ANALYSIS OF FACTORS AFFECTING INCOME GROWTH

(Empirical Study on Food and Beverages Sub Sector in Indonesia Stock Exchange 2015-2019)

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Abstract-This study aims to analyze the factors that influence profit growth in food and beverages sub-sector companies in Indonesia in 2015-2019. Profit growth is the dependent variable, while the quick ratio, debt to asset ratio, total asset turnover, price earning ratio, and sales growth are the independent variables.

This research uses associative research with a quantitative approach. The type of data used is secondary data. The population in this study amounted to 11 companies. The sample selection was carried out by purposive sampling method, in order to obtain 55 observations.

The analysis results show that partially the quick ratio has a negative and insignificant effect on profit growth. Meanwhile, the debt to asset ratio has a positive and insignificant effect. Total asset turnover and price earning ratio have a negative and significant effect on profit growth. Sales growth has a positive and significant effect on profit growth. The research results simultaneously show that the quick ratio, debt to assets ratio, total asset turnover, price earning ratio and sales growth together have a significant effect on old growth. The coefficient of determination test results showed the Adjusted R-squared value of 33.36%, while the remaining 66.37% was influenced by other variables outside the research variables.

Keywords: Quick Ratio, Debt to Asset Ratio, Total Asset Turnover, Price Earning Ratio, Sales Growth, Profit Growth

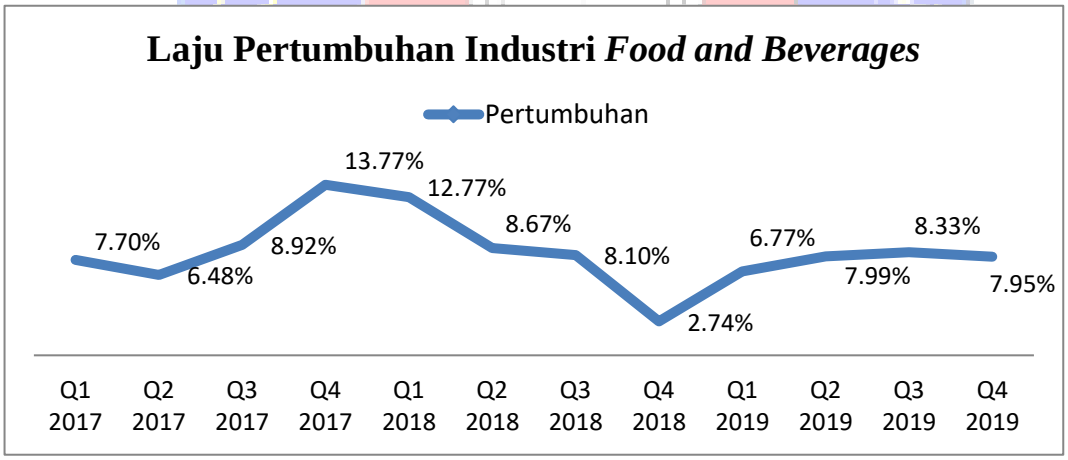
I. Introduction

The industrial sector always plays an important role in the country's economy, especially as a driver and driver of economic growth. Competition in various sectors continues to increase. This also applies in Indonesia (economy.okezone.com, 2017: accessed April 20, 2020). The Indonesian economy in 2019 managed to grow positively amid the global economic slowdown which was influenced by the dynamics of trade and geopolitical wars, falling commodity prices, and the economic slowdown in many countries (kemenkeu.go.id, 2020: accessed April 21, 2020).

The Ministry of Industry focuses on encouraging the productivity of five manufacturing industry sectors as the support for national economic growth, namely the food and beverage sector (mamin), textiles and textile products (TPT), chemicals, automotive, and electronics. (indopremier.com, 2019: accessed April 25, 2020). In the food and beverage industry sector, Indonesia has significant growth potential because it is supported by abundant natural resources and large domestic demand. Therefore, a number of producers are still confident and optimistic about increasing investment and expanding in order to meet market demand, both domestically and exports. (finance.detik.com, 2019: accessed April 28, 2020).

Zooeneld (2017) explains that the food and beverage sub-sector is a group of companies that carry out business activities to produce food and beverage products. The food and beverage sector is one of the leading sub-sectors on the Indonesia Stock Exchange. These subsectors are supported by the best performing companies. The achievements of each company in producing performance cannot be separated from the company's ability to drive sales stability.

Figure 1.1
Growth Rate of Food and Beverages Sub Sector Companies



Source: Central Bureau of Statistics, data processed in 2020

Based on figure 1.1, the food and beverage industry grew by 12.77% (yoy), a significant increase from the first quarter of 2017 which grew by 7.7% (yoy), slowing down from the previous quarter which grew by 13.7% (yoy) . This performance was driven by an increase in palm oil production. The growth of the food and beverage industry in the first quarter of 2019 reached 6.77%, 7.99% in the second quarter and 8.33% in the third

quarter. By calendar year (year to date), the growth of the food and beverage industry was 7.72%. The most significant growth slowdown occurred in the food and beverage industry, namely from a growth of 13.77% (yoy) in the fourth quarter of 2017 to only 2.74% (yoy) in the fourth quarter of 2018 (bps.go.id, 2019) : accessed April 28, 2020).

Profit growth information is very important for a businessman, a financial analyst, shareholders, economists and so on (Estininghadi, 2018). Profit growth is the change in the percentage increase in profit obtained by a good profit growth company, indicating that the company has good finances, which in turn will increase the company's value. With the existence of financial ratios, it can be seen whether the company's financial condition is safe or not and how the company's profit growth is experienced (Nainggolan et al., 2019). This study only uses financial ratios, namely liquidity ratios, profitability ratios, solvency ratios and asset turnover ratios.

According to Brigham and Houston (2018: 128), the quick ratio is the ratio calculated by using the inventory of current assets and then dividing it by current liabilities. This high ratio is due to the high level of the most liquid current assets generated so that the revenue earned by the company increases and then results in profit growth. The greater the quick ratio value, the faster the company can fulfill all of its obligations. Nurmalasari (2012) in Wahyuni et al., (2017).

The leverage ratio is proxied using the debt to assets ratio (DAR). Debt to assets measures the proportion of total assets financed by the company's creditors. The higher this ratio, the greater the amount of other people's money is used to generate profits (Gitman and Zutter, 2015: 126). The higher the debt to assets ratio, the higher the company's funding sources for operational activities that come from debt. A high debt to assets ratio value indicates that the company has gained confidence in the business debt it has from creditors so that the company's funding sources will increase, increasing funding sources will increase working capital and support Janiman's profit growth (2018).

*Total assets turnover*is one of the activity ratios, which is calculated by dividing sales by total assets. Hanafi and Halim (2016: 78) state that total assets turnover is a ratio of asset turnover. This ratio measures the company's ability to generate sales based on the total assets owned by the company. Hasanah et al., (2018) said that the faster the turnover of a company's assets from its net sales activities, the income will increase so that the profits earned will also increase. If the ratio of total assets turnover is good, it will increase profit growthSari (2015).

Price earnings ratio is the ratio of market value used to attract investors. Price earning ratio measures the ratio of a company's market value in the capital market. Market expectations for future profit growth are through high price earning ratios, on the other hand, companies with low price earning ratios have low growth rates (Saputra, 2015). The higher the price earnings ratio often means that the company has significant future growth prospects (Ross et al., 2015: 74). Janiman (2018) states that with more investors investing, companies are able to increase profit growth through funding sources obtained from investors.

According to Siregar et al. (2020), sales growth as a growth ratio, which shows an increase in sales that a business entity can achieve. By knowing how much sales growth, the company can predict how much profit it will get. High sales growth will reflect increased revenue so that it will increase company profits.

II. LITERATURE REVIEW

2.1 Research Review

The first study was conducted by Siregar et al., (2020). The purpose of this study is to empirically prove the effect of total asset turnover and sales growth on profit growth in food and beverage companies listed on the Indonesia Stock Exchange. The sample selection in this study used purposive sampling of 7 companies. Using external data with documentation study techniques, data collection was obtained from the internet media on the official website of the Indonesia Stock Exchange to obtain data on published financial reports. The method of analysis used in this study is the method quantitative data analysis using multiple linear regression analysis. Based on the research results that partially there is a significant effect of total asset turnover on profit growth.

The second study was conducted by Sari et al., (2017). The purpose of this study was to analyze the effect of financial ratios and asset size on profit growth in manufacturing companies. As many as 60 companies from the population of manufacturing companies listed on the Indonesia Stock Exchange in 2010-2013 were made into sample using simple random sampling. The data analysis method used is multiple linear regression analysis. The results of the analysis show that partially, only return on assets has a significant effect on profit growth, while the current ratio, total assets turnover, debt ratio, earning per share and dummy variables (asset class) have no effect on profit growth.

The third research was conducted by Utami (2017). This study aims to determine the effect partially and simultaneously of Current Ratio (CR), Debt Asset Ratio (DAR), Total Asset Turnover (TATO), Return On Assets (ROA), and Price Earning Ratio (PER) in predicting profit growth with considering the size of the company in the companies that are included in the LQ45 index 2013-2016 with company size as a control variable. The sampling technique used in this study was purposive sampling. There are several criteria that must be met by companies listed on the LQ45 Index to be sampled in this study. This research method uses multiple regression analysis which is used to determine the effect of independent variables on the dependent variable jointly and partially. The t test is used to test the effect of each variable change in Current Ratio, Debt Asset Ratio, Total Asset Turnover, Return On Asset, and Price Earning Ratio on earnings growth variables with firm size as the control variable. The F statistical test aims to examine the effect of changes in Current Ratio, Debt Asset Ratio, Total Asset Turnover, Return On Asset, and Price Earning Ratio simultaneously on the profit growth variable with company size as the control variable. The R2 (Coefficient of Determination) test is carried out to determine how much influence changes in the variable Current Ratio, Debt Asset Ratio, Total Asset Turnover, Return On Asset, and Price Earning Ratio on earnings growth variables with company size as the control variable. From the results of the t test it is known that changes in Total Assets Turn Over and changes in Return On Assets partially have a significant effect on earnings growth (Δ EAT). The variable change in Curent Ratio (ΔCR), change in Debt Asset Ratio (Δ DAR), and Price Earning Ratio (PER) partially do not have a significant effect on the earnings growth variable with firm size as the control variable. From the results of the F test it is known that Current Ratio (Δ CR) changes, Debt Asset Ratio (Δ DAR) changes, Total Asset Turnover (Δ TATO), Return On Asset (Δ ROA) changes, Price Earning Ratio (Δ PER) simultaneously affects the variable of earnings

growth in publicly traded companies listed on the LQ 45 index in Indonesia with company size as the control variable.

The fourth research was conducted by Makiwan (2018). The purpose of this research is to predict the profit growth of the food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange for the period 2011-2015 through leverage ratio analysis, namely debt asset ratio, debt to equity ratio, long term debt to equity ratio. The research data used is secondary data, where data is obtained indirectly from third parties or through documents. The source of this research data was obtained from the internet through the official website of the Indonesia Stock Exchange (BEI)www.idx.co.idin the form of annual reports of food and beverage sub-sector manufacturing companies on the Indonesia Stock Exchange for the period 2011-2015. The research sample used was 7 manufacturing companies in the food and beverage sub-sector. By using purposive sampling method. The data analysis technique used is the classical assumption test, multiple linear regression, t test, F test and the coefficient of determination (R2). The results obtained in this study, the DAR variable obtained results tcount = -0.804 and sig = 0.428. because the sig value 0.428> 0.05, there is no significant effect on profit growth. The DER variable shows that tcount = 1.036 and sig = 0.308. because the sig value> 0.05, there is no significant effect on profit growth. The LtDER variable obtained the results of tcount = 3.268 and sig = 0.003 because the sig value was 0.003 <0. 05 then there is a significant influence on profit growth. From the simultaneous testing, the results obtained Fcount = 6.706 and sig = 0.001, the variable debt to asset ratio, debt to equity ratio, long term debt to equity ratio has a significant effect on earnings growth simultaneously or together able to explain changes in the dependent variable, namely growth. profit.

The fifth research was conducted by Wibisono (2016). The purpose of this study was to determine the effect of financial performance as measured by current ratio, quick ratio, debt to equity ratio, debt to asset ratio, total asset turnover, inventory turnover, net profit margin, and gross profit margin on profit growth in automotive companies on the Stock Exchange. Indonesian Securities. The sampling method used was purposive sampling method from thirteen companies listed on the Indonesia Stock Exchange in 2013-2015, only eleven companies were used in the study sample. The data analysis method used multiple linear regression analysis. The test results showed that the linear regression analysis model was used. multiple used in research is feasible and can be used in subsequent analyzes. The sixth study was conducted by Gunita (2019). The purpose of this study was to analyze the effect of current ratios, debt ratios, asset turnover, capital retrieval ratios and price ratios on changes in profits in the agricultural sector on the Indonesia Stock Exchange in a row from 2010 to 2017. sampling using *purposive sampling.*The analysis technique used is multiple linear regression analysis. The results showed that the independent variable current ratio, debt ratio and asset turnover had no effect on changes in earnings, while the variable price earning ratio had a negative and statistically significant effect on increasing earnings, and the rate of return on equity had a positive and statistically significant role in increasing profits.

The seventh research was conducted by Napitupulu (2019). The purpose of this study was to analyze the effect of the ratio of Net Profit Margin (NPM), Return on Investment (ROI), Return on Equity (ROE), and Price Earning Ratio (PER) on future earnings predictions. Data obtained by documentation method, sampling method using

purposive sampling with the criteria of manufacturing companies listed on the Indonesia Stock Exchange 2015-2018, manufacturing companies that generate profit after tax during the study period and companies, manufacturers that issue positive NPM, ROI, ROE and PER. value during the study period. The results of multiple linear regression analysis with a significant level of 5% indicate that the PER variable partially has a significant positive effect on future earnings predictions. While the variables NPM, ROI, ROE has no effect and is significant for the prediction of future profits. In together it shows that the variables NPM, ROI, ROE and PER have a significant effect for future predictive earnings.

The eighth research was conducted by Janiman (2018). The purpose of this study was to analyze the effect of Debt to Assets Ratio, Price Earning Ratio, and Operating Cash Flow on Profit Growth in large-scale manufacturing goods trading companies listed on the Indonesia Stock Exchange for the period 2013 - 2017. The sample selection in this study used the method. purposive sampling and obtained as many as 65 samples. Using secondary data in the form of audited financial reports from sample companies published through the official website www.idx.co.id. While the research method is verification and the method of data analysis is multiple linear regression. Research results. shows that partially the Debt to Assets Ratio, Price Earnings Ratio, and Operating Cash Flow have no effect on profit growth.

The ninth research was conducted by Wahyuni et al., (2017). The purpose of this research is to examine the effect of Quick Ratio, Debt to Equity Ratio, Inventory Turnover, and Net Profit Margin simultaneously and in part on Profit Growth in manufacturing companies listed on the Indonesia Stock Exchange in the 2011-2015 period. The population in this study are all manufacturing companies listed on the Indonesia Stock Exchange. The research sample was determined using purposive sampling technique, with predetermined criteria, in order to obtain 13 manufacturing companies that met the requirements as a sample. The data used in this study were obtained from secondary sources. This study uses multiple linear regression as an analysis technique. The regression test results show that the Quick Ratio (QR), Debt to Equity Ratio (DER), Inventory Turnover (IT) and Net Profit Margin (NPM) simultaneously have a significant positive effect on profit growth. Partially Quick Ratio (QR), Debt to Equity Ratio (DER), Inventory Turnover (IT) do not have a significant positive effect and Net Profit Margin (NPM) has a significant positive effect on profit growth in manufacturing companies listed on the Indonesia Stock Exchange in the 2011 period. -2015.

The tenth study was conducted by Ismail (2016). The aim of the study was to analyze the effect of the liquidity ratio on profitability in Pakistani companies on the KSE 100 Index. The population in this study were non-financial Pakistani companies listed on the KSE 100 Index for the period 2006-2011. The selected samples There are 64 non-financial companies listed on the KSE 100 Index. The methods used in this research are correlation analysis and multiple regression analysis. This study found that the current ratio and cash conversion cycle variables have a positive and significant effect on profitability, while the quick ratio and cash ratio have a negative and insignificant effect on profitability.

The eleventh study was conducted by Nainggolan et al., (2019) this research entitled the effect of quick ratio, total assets turnover, and gross profit margin on profit growth in food and beverage listed on the Indonesia Stock Exchange for the period 2013-2017. This study aims to determine the short-term ratio, total sales and costs to profit growth. This study obtained 12 samples from 21 populations. The data analysis used is

multiple linear analysis and hypothesis testing. The results of data analysis obtained using the SPSS test tool are: Quick ratio, total assets turnover has no effect on profit growth. Cross profit margin affects profit growth.

The twelfth study was conducted by Hailu and Veniateswarlu (2016). The purpose of this study was to analyze the independent variables Accounts Receivable Day (ARD), Cash Conversion Cycle (CCC), Inventories Holdings Days (IHD), Account Payable Day (APD) and control variables Current Ratio, Firm Size, Sales Growth, and Debt to Return on Assets (ROA). The population of this research is manufacturing companies listed on the Ethiopia Stock Exchange for the period 2010-2014. The sample used is 10 manufacturing companies listed on the Ethiopian Stock Exchange for the period 2010-2014. The data processing method used in this study is panel data regression where the cross sectional combination and time series analysis. This study found that based on regression analysis ARD has a value of -0, 05% of this indicates that ARD has a negative and significant effect on ROA. The regression analysis in this study is valued at 0.021%, this shows that PPE has a positive and insignificant effect on ROA.CCC in the regression analysis is 0.045% this indicates that CCC has a positive and insignificant effect on ROA. Debt ratio and current ratio have a value 0.01, this indicates that the debt ratio and current ratio have a negative and significant effect on ROA. Firm Size and sales growth have a value of 0.01, this shows that the firms size and sales growth have a positive and significant effect on ROA. CCC in the regression analysis is valued at 0.045%, this shows that CCC has a positive and insignificant effect on ROA. Debt ratio and current ratio have a value of 0.01, this shows that the debt ratio and current ratio have a negative and significant effect on ROA. Firm Size and sales growth have a value of 0.01, this shows that the firms size and sales growth have a positive and significant effect on ROA. CCC in the regression analysis is valued at 0.045%, this shows that CCC has a positive and insignificant effect on ROA. Debt ratio and current ratio have a value of 0.01, this shows that the debt ratio and current ratio have a negative and significant effect on ROA. Firm Size and sales growth have a value of 0.01, this shows that the firms size and sales growth have a positive and significant effect on ROA.

The thirteenth research was conducted by Prastya (2018). It aims to determine the effect of current ratio, net profit margin, gross profit margin, and total asset turnover on profit growth in pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange in 2011-2016. Collecting data in this study using secondary data, in the form of financial reports from the Indonesia Stock Exchange. The method used to determine the sample using purposive sampling method. The sample of companies studied were 9 companies in the pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange in 2011-2016. The analysis technique used in this research is multiple linear regression analysis. The partial test results show that only total asset turnover has a significant negative effect on profit growth, while the current ratio has no significant effect on profit growth, net profit margin has no significant effect on profit growth, gross profit margin has no significant effect on profit growth. In this study, it can be concluded that the increase or decrease in profit growth can be influenced by the current ratio, net profit margin, gross profit margin, and total asset turnover.

The fourteenth study was conducted by Olalekan, Dikki and Okpanachi (2017). The aim of this study was to examine the determinants of the profitability of business organizations of agricultural companies registered in Nigeria for the period 2008-2016.

The population in this study were five (5) agricultural companies listed on the Nigeria Stock Exchange for the period 2008-2016. The sample used was four (4) agricultural companies listed on the Nigeria Stock Exchange. The method used in this research is multiple regression analysis. This study found that the liquidity variable and sales growth variable had a positive and significant effect on profitability (ROE), while the operating expenses efficiency variable had a negative and insignificant effect on profitability (ROE).

2.2. Definition of Profit Growth

Profit growth is the increase and decrease in profit earned by the company compared to the previous period or year. The size of the profit as a measure of the increase in assets depends on the accuracy of the measurement of income and expensesEstininghadi (2018)Profit reflects returns to equity holders for the period, while the items in the report detail how Harahap's (2015: 303) earned profit.

2.3. Liquidity Ratio

According to Brigham and Houston (2018: 127), the liquidity ratio is a ratio that shows the relationship between cash and other company's current assets and current liabilities. In this study, the liquidity ratio uses the quick ratio variable. Gitman and Zutter (2015: 119) state that the ratio is fast (quick ratio), which is similar to the current ratio excluding inventory, which is generally the least liquid current asset.

2.4. Solvency Ratio

The solvency ratio is intended to handle a company's long-term ability to meet its obligations or more generally, its financial obligations. This ratio is usually referred to as the financial leverage ratio or simply the leverage ratio (Ross et al, 2015: 66). In this study, the solvency ratio uses the debt to assets ratio variable. Debt ratio is the company's debt position showing the amount of money used to generate profits. The more debt the company has, the greater the risk and cannot meet its debt payments (Gitman and Zutter, 2015: 124).

2.5. Activity Ratio

According to Gitman and Zutter (2015: 121) the activity ratio is a measure of how efficiently a company operates along various dimensions such as inventory management, disbursement, and collection. In this study, the activity ratio uses the total assets turnover ratio. tells how efficiently a company uses its assets to generate sales. The total turnover of the company's sales assets is divided by its total assets. This ratio is a measure of the overall efficiency of assets based on the relationship between the company's sales and total assets. Keown et al, (2017: 143).

2.6. Market Value Ratio

Brigham and Houston (2018: 143) state that market value ratios are ratios that connect the company's stock price to profits and book value per share. If the liquidity ratios, asset management, debt management, and profitability are good, and if investors think that these ratios will continue to be good in the future, the market value ratio will be high, share prices will be as expected, and management will be assessed as having In this study, the market ratio uses the price earning ratio. The price earning ratio measures the

amount that investors are willing to pay for each dollar of company income. The level of this ratio shows the level of confidence that investors have in the company's future performance. The higher the PER,

2.7. Sales Growth

According to Kasmir in Putri (2015), the growth ratio is a ratio that describes a company's ability to maintain its economic position amidst economic growth and its business sector. Companies with relatively stable sales can be more secure in obtaining more loans and bear higher fixed costs than with companies whose sales are unstable. Sales growth has an important role in working capital management. By knowing how much sales growth is, the company can predict how much profit it will get, Siregar et al (2020).

III. RESEARCH METHOD

This research strategy uses an associative research strategy. This research uses a quantitative type of research. The quantitative method is called a positivistic method because it is based on the philosophy of positivism.

The general population used in this study are all manufacturing companies, with the target population being the food and beverages sub-sector companies listed on the Indonesia Stock Exchange for the period 2015-2019.

The sample is part of the number and characteristics possessed by this population (Sugiyono, 2019: 127). The sampling technique in this study is using purposive sampling. So that in this study, 55 observational data were obtained, this is because the sample of companies used in the study There are 11 companies and the research period is 5 years.

The data source used in this study is secondary data. Secondary data is a source that does not directly provide data to data collectors (Sugiyono, 2019: 194). The types of data used are time series and cross section or called panel data. It is said that the time series data is because the time used in this study is 2015-2019, while the cross section is because in this study using several companies in the food and beverages sub-sector.

In this study, the data on the financial statements of food and beverages sub-sector companies listed on the Indonesia Stock Exchange from 2015 to 2019 are processed using a computer program, namely Econometric Views (EViews) version 10.0 to regress the formulated model as well as a good predictor. In this study, the researcher presented the data in the form of tables and graphs to make it easier for researchers to analyze and the data was presented more systematically.

IV. RESEARCH AND DISCUSSION RESULTS

4.1. Descriptive statistics

Descriptive statistics provide information about the description of each variable. This information is in the form of average (mean), median (middle value), maximum value, minimum value, and standard deviation for each variable. The data is obtained from the financial statements in Indonesia Stock Exchange website from 2015-2019 with research variables quick ratio, debt to assets ratio, total assets turnover, price earning ratio,

and sales growth. The results of this research descriptive analysis are shown in the following table:

Table 4.1.

Descriptive statistics

	PL	QR	DAR	TATTOOS	PER	SG
Mean	0.20	2.03	0.40	1.25	25.35	0.07
Median	0.14	1.61	0.43	1.19	22.18	0.07
Maximum	2.05	7.35	0.63	3.10	168.72	0.24
At a minimum	-0.94	0.47	0.14	0.54	3.23	-0.20
St. Deviation	0.53	1.65	0.15	0.57	23.67	0.09
Observation	55	55	55	55	55	55

Source: Data processed, 2020

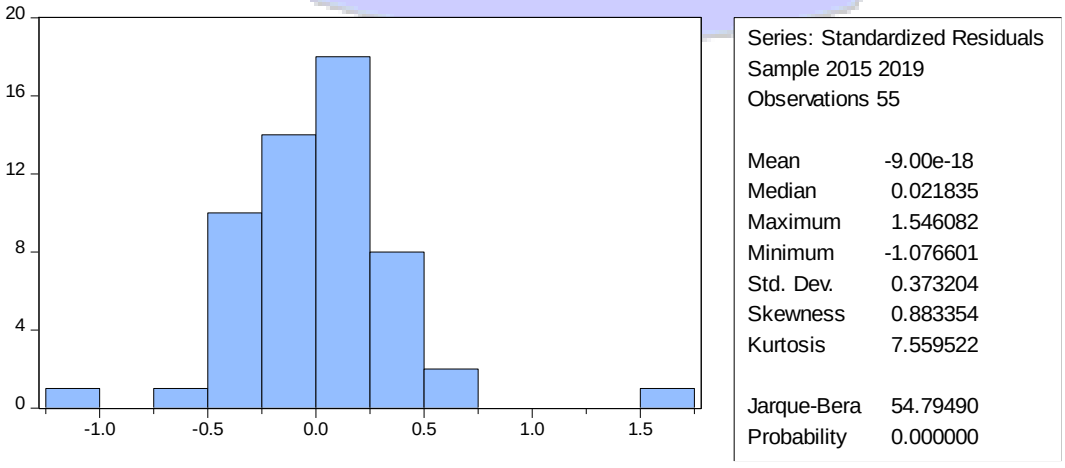
Based on table 4.1, it shows that the amount of data used in this study is 55 data. The variables studied were quick ratio, debt to assets ratio, total asset turnover, price earning ratio, and sales growth.

4.2. Normality test

The normality test aims to test whether in the regression model the confounding or residual variables have a normal distribution or are not normally distributed. It can be seen through the results of the histogram graph and the probability value. A good regression model is to have normal or near normal data distribution. The normality of a data can be determined by comparing the Jarque-Bera (JB) value and the chi-square table value, as follows:

1. If the probability value> 0.05 then the distribution is normal
2. If the probability value <0.05 then the distribution is not normal

Figure 4.2.
Normality Histogram



Based on Figure 4.2. The normality test can be seen based on the calculated Jarque-Bera (JB) probability value of 54,79490, greater than 2 and the probability value of 0.000000, which is smaller than the significant level of 5%, which means that the data shows the research variables are not normally distributed. Ghozali (2018: 148) states that this residual normal distribution assumption is mainly for small sample sizes. Therefore, it can be ignored for large sample sizes. According to German and Hill (2006) in Ubaidillah et al., (2019) says that fulfillment the assumption of normality is not very important and does not recommend testing the normality assumption.

4.3. Multicollinearity Test

The multicollinearity test aims to test whether the regression model finds a correlation between the independent variables (independent). If there is perfect multicollinearity between the independent variables, the regression coefficient of the independent variable cannot be determined and the standard error value becomes infinite. Multicollinearity can be seen through the Tolerance and Variance values. Inflation Factor (VIF) If the VIF value is <10 then multicollinearity does not occur and if VIF> 10 then multicollinearity occurs. The multicollinearity results can be seen in the following table:

Table 4.3.

Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.264228	63.96487	NA
QR	0.005067	8.340001	3.283271
DAR	0.472865	21.36389	2.665215
TATTOOS	0.017485	8.042591	1.380646
PER	8.65E-06	2.498108	1.152074
SG	0.496346	1.737058	1.133525

Source: Data processed, 2020

Based on table 4.3, it shows that overall the independent variables have a VIF value seen through a centered VIF that is smaller than 10 (VIF <10), this means that H0 is accepted so that there is no multicollinearity between the independent variables.

4.4. Heteroscedasticity Test

The heteroscedasticity test tests whether the regression model has variance similarities from the residuals of one observation to another. A good regression model is one that does not occur heteroscedasticity. In this study using the white test to test whether or not there is a similarity of variants. The basis for decision making is as follows:

1. If the probability value> significant value 0.05 then H0 is accepted so that heteroscedasticity does not occur.
2. If the probability value <significant value 0.05 then H0 is rejected, resulting in heteroscedasticity.

Table 4.4.

Heteroscedasticity Test

White test		
*Obs * R-Squared*	19,59715	Heteroscedasticity does not occur
Prob Chi-Square	0.4834	

Source: Data processed, 2020

Based on table 4.4, it can be seen that the chi-square probability value is 0.4834 which is greater than the significant value, namely 5%, so it can be concluded that there is no heteroscedasticity in this study.

4.5. Autocorrelation Test

The autocorrelation test aims to test whether in a linear regression model there is a correlation between confounding errors (residuals). A good regression model is the absence of autocorrelation. This study uses the Durbin Watson test, by comparing the DW test with the DW table. The basis for decision making is if Durbin Watson is located between DU and 4-DU which means that there is no autocorrelation. The Durbin Watson value in the autocorrelation test can be seen in table 4.5.

Table 4.5.

Autocorrelation Test

Durbin Watson (DW)	Result
2.196956	There is no autocorrelation

Source: Data processed, 2020

ResultThe autocorrelation test in table 4.5 above shows the Durbin Watson (DW) value of 2.196956 with a value of dL = 1.3743 and dU = 1.7681 so that 4-dU = 4-1.7681 = 2.239. Because the dw statistic value of 2.196956 is between dU and 4-du (1.7681 <2.196956 <2.239), then the test with Durbin Watson is not in the autocorrelation area, meaning that in this regression model there are no autocorrelation symptoms.

4.6. Coefficient of Determination (R2)

The coefficient of determination with a value close to one means that the independent variables provide almost all the information needed to predict the variation in the dependent variable. If the value of R2 is small, it means that the ability of the independent variables gives stronger to the dependent. The test results of the coefficient of determination (R2) are shown in the table as follows:

Table 4.11.

Coefficient of Determination (R2)

Cross-section fixed (dummy variables)	
Adjusted R-squared	0.336304

Source: Data processed, 2020

Based on table 4.11, it shows that the Adjusted R-Squared value is 0.336304 or 33.63%. This means that 33.63% of the variation in earnings growth can be explained by independent variables, namely quick ratio, debt to assets ratio, total asset turnover, price earning ratio, sales growth, while the remaining 66.37% is explained by other variables outside the research variables.

4.7. Hypothesis test

4.7.1. Statistical test t

The t statistical test is used to show how far the influence of one independent variable on the dependent variable assumes that the other independent variables are constant. This test can be tested with the following hypotheses and criteria:

1. If the probability value> 0.05 then H0 is accepted or HA is rejected (the regression coefficient is not significant). This means that partially the independent variable does not have a significant effect on the dependent variable.
2. If the probability value <0.05 then H0 is rejected or HA is accepted (significant regression coefficient). This means that partially the independent variable has a significant effect on the dependent variable.

Table 4.7.1.

Statistical test t

Variable	Coefficient	t-Statistic	Prob.
C	1.910598	2.062079	0.0459
QR	-0.091048	-0.609304	0.5459
DAR	0.295672	0.268948	0.7894
TATTOOS	-1.211871	-3.021257	0.0044
PER	-0.010107	-2.666766	0.0111
SG	1.968541	2.63112	0.0121

Source: Data processed, 2020

Based on table 4:12, it can be explained that the influence of variables is in accordance with the hypothesis testing described in chapter 2. Then the hypothesis in this study is as follows:

1. The coefficient of the quick ratio variable is -0.091048 with a negative sign, while the probability value of 0.5459> a significant value of 0.05 means that the quick ratio variable has a negative and insignificant effect on profit growth.

2. The coefficient of the debt to asset ratio variable is 0.295672 with a positive sign, whereas probability value 0.7894> significant value 0.05 means that the debt to assets ratio variable has a positive and insignificant effect on earnings growth.
3. The coefficient of the total assets turnover variable is 1.211871 with a negative sign, while the probability value of 0.0044 <significant value 0.05 means that the total assets turnover variable has a negative and significant effect on earnings growth.
4. The coefficient of the variable *price earning ratio* is -0.010107 with a negative sign, while the probability value of 0.0111 <significant value 0.05 means that the price earning ratio variable has a negative and significant effect on earnings growth.
5. The coefficient of the variable *sales growth* is 1.968541 with a positive sign, whereas probability value 0.0121 <significant value 0.05 means that the sales growth variable has a positive and significant effect on profit growth.

4.7.2. F test

The F test in this study is used to test whether all the independent variables included in the model have a joint or simultaneous influence on the dependent variable. By formulating the following hypotheses and criteria:

a. Formulating Hypotheses

H0: β1, β2, β3 = 0, meaning that QR, DAR, TATO, PER and SG simultaneously have no significant effect on profit growth.

HA: β1, β2, β3 ≠ 0, meaning that QR, DAR, TATO, PER and SG simultaneously have a significant effect on profit growth.

Table 4.7.2.
Statistical Test F

F-statistic	2.824171
Prob (F-statistic)	0.004667

Source: Data processed, 2020

b. Decision Making Criteria

1. The probability value> significant value (0.05) then H0 is accepted or HA is rejected, meaning that there is no simultaneous significant effect of the QR, DAR, TATO, PER and SG variables on profit growth.
2. The probability value <significant value (0.05) then H0 is rejected or HA is accepted, meaning that there is a simultaneous significant effect of the QR, DAR, TATO, PER and SG variables on profit growth.

Based on table 4.13, the probability value (F-statistic) is smaller than the significant value (0.004667 <0.05) where H0 is rejected or HA is accepted, this means that together there is a significant influence between the independent variables QR, DAR, TATO. , PER and SG on the dependent variable, namely profit growth.

V. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusion

Profit growth is a company condition that every company wants. Because profit growth is the increase and decrease in profit earned by the company compared to the previous period or year. The size of the profit as a measure of the increase in assets depends on the accuracy of the measurement of income and expenses.

Based on the research results that have been tested, the following conclusions can be drawn:

1. *Quick ratio*has a negative and insignificant effect on profit growth. QR is a ratio that is calculated by using the inventory of current assets and dividing it by current liabilities. This means that it does not prove that the greater the quick ratio value, the greater the quick ratio value, the faster the company will fulfill all its obligations.
2. *Debt to asset ratio*has a positive and insignificant effect on profit growth. DAR is a company's debt position showing the amount of money used to generate profits. Debt has a maximum point of obtaining funding sources from the company. If it exceeds the maximum limit, the company cannot pay back the debt.
3. *Total asset turnover* has a negative and significant effect on profit growth. This ratio is a measure of the overall efficiency of assets based on the relationship between firm sales and total assets. The higher the profit growth, the better the company is in using assets in its operational activities. If the profit growth is low, the company is unable to manage itassets held in its operational activities. That low TATO is proven to be able to predict future earnings changes.
4. *Price earning ratio* has a negative and significant effect on profit growth. PER is a market ratio that compares the share price per share divided by the earnings per share. Companies with high growth rate opportunities usually have high PER, and vice versa. The PER variable shows changes in earnings that have a negative effect.
5. *Sales growth* has a positive and significant effect on profit growth. Shows the extent to which the company can increase its sales compared to the total sales as a whole. The higher the level of sales growth, the higher the level of profit generated by the company. So that changes in profit will increase.
6. *Quick ratio, debt to asset ratio, total asset turnover, price earning ratio*and sales growth simultaneously affects the company's profit growth. So the food and beverages sub-sector companies are able to maximize their net income, long-term, short-term, assets, market prices and sales to increase the company's profit growth.

5.2. Suggestion

Based on the research results, the suggestions that can be put forward in this study are:

1. For food and beverage sector companies listed on the Indonesia Stock Exchange, so that profit growth will increase, companies should be more careful in making good decisions about the debt owned by the company, increasing sales by utilizing assets owned so that it can increase revenue.

2. Investors can make quick ratios, debt to asset ratios, total asset turnover, price earning ratios, and sales growth into components in making investments, especially in food and beverages sub-sector companies. Can provide consideration in assessing company performance for the company to see profit growth, so that it can help in making capital decisions in the company.

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