

ABSTRACT

THE EFFECT OF DEBT TO ASSET RATIO AND DEBT TO EQUITY RATIO ON RETURN ON ASSET OF TRANSPORTATION COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE

Muhammad Rizky Fadillah ¹⁾, Zulkifli ²⁾,

1) *Student Of Management Department, Universitas Pembangunan Jaya*

2) *Lecturer Of Management Department, Universitas Pembangunan Jaya*

This research aims to test whether the debt-to-asset ratio and debt-to-equity ratio influence the return on assets of transportation companies. The type of research used in this research is quantitative research. This research uses return on assets as the dependent variable. Meanwhile, the variables debt-to-asset ratio and debt-to-equity ratio act as independent variables. The population in this study was 36, and after the selection process, a sample of 27 transportation companies was selected. The statistical testing method used is panel data regression analysis using Eviews 12 software. The results of this research are that the debt-to-asset ratio has a negative and significant effect on the return on assets. Meanwhile, the debt-to-equity ratio has no significant effect on the return on assets of transportation companies in 2019–2022.

Keywords: *Debt to equity ratio, Debt to asset ratio, Return on asset.*