

ABSTRACT

EFFECT OF RETURN ON ASSET, CURRENT RATIO, DEBT TO EQUITY RATIO AND TOTAL ASSET TURNOVER ON FINANCIAL DISTRESS (Case Study of Food and Beverage Subsector Listed on the Indonesia Stock Exchange 2020 - 2023)

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This study aims to analyze the effect of Return on Asset (ROA), Current Ratio (CR), Debt to Equity Ratio (DER), and Total Asset Turnover (TATO) on Financial Distress in food and beverage subsectors companies listed on the Indonesia Stock Exchange for the period 2020-2023. The population in this study is the food and beverage subsector listed on the Indonesia Stock Exchange. The research sample was determined through purposive sampling technique and resulted in 72 companies as the object of research with a total of 288 data. The research method used is a quantitative approach with panel data regression analysis using Eviews 12. This study was measured using the Springate Model. The results showed that ROA, CR and DER had no effect on Financial Distress, while TATO did. This research illustrates that not all aspects of financial performance have the same influence on the potential for Financial Distress in the food and beverage subsector.

Key Points: ROA, CR, DER, TATO, Financial Distress