ABSTRACT

The Influence of Current Ratio, Return On Assets, & Return On Equity on Debt To Equity Ratio (Case Study of Coal Subsector Mining Sector Companies Listed on the Indonesia Stock Exchange 2019-2022)

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The debt to equity ratio of mining companies in the coal subsector has decreased significantly from the standard debt to equity ratio limit. Based on trade off theory, it should still be safe for companies to increase debt funding, but the possibility of this decrease is influenced by increasing liquidity and company profits so that the current financial ratio, return on assets and return on equity have an influence on increasing and decreasing the debt to equity ratio. This research has a sample of 15 companies listed on the IDX from 2019-2022. The sampling technique used was purposive sampling technique. The research results show that (a) the current ratio (X1) has a negative and significant influence on the debt to equity ratio. (b) return on assets (X2) has a positive and significant influence on the debt to equity ratio. (c) return on equity (X3) has a negative and significant influence on the debt to equity ratio.

Keywords: current ratio, return on assets, return on equity, debt to equity ratio, coal mining subsector