

TABLE OF CONTENTS

	page
COVER PAGE	
TITLE PAGE	
DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD AGREEMENT	ii
APPROVAL PAGE BY FINAL PAPER ADVISOR.....	iv
APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE.....	v
ABSTRACT	vi
ABSTRAK	vii
PREFACE.....	viii
TABLE OF CONTENTS.....	x
LIST OF FIGURES	xiv
LIST OF TABLES	xv
LIST OF APPENDICES	xvi

CHAPTER 1 INTRODUCTION

1.1. Background of the study	1
1.2. Problem Limitation	10
1.3. Problem Formulation	10
1.4. Objective of the research.....	11
1.5. Benefit of the Research	12
1.5.1. Theoretical Benefit	12
1.5.2. Practical Benefit.....	12

1.5.3. Researchers Benefit	12
----------------------------------	----

CHAPTER II LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1. Theoretical Background	13
2.1.1. Signalling Theory	13
2.1.2. Debt to Equity Ratio	15
2.1.3. Firm Size	18
2.1.4. Total Asset Turnover	20
2.1.5. Return on Asset (ROA)	23
2.2. Previous Research	26
2.3. Hypothesis Development	28
2.3.1. The Influence of Debt-to-Equity Ratio toward Return on Asset	28
2.3.2. The Influence of Firm Size toward Return on Assets	29
2.3.3. The Influence of Total Asset Turnover toward Return on Assets	30
2.3.4. The Influence of Debt-to-Equity Ratio, Firm Size, and Total Asset Turnover toward Return on Asset	31
2.4. Research Model	33
2.5. Framework of Thinking	34

CHAPTER III RESEARCH METHODOLOGY

3.1. Research Design	35
3.2. Population and Sample	36
3.3. Data Collection Method	39
3.4. Operational Variable Definition and Variable Measurement	39
3.4.1. Debt to Equity Ratio (X1)	40
3.4.2. Firm Size (X2)	40

3.4.3. Total Asset Turnover (X3)	41
3.4.4. Return on Assets (Y)	41
3.5. Data Analysis Method.....	42
3.5.1. Descriptive Statistics	42
3.5.2. Classical Assumption Test	43
3.5.2.1. Normality Test.....	43
3.5.2.2. Multicollinearity Test	45
3.5.2.3. Heteroscedasticity Test.....	45
3.5.2.4. Autocorrelation Test	46
3.5.3. Multiple Linear Regression Analysis	47
3.5.4. Hypothesis Test	48
3.5.4.1. Parameter Individual Significance Test (T-test).....	48
3.5.4.2. Simultaneous Significance Test (F-test)	49
3.5.4.3. Coefficient of Determination (Adjusted R ²).....	49
3.5.4.4. Effective and Relative Contribution	50

CHAPTER IV RESEARCH RESULT AND DISCUSSION

4.1. General View of Food and Beverage Companies listed on Indonesia Stock Exchange (IDX)	51
4.2. Results of Data Analysis	60
4.2.1. Descriptive Statistics	60
4.2.2. Results of Classical Assumption Test.....	62
4.2.2.1. Normality Test.....	62
4.2.2.2. Multicollinearity Test	64
4.2.2.3. Heteroscedasticity Test.....	65

4.2.2.4. Autocorrelation Test.....	67
4.2.3. Multiple Linear Regression Analysis	69
4.2.4. Result of Hypothesis Testing	70
4.2.4.1. Parameter Individual Significance Test (t-Test).....	70
4.2.4.2. Simultaneous Significance Test (F-Test)	72
4.2.4.3. Coefficient of Determination (Adjusted R ²).....	73
4.2.4.4. Effective and Relative Contribution.....	74
4.3. Discussion	76
4.3.1. The Influence of Debt-to-Equity Ratio towards Return on Assets	77
4.3.2. The Influennce of Firm Size towards Return on Assets.....	77
4.3.3. The Influence of Total Asset Turnover towards Return on Assets	78
4.3.4. The Influence of Debt-to-Equity Ratio, Firm Size, and Total Asset Turnover toward Return on Assets.....	79

CHAPTER V CONCLUSION

5.1. Conclusion	81
5.2. Recommendation.....	83
REFERENCES.....	85

LIST OF FIGURES

	page
Figure 1. 1 Contribution of the business sector to GDP (in billions of rupiah)	3
Figure 1. 2 GDP contribution of food and beverage sector (in billions of rupiah) ..	4
Figure 1. 3 Population growth in Indonesia	5
Figure 2. 1 Research Model	33
Figure 2. 2 Framework of Thinking	34
Figure 4. 1 Histogram of Normality Test	63
Figure 4. 2 Probability Plot of Normality Test	63
Figure 4. 3 Scatterplot Graph Test	66
Figure 4. 4 Tcount and Ttable Comparisons with Curves	71

LIST OF TABLES

	Page
Table 1. 1 The Comparison of Debt-to-Equity Ratio, Firm Size, Total Asset Turnover and Return on Assets of Food and Beverage Companies listed in Indonesia Stock Exchange During 2016-2019.....	8
Table 2. 1 Criteria for firm Size	19
Table 2. 2 Previous Research	26
Table 3. 1 Criteria of Sample Selection	37
Table 3. 2 Definition of Operational Variable and Variable Measurement.....	41
Table 3. 3 Form of Data Transformation	44
Table 4. 1 Descriptive Statistics.....	61
Table 4. 2 One-Sample Kolmogorov-Smirnov Test Result	64
Table 4. 3 Multicollinearity Test Result	65
Table 4. 4 Heteroscedasticity Test using Glejser Test	66
Table 4. 5 Autocorrelation Test using Durbin-Watson Test Result.....	67
Table 4. 6 Autocorrelation Test using Durbin-Watson Test with Cochrane Orcutt Method Result	68
Table 4. 7 Summary of Classical Assumption Test Result.....	68
Table 4. 8 Multiple Linear Regression Analysis.....	69
Table 4. 9 T-Test Result.....	70
Table 4. 10 F-Test Result	72
Table 4. 11 Coefficient of Determination (Adjusted R ²) Result	74
Table 4. 12 Pearson Correlation.....	74
Table 4. 13 Effective and Relative Contribution	75
Table 4. 14 Effective Contribution.....	75
Table 4. 15 Relative Contribution	76
Table 4. 16 Summary of Hypothesis Test Result.....	79

LIST OF APPENDICES

	page
APPENDIX A : LIST OF POPULATION AND SAMPLE OF FOOD AND BEVERAGE COMPANIES LISTED ON INDONESIA STOCK EXCHANGE IN THE PERIOD YEAR 2016-2019	A-1
APPENDIX B : CALCULATION OF DEBT TO EQUITY RATIO (DER)	B-1
APPENDIX C: CALCULATION OF FIRM SIZE	C-1
APPENDIX D: CALCULATION OF TOTAL ASSET TURNOVER (TATO).....	D-1
APPENDIX E: CALCULATION OF RETURN ON ASSETS (ROA).....	E-1
APPENDIX F: SPSS OUTPUTS RESULTS	F-1
APPENDIX G: STATISTICAL TABLE.....	G-1