

ABSTRACT

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THE EFFECT OF LIQUIDITY AND SOLVABILITY ON THE PROFITABILITY OF FOOD AND BEVERAGE FIRMS LISTED ON INDONESIA STOCK EXCHANGE (IDX) PERIOD OF 2009 TO 2019

(xiii + 58 pages; 15 tables; 4 figures; 22 appendices)

This study aims to examine the effect of liquidity and solvability on the profitability of food and beverage companies listed on the Indonesia Stock Exchange (IDX). Liquidity is indicated by the variable Current Ratio and Quick Ratio, solvability is indicated by the variable Debt Ratio, Debt to Equity Ratio, and Interest Coverage Ratio, while profitability is indicated by Return on Assets and Return on Equity.

This study uses 27 food and beverage companies listed on the Indonesia Stock Exchange during the period 2009 to 2019. The purpose of this study is to identify how liquidity and solvency affect company profitability. The results showed that both liquidity and solvency had a significant effect on the profitability of Food and Beverage companies listed on the Indonesia Stock Exchange (IDX).

References: 40 (2000-2020)

Keywords: liquidity, solvability, profitability