurgiantoro .(2004). Metode Penelitian Bisnis. Yogyakarta: BPFE
- Prastowo, Dwi, (2002), Analisis Laporan Keuangan : Konsep dan Aplikasi. YKPN : Yogyakarta
- Putri, Dwi Prabowo, (2010), Pengaruh rasio-rasio keuangan terhadap pertumbuhan laba pada perusahaan Otomotif yang terdaftar di Bursa Efe Indonesia, Universitas pembangunan nasional, jakarta. Di unduh 2 oktober 2013
- Riyanto, Bambang. (2001). Dasar-Dasar Pembelanjaan Perusahaan. Yogyakarta: BPFE.
- Simamora, Henry,(2000), Akuntansi Basis Pengambilan Keputusan Bisnis Jilid II. Salemba Empat, Yogyakarta.
- Sartono, R. Agus, (2001), Manajemen Keuangan (Teori dan Aplikasi), Edisi Keempat, BPFE : Yogyakarta.
- Sawir, Agnes. (2005). Analisis Kinerja Keuangan dan Perencanaan Keuangan Perusahaan. Jakarta : Penerbit Gramedia Pustaka Utama.
- Sugiyono. (2008). Metode Penelitian Bisnis, Cetakan Kesebelas, Alfabeta, Bandung.
- Sutrisno, (2008), Analisis Laporan Keuangan. Cetakan kedelapan : Yogyakarta.
- Suwarno, Agus Endro (2004). "*Manfaat Informasi Rasio Keuangan Dalam Memprediksi Perubahan Laba (Studi Empiris terhadap Perusahaan Manufaktur Go Publik di Bursa Efek Jakarta)*". Jurnal Akuntansi dan Keuangan, Vol. 3, No. 2
- Usman, B, 2003, "Analisis Rasio Keuangan dalam Memprediksi Perubahan Laba pada Bank-bank di Indonesia", Media Riset Bisnis dan Manajemen, VOL 3, No 1, hal 59-74. Diunduh Tanggal 12 November 2012.  
[http://www.fe.trisakti.ac.id/profildosen/abstracts/BahtiarUsman\\_AnalisisRasioKeuPrediksiLaba.pdf](http://www.fe.trisakti.ac.id/profildosen/abstracts/BahtiarUsman_AnalisisRasioKeuPrediksiLaba.pdf).

Wild, John J, K.R.Subramanyam dan Robert F.Halsey, (2005), Analisis Laporan Keuangan, Edisi 8, Salemba Empat : Jakarta.

Wahyuni (2012). Analisis Pengaruh Kinerja Keuangan Bank Terhadap Pertumbuhan Bank. Diunduh Tanggal 12 November 2012.  
<http://repository.unhas.ac.id/handle/123456789/1590>