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THE EFFECT OF DEBT TO ASSET RATIO (DAR), DEBT TO EQUITY RATIO (DER), AND TOTAL ASSETS TURNOVER (TATO) ON RETURN ON ASSET (ROA) IN COSMETICS AND HOUSEHOLD GOODS SUB SECTOR COMPANIES LISTED IN THE INDONESIA STOCK EXCHANGE YEAR 2016 - 2019

By

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ABSTRACT

The cosmetics and household goods sub-sector is a member of a consumer goods industry sector listed on the Indonesia Stock Exchange. Companies need profitability ratios, to measure effectiveness in earning profits. High profitability is an indicator that the company tends to be in good condition, this makes investors respond positively and increases the value of the company. This study aims to describe and measure how much influence the debt to asset ratio, debt to equity ratio and total assets turnover have on the return on assets of the cosmetics and household goods sub-sector companies for the 2016-2019 period. Sampling was done by using purposive sampling method. The data analysis technique used in this study is multiple linear regression using SPSS 25 software. The results of this study debt to asset ratio and debt to equity ratio have no significant effect on return on assets. While total assets turnover has a positive and significant effect on return on assets.

Keywords: *Debt to Asset Ratio, Debt to Equity Ratio, Total Assets Turnover, Return On Asset*

INTRODUCTION

During the modern economic era, the stock market has its own medium in each country, known as the stock exchange. Indonesia itself posess the Indonesia Stock Exchange (IDX) or known as IDX (Indonesia Stock Exchange). The cosmetics and household goods sub-sector is a member of a consumer goods industry sector listed in the Indonesia Stock Exchange which operates in the production of cosmetics, home care, body care, hair care, food and beverages.

In a survey entitled Indonesia Consumer Sentiment during the Coronavirus Crisis published by McKinsey and Company in July 2020, there was an increase in public consumption of household goods and personal care. The increase in consumption of household goods was 26% while that of personal care was 17%. Lifepal.co.id research states that there is only one issuer in this sub-sector, namely UNVR, which has performed well for the last five years.

The following is a summary showing the Return On Asset (ROA) phenomenon in a sample of companies in the cosmetics and household goods sub-sector listed on the Indonesia Stock Exchange for the 2016-2019 quarter.

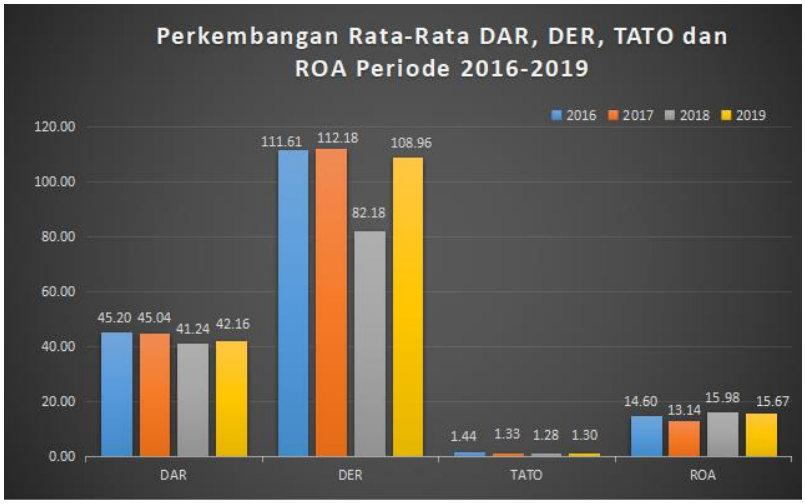

Figure 1.1
Average Progress of DAR, DER, TATO and ROA
Source: Bursa Efek Indonesia 2020

Referring to the graph above, it is shown that the average results in the ratio have fluctuated increases and decreases. Then in the 2017 DAR, there were several companies that experienced a decline but had no effect on increasing ROA, where ROA was recorded to have decreased in 2017. Then there is TATO which decreased in 2018 but had no effect on ROA, which ROA was recorded to have increased in 2018. Then it happened again in 2019 where the increase in TATO had no effect on ROA. And ROA data recorded a decline in 2019.

So from this data, there is a phenomenon of inconsistency between the data and the theory that has been put forward, it seems that in the journal, (Sari, Salman, & Ismanidar, 2019) states that, if the debt ratio increases, the lower the company's capability to achieve profitability and in the journal (Tyas 2018) states that, the higher the asset turnover rate, the faster the return will be and resulting in increased profitability.

Based on the explanation of the background, researchers are interested in promoting the title "The Effect Of Debt To Asset Ratio (Dar), Debt To Equity Ratio (Der), And Total Assets Turnover (Tato) On Return On Asset (Roa) In Cosmetics And Household Goods Sub Sector Companies Listed In The Indonesia Stock Exchange Year 2016 - 2019"

Based on the background of the problem, the formulation of the problem from this research is about getting an overview of the Debt to Asset Ratio in Cosmetics and Household Goods Sub-Sector Companies in the 2016-2019 period. What is the overview of the Debt to Equity Ratio in Cosmetics and Household Goods of Sub-Sector Companies for the 2016-2019 period. What is the overview of Total Asset Turnover in Cosmetics and Household Goods of Sub-Sector Companies for the 2016-2019 period? What is the overview of Return On Assets in Cosmetics and Household Goods of Sub-Sector Companies for the 2016-2019 period. How big is the influence of Debt to Asset Ratio on Return On Assets in Cosmetics and Household Goods of Sub-Sector Companies for the 2016-2019 period. How big is the influence of Debt to Equity Ratio on Return On Assets in Cosmetics and Household Goods of Sub-Sector Companies for

the 2016-2019 period. How big is the influence of Total Asset Turnover on Return On Assets in Cosmetics and Household Goods of Sub-Sector Companies for the 2016-2019 period. How big is the influence of Debt to Asset Ratio, Debt to Equity Ratio and Total Asset Turnover on Return On Assets in Cosmetics and Household Goods of Sub-Sector Companies for the 2016-2019 period.

The purposes of this research are: To find out the overview of the Debt to Asset Ratio of the Cosmetics and Household Goods Sub-Sector Companies for the 2016-2019 period. To find out an overview of the Debt to Equity Ratio of the Cosmetics and Household Goods Sub-Sector Companies for the 2016-2019 period. To find out an overview of the Total Asset Turnover of the Cosmetics and Household Goods Sub-Sector Companies for the 2016-2019 period. To find out an overview of Return On Assets from Companies in the Cosmetics and Household Goods of Sub-Sector Companies for the 2016-2019 period. To find out how much influence the Debt to Asset Ratio has on the Return On Assets of the Cosmetics and Household Goods of Sub-Sector Companies for the 2016-2019 period. To find out how much influence the Debt to Equity Ratio has on Return On Assets in Cosmetics and Household Goods of Sub-Sector Companies for the 2016-2019 period. To find out how much influence the Total Asset Ratio has on the Return On Assets of the Cosmetics and Household Goods Sub-Sector Companies for the 2016-2019 period. To find out how big the influence of Debt to Asset Ratio, Debt to Equity Ratio and Total Asset Turnover on Return On Assets of Cosmetics and Household Needs Sub-Sector Companies for the period 2016-2019.

Debt to Asset Ratio

According to (Herry, 2016:75) who argues that, Debt to Asset Ratio is the ratio used to measure the ratio of total debt to total assets. Therefore, the ratio is useful for measuring the extent to which company assets are financed through debt or the impact of company debt on asset financing. According to (Sutrisno, 2017:224) the Dept to Asset Ratio can be formulated as follows:

$$DebtRatio = \frac{TotalDebt}{TotalAssets} x100\%$$

Debt to Eqquity Ratio

According to (Sawir, 2017:13) it is stated that Debt to Equity is an illustration of the ratio of debt to equity of company funds, which indicates the ability of the company's funds to fulfill their obligations. According to (Sutrisno, 2017:224) the Dept to Equity Ratio can be formulated as follows:

$$DER = \frac{TotalDebt}{Capital} x100\%$$

Total Assets Turnover

According to (Herry, 2016:99) Total Assets Turnover is a ratio used to assess the success of the company's total assets in generating sales, or in other words, how many sales are acquired for each rupiah recorded in total assets. According to (Sutrisno, 2017:228) the Total Asset Turnover ratio can be formulated as follows:

$$AssetsCirculation = \frac{Sales}{TotalAssets}$$

Return On Asset

According to (Sutrisno, 2017: 229), he defines that Return on Assets or generally also referred to as economic profitability is a standard of the company's ability to utilize all assets owned by the company to generate profits. According to (Rambe et al., 2016:55) the ratio of Return On Assets can be formulated as follows:

$$ROA = \frac{EAT}{TotalAssets} x100\%$$

METHOD

This study uses a quantitative research method with a descriptive approach, because there are variables whose relationship will be studied and with the aim of providing an orderly, factual, and thorough representation as well as the relationship between the variables studied, namely the influence of the Dept to Asset Ratio, Dept to Equity Ratio and Total Assets Turnover to Return On Assets.

Population, Sample and Sampling Technique

Population

According to (Sugiyono, 2015:80), the population is an area of generalization of objects that have been determined by researchers through certain qualities and characteristics so that they can be studied and draw conclusions. The population used in this study are all 7 companies that fall into the category of Cosmetics and Household Goods sub-sector companies during the 2016-2019 period.

Sample

According to (Hadi, 2015: 191), what is meant by the sample is a portion of the population whose number is less than the total population. In this study, the selected samples were companies in the cosmetics and household goods sector which were registered with the Indonesian Stock Exchange for the period 2016-2019 and met certain criteria that support this research.

The companies sampled in this study are as follows:

Table 3.1 Companies Samples

No.	Company Code	Company Name
1.	ADES	Akasha Wira International Tbk
2.	KINO	Kino Indonesia Tbk
3.	TCID	Mandom Indonesia Tbk
4.	UNVR	Unilever Indonesia Tbk

Source: Studied by Researchers, 2020

Sampling Technique

In this study, the sampling technique used was a non-probability sampling technique with purposive sampling method, because the cosmetics and household goods sub-sector companies were able to provide the information needed by researchers, therefore the researchers used a purposive sampling technique with criteria specified in this study.

Data Collection Technique

Documentation technique was used to collect the data needed in this research. (Sugiyono, 2017:329) states, a document is a record of events that have occurred in the past. The data used in this study were collected by documenting from the financial statements of the cosmetics and household goods sub-sector companies for the period 1 to 4 of 2016-2019 which have been audited, with reference to sources from the Indonesia Stock Exchange and Sahamok.com.

RESULTS AND DISCUSSION

Data Validity Test

Classic Assumption test

Classical assumption testing is a requirement that must be met before using linear regression analysis (Dewi, Herwati, Erni, & Sulindawati, 2015). Classical assumption test used in this study consisted of normality test, multicollinearity test, heteroscedasticity test and autocorrelation test.

Normality Test

The normality test was carried out by various methods, one of which was Kolmogorof Smirnov (K-S) with a statistical analysis program, namely IBM SPSS 25Statistics. If the result is a probability value of 0.05, it is declared to be normally distributed, on the contrary if the probability value is <0.05, it is declared that it is not normally distributed (Sudarmanto, 2005 in (Gunawan, 2016: 93).

Table 4.1. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		64
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.61391204
Most Extreme Differences	Absolute	.085
	Positive	.085
	Negative	-.063
Test Statistic		.085
Asymp. Sig. (2-tailed)		.200[c,d]

Source: SPSS 25 Data Processing, 2021

Based on table 4.1, it can be seen that by using the Kolmogorov-Smornov normality test, the P-value of the K-S normality test is 0.200 > 0.05. For the decision to accept H0, it can be concluded that the residuals spread normally.

Multicollinearity Test

Multicollinearity is formed when there is a tolerance value of less than 0.1, which means that if the independent variable values are greater than 95%, there is no

correlation. The VIF value needs to be greater than 10, if the VIF is less than 10, it can be stated that the independent variables used in the model are credible and objective (Utomo, 2015).

Table 4.2. Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	**VIF**
1	(Constant)		
	DAR	.129	7.728
	DER	.116	8.594
	TATO	.708	1.412

Source: SPSS 25 Data Processing, 2021

It can be seen in table 4.2 that there is a VIF value of less than 10. Thus the regression model is declared free of multicollinearity and there is no multicollinearity problem in the regression model.

Autocorrelation Test

Autocorrelation is about the correlation between a series of observations grouped by time or space. The result of autocorrelation (especially in the regression model) is that the obtained regression model cannot be used to estimate the value of a standard variable (the dependent variable) based on the value of the predictor variable (the independent variable) (Gunawan, 2016:101). This study uses SPSS for windows version 25 data and the results of the autocorrelation assumption test obtained are as follows:

H0 : =0 (no autocorrelation)

H1 : 0 (there is autocorrelation)

Table 4.4 Autocorrelation Test

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.916[a]	.839	.831	4.38602	1.662

Source: SPSS 25 Data Processing, 2021

If 1.55 < 1.662 < 2.45 then the H0 is not rejected. Thus, from the Durbin Wotson test, it can be concluded that there is no autocorrelation, the assumption of non-autocorrelation is fulfilled.

Heteroscedasticity Test

The method to detect the presence or absence of heteroscedasticity can be done by observing the scatterplot graph, with the basis of analysis (Ghozali, 2006) in (Dewi et al., 2015).

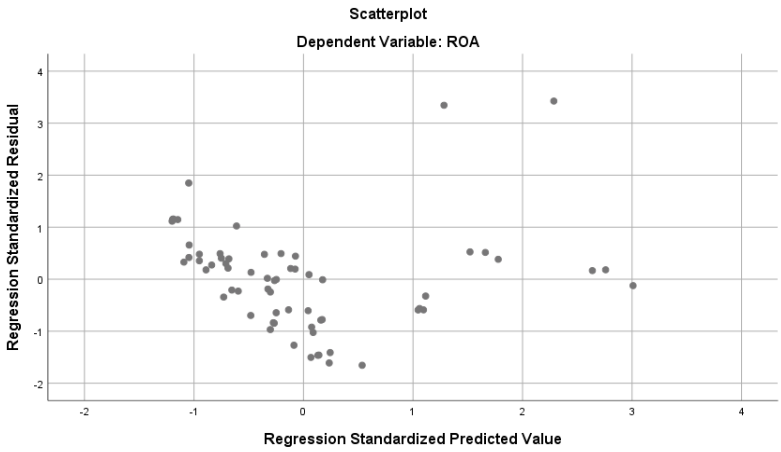

Figure 4.1
Heteroscedasticity Test
Source: SPSS 25 Data Processing, 2021

From the scatter plot graph that has been listed, it can be stated that there is no heteroscedasticity because there is no clear pattern and the scattered points above and below the number 0 on the Y axis.

Descriptive Analysis

This study aims to determine the effect of the Dept to Asset Ratio (DAR), Dept to Equity Ratio (DER) and Total Assets Turnover (TATO) on the Return On Assets (ROA) of cosmetics and household goods sub-sector companies listed on the Indonesian Stock Exchange (IDX) for the 2016 - 2019 quarter period, either done simultaneously or partially.

Table 4.5 Description Analysis

Descriptive Statistics					
	N	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
DAR	64	18.39	76.75	43.9606	17.53697
DER	64	22.54	330.78	101.7822	81.06704
TATO	64	.20	2.39	.8322	.51497
ROA	64	.10	46.66	9.3238	10.66079
Valid N (listwise)	64				

Source: SPSS 25 Data Processing

There are 64 samples used in this study, namely 4 companies with a period of 1-4 quarters for 4 years starting from the 2016-2019 period. Based on the results of calculations during the observation period, it can be concluded that:

1. The lowest Dept to Asset Ratio (DAR) data ratio (minimum) is 18.39% which comes from DAR TCID for the 4th quarter of 2016, while the highest (maximum) DAR is 76.75% which comes from the UNVR DAR for the 2nd quarter of 2019 The average value (mean) of DAR in the cosmetics and household goods of sub-sector companies listed on the Indonesian stock exchange for the 2016-2019 quarter period is 43.96% with a standard deviation of 17.53697. This means that on average the sample companies have debt of 43.96% of the total assets owned by the company. The DAR value that exceeds 0.05 times or 5% indicates that more assets in the company are financed by debt.

2. The lowest (minimum) Dept to Equity Ratio (DER) data is 22.54% coming from DER TCID for the 4th quarter of 2016, while the highest (maximum) DER is 330.78% coming from the UNVR DER for the 2nd quarter of 2019. Values the average (mean) DER of the cosmetics and household goods sub-sector companies listed on the Indonesia stock exchange for the 2016-2019 quarter period is 101.78% with a standard deviation of 81.06704%. This means that on average the sample companies have debt of 101.78% of the total equity owned by the company. A DER value above 1 or above 100% indicates that more of the company's sources of funds are obtained from debt.
3. The lowest Total Assets Turnover (TATO) ratio data (minimum) is 0.20 times from KINO TATO for the 1st quarter of 2017, while the highest (maximum) TATO is 2.39 times from UNVR TATO for the 4th quarter of 2016. Average value The average (mean) of TATO in the cosmetics and household goods sub-sector companies listed on the Indonesia stock exchange for the 2016-2019 quarter period is 0.83 times with a standard deviation of 0.51497. This indicates that the average sample company is able to use the assets owned by the company of 0.83 times the net sales that the company can obtain in a period with total assets owned. The standard deviation value that is lower than the mean indicates that there is no high data deviation.
4. The lowest Return On Asset (ROA) data (minimum) is 0.10% coming from KINO's ROA for the 1st quarter of 2017, while the highest (maximum) ROA is 46.66% coming from UNVR's ROA for the 4th quarter of 2018. Average value The average (mean) ROA of the cosmetics and household goods sub-sector companies listed on the Indonesia stock exchange for the 2016-2019 quarter period is 9.32% with a standard deviation of 10.66079. This indicates that on average the sample companies are able to generate a profit rate of 9.32% of the total assets used by the company.

Multiple Linear Regression Analysis

After all the regression assumptions have been met, the next step is to perform a regression analysis that is useful for obtaining the effect of the independent variables, namely X1, X2, and X3 on the dependent variable, namely Y. Multiple linear regression analysis is used for data processing by performing several stages to find the relationship between the free and bound variables. Based on the results of data processing using SPSS 25 software.

Table 4.5. Multiple Linear Regression Test Result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-8.324	2.409		-3.455	.001		
	DAR	.049	.088	.080	.556	.580	.129	7.728
	DER	.028	.020	.211	1.391	.169	.116	8.594
	TATO	15.235	1.275	.736	11.948	.000	.708	1.412

Source: SPSS 25 Data Processing, 2021

From table 4.5 above, the results of multiple linear regression calculations have been shown in the table above, the known relationship between the independent variable and the dependent variable can be explained as follows:

$$Y = -8{,}324 + 0{,}049X_1 + 0{,}028X_2 + 15{,}235X_3$$

Hypothesis Testing Results
Coefficient of Determination Test (R^2)

Table 4.6. Determination Coefficient Test Results

Model Summary b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.916[a]	.839	.831	4.38602	1.662

Source: SPSS 25 Data Processing, 2021

Table 4.6 shows the adjusted R square result of 0.831 or 83.1%. This indicates that the independent variables consisting of Debt to Asset Ratio (DAR), Debt to Equity Ratio (DER) and Total Asset Turnover (TATO) have an effect of 83.1%. While the remaining 16.9% is explained by other variables outside the 3 independent variables in this study. This indicates that there are many other factors that can be used to explain ROA.

Partial Hypothesis Testing (t Test)

Table 4.7 Test Results T

Coefficients[a]								
		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-8.324	2.409		-3.455	.001		
	DAR	.049	.088	.080	.556	.580	.129	7.728
	DER	.028	.020	.211	1.391	.169	.116	8.594
	TATO	15.235	1.275	.736	11.948	.000	.708	1.412

Source: SPSS 25 Data Processing, 2021

Based on the results of the t test, the effect of the independent variable on the dependent variable can be explained as follows:

1. The first hypothesis regarding the DAR variable, the value obtained is t_{count} of 0,556 and t_{table} of 2,0003 or 0,556 < 2,0003 and the obtained p-value (sig) of 0.580 > 0.05. Which means that H0 is accepted and H1 is rejected, thus indicating that there is no effect of DAR on ROA.
2. The second hypothesis regarding the DER variable, the value obtained is t_{count} of 1,391 and $t_{table\ of}$ 2,0003 or 1,391 < 2,0003 and the obtained p-value (sig) is 0.169 > 0.05. Which means that H0 is accepted, H2 is rejected, thus indicating that there is no effect of DER on ROA.

3. The third hypothesis regarding the DER variable, the value obtained is t_{count} of 11,948 and t_{table} of 2,0003 or 11,948 > 2,0003 and obtained p-value (Sig) of 0.000 <0.05. Which means that H0 is rejected, H3 is accepted, thus indicating that there is an effect of TATO on ROA.

Simultaneous Hypothesis Testing (F test)

Table 4.8 F . Test Results

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	6005.878	3	2001.959	104.067	.000[b]
	Residual	1154.232	60	19.237		
	Total	7160.110	63			

Source: SPSS 25 Data Processing, 2021

Based on table 4.8, the obtained value is F_{count} of 104,959 and significance of 0.000. This shows that the value of F_{count} > value of F_{table} (104.959 > 2.53) with a significance value of < 0.05 (0.000 < 0.05) which reject H_0. So it can be concluded that simultaneously the independent variables, namely Debt to Asset Ratio (DAR), Debt to Equity Ratio (DER) and Total Asset Turnover (TATO) affect the dependent variable, namely Return On Assets (ROA) in cosmetics and household goods sub-sector companies in the period of 2016-2019.

DISCUSSION

The Effect of Debt to Asset Ratio on Return On Assets

Based on the results of research conducted on the effect of the Debt to Asset Ratio on Return On Assets in the Cosmetics and Household Goods sub-sector companies listed on the Indonesia Stock Exchange for the 2016-2019 period, the partial hypothesis test results show that the value of t_{count} is 0,556 and t_{table} is 2,0003 or 0,556 < 2,0003 and the obtained p-value (sig) of 0.580 > 0.05 showing H0 is accepted, H1 is rejected, so it can be concluded that the Debt to Asset Ratio has no positive and significant effect on Return On Assets in the listed Cosmetics and Household Goods sub-sector companies on the Indonesia Stock Exchange for the 2016-2019 period. This research is supported by research (Sofiani et al., 2018) which states that the Debt to Asset Ratio has no significant effect on Return On Assets.

The Effect of Debt to Equity Ratio on Return On Assets

Based on the results of research conducted on the effect of the Debt to Equity Ratio on Return On Assets in the Cosmetics and Household Goods sub-sector companies listed on the Indonesia Stock Exchange for the 2016-2019 period, the results of partial hypothesis testing showed that the value of t_{count} is 1,391 and t_{table} is 2,0003 or 1,391 < 2,0003 and the obtained p-value (sig) of 0.169 > 0.05 then H0 is accepted, H1 is rejected, so it can be concluded that the Debt to Asset Ratio has no positive and significant effect on Return On Assets in the Cosmetics and Household Goods sub-sector companies that listed on the Indonesia Stock Exchange for the period 2016-2019.This research is supported by research (Tan & Hadi, 2020) which states that the Debt to Equity Ratio has no significant effect on Return On Assets.

The Effect of Total Asset Turnover on Return On Assets

Based on the results of research conducted on the effect of Total Assets Turnover on Return On Assets in the Cosmetics and Household Goods sub-sector companies listed on the Indonesia Stock Exchange for the period 2016-2019, the partial hypothesis test results show that the value of t_{count} is 11,948 and t_{table} is 2,0003 or 11,948 < 2,0003 and the obtained p-value (sig) of 0.000 <0.05 then H0 is rejected, H1 is accepted, so it can be concluded that Total Assets Turnover has a positive and significant effect on Return On Assets in Cosmetics and Household Goods sub-sector companies listed on the Stock Exchange. Indonesian Securities for the period 2016-2019. This research is supported by research (Romli et al., 2018) which states that Total Assets Turnover has a positive and significant effect on Return On Assets.

The Effect of Debt to Asset Ratio, Debt to Equity Ratio and Total Assets Turnover on Return On Assets

Based on the results of research conducted regarding the effect of Debt to Asset Ratio, Debt to Equity Ratio and Total Assets Turnover on Return On Assets in Cosmetics and Household Goods sub-sector companies listed on the Indonesia Stock Exchange for the period 2016-2019, the results of hypothesis testing are obtained simultaneously which shows that the value of F_{count} is 104,067 and significance of 0.000. This shows that the value of F_{count} > the value of F_{table} (104,067 > 2,53) with significance value of < 0,05 (0,000 < 0,05) meaning that H_0 is rejected. So it can be concluded that simultaneously the independent variables, namely Debt to Asset Ratio (DAR), Debt to Equity Ratio (DER) and Total Asset Turnover (TATO) positively and significantly affect the dependent variable, namely Return On Assets (ROA) in cosmetics sub-sector companies. and household goods for the period 2016-2019. This research is supported by research (Sofiani et al., 2018) which states that the independent variables namely Debt to Asset Ratio, Debt to Equity Ratio and Total Assets Turnover jointly have a significant effect on Return On Assets.

CONCLUSIONS

Based on the results of research and discussion conducted by researchers regarding the effect of Debt to Asset Ratio, Debt to Equity Ratio and Total Assets Turnover on Return On Assets in Cosmetics and Household Goods Sub-Sector Companies listed on the Indonesia Stock Exchange for the period 2016-2019, several things can be concluded as follows:

1. Partially, the Debt to Asset Ratio has no positive and significant impact on Return On Assets in the Cosmetics and Household Goods sub-sector companies listed on the Indonesia Stock Exchange for the 2016-2019 period.
2. Partially, the Debt to Equity Ratio does not have a positive and significant impact on Return On Assets in the Cosmetics and Household Goods sub-sector companies listed on the Indonesia Stock Exchange for the 2016-2019 period.
3. Partially Total Assets Turnover has a positive and significant impact on Return On Assets in the Cosmetics and Household Goods sub-sector companies listed on the Indonesia Stock Exchange for the 2016-2019 period.
4. Simultaneously Debt to Asset Ratio (DAR), Debt to Equity Ratio (DER) and Total Asset Turnover (TATO) have a positive and significant impact on Return On Assets (ROA) in cosmetics and household goods sub-sector companies for the period 2016-2019

Suggestions

1. For companies, because the results of research on Debt to Asset Ratio (DAR), Debt to Equity Ratio (DER), and Total Assets Turnover (TATO) simultaneously affect Return On Assets (ROA) and there are independent variables used in this study, namely Total Assets Turnove (TATO) which partially has a positive and significant impact on Return On Assets (ROA), the company should optimize its financial performance and create the best possible financial performance strategy. While the Debt to Asset Ratio (DAR) and Debt to Equity Ratio (DER) partially have no significant effect on Return On Assets (ROA), so it is expected that the company can reduce its debt and increase its total assets.
2. For potential investors in the cosmetics and household goods sub-sector for the period 2016-2019, it is advisable to look at the TATO variable because it is only TATO that has a significant impact on ROA. The results of this study can be used as a reference for investors who want to invest in cosmetics and household goods sub-sector companies for the 2016-2019 period.
3. For further researchers, this research is limited to only 4 companies engaged in the cosmetics and household goods sub-sector and only analyzes 4 types of financial ratios for a quarterly period of 4 years, namely 2016-2019. As we know, there are many ratios that can be used to measure company performance other than those used in this study. The author's suggestion for further researchers who want to do the same or similar research, whether from the ratio used or the sector being studied is to increase the research sample, both the number of companies and the research period.

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