

ABSTRACT

One of the main goals of establishing a company is to obtain maximum profit, a company with a high profit rate can attract investors to invest their funds in the company. This study uses Return on Equity which can measure how much investors get a return on their invested capital. Return on Equity in automotive and components subsector companies listed on the Indonesia Stock Exchange period 2013-2018 always fluctuates every year and tends to decline, so companies need to pay attention to factors that can affect the value of Return on Equity such as the company's capital structure, liquidity level, asset management, and firm size.

The purpose of this study is to determine the effect of Debt to Equity Ratio (DER), Current Ratio (CR), Total Asset Turnover (TATO), and Size on Return on Equity (ROE) in automotive and components subsector companies listed on the Indonesia Stock Exchange period 2013-2018 either simultaneously and partially.

The population in this study is the automotive and components subsector companies listed on the Indonesia Stock Exchange (IDX) period 2013-2018. The sampling technique used was purposive sampling, and obtained a sample of 9 companies. Data analysis techniques in this study were panel data regression analysis and simultaneous hypothesis testing (F-test), partial (t-test), and the coefficient of determination (R^2).

The results showed that Debt to Equity Ratio, Current Ratio, Total Asset Turnover, and Size simultaneously had a significant effect on Return on Equity. Partially the Total Asset Turnover variable has a significant positive effect on Return on Equity, while the Debt to Equity Ratio, Current Ratio, and Size does not have a significant effect on Return on Equity.

Keywords: Debt to Equity Ratio (DER), Current Ratio (CR), Total Asset Turnover (TATO), Size, Return on Equity (ROE)