

ABSTRACT

EFFECT OF CURRENT RATIO, RETURN OF EQUITY AND DEBT TO EQUITY RATIO ON PRICE EARNING RATIO

Sarah Thalia Pentauly¹⁾, Dalizanolo Hulu²⁾, Zulkifli²⁾

¹⁾ Student of Management Department, Pembangunan Jaya University

²⁾ Lecturer of Accounting Department, Pembangunan Jaya University

Every activity in the company tries to realize the goals that have been planned. This study aims to determine the effect of X1 on Y (H1), X2 on Y (H2), X3 on Y (H3).

The research method used is quantitative. The analytical method uses multiple linear regression with data collection using secondary data. Results showed that Current Ratio (H1) has a $t_{count} > t_{table}$ ($2.963 > 1.975$), and a value (Sig.) $<$ criteria ($0.003 < 0.050$), which means that Current Ratio has an influence on the Price Earning Ratio. Debt to Equity Ratio (H2) has a $t_{count} > t_{table}$ ($3.199 > 1.975$), and a value (Sig.) $<$ criteria ($0.001 < 0.050$), which means Debt to Equity Ratio has an influence on the Price Earning Ratio. Return On Equity (H3) has a $t_{count} > t_{table}$ ($3.893 > 1.975$), and a value (Sig.) $<$ criteria ($0.000 < 0.050$), which means that Return on Equity has an influence on the Price Earning Ratio so, it can be concluded that X1, X2 and X3 have a partial effect on Y.

Keywords: Current Ratio, Debt to Equity Ratio, Return on Equity, Price Earning Ratio

Libraries: xx

Publication Years: 2023 – 2033