International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

The Effect Of Current Ratio And Total Asset Turnover On Return On Assets At Kimia Farma Tbk

Putri Aulia Dinasti[1], Puji Muniarty[2*] , Irma Mardiahan[3]

Program Studi Manajemen, Sekolah Tinggi Ilmu Ekonomi Bima

Email: putriauliadinasi.stiebima22@gmail.com, puji.stiebima@gmail.com
irmamardian@gmail.com

Abstract

Return on Assets (ROA) at PT Kimia Farma Tbk (KMF) from 2015 to 2024 is the target of this research, which intends to examine the relationship between CR and TATO. The impact of liquidity and activity ratios on profitability has been the subject of conflicting findings in previous studies; so, more investigation is required. Secondary data used in this research comes from PT Kimia Farma Tbk's financial statements covering the years 2015–2024 and is based on a quantitative associative methodology. A total of ten observations are used in the sample strategy, which employs purposive sampling. With the use of SPSS version 22, the data was analyzed using multiple linear regression analysis, classical assumption tests, coefficient of determination, t-test, and F-test. As far as the study's findings can tell, neither the Current Ratio (CR) nor the Total Asset Turnover (TATO) significantly affect ROA. At the same time, ROA is unaffected by Total Asset Turnover (TATO) or Current Ratio (CR). Particularly for pharmaceutical companies, this research provide factual proof of how liquidity and activity ratios affect bottom line results.

Keywords: Current Ratio, Total Asset Turnover, Return on Assets.

INTRODUCTION

Indonesia's economy is experiencing rapid growth, with increasingly fierce business competition driven by various sectors. Dynamic economic changes and technological advances require companies to continually adapt and improve efficiency to remain competitive in both domestic and international markets. Companies are one means of supporting government programs in various economic sectors. While the objectives of companies may vary from one

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

company to another, they generally aim to maximize profits to ensure their survival. Companies' activities and actions to generate profits for shareholders, investors, and other stakeholders are achieved through strong financial performance, as evidenced by increasing profits over time. Financial performance is an analysis conducted to determine the extent to which a company has implemented regulations properly and correctly (Maith, 2013). Financial performance is used to determine a company's financial condition, assess its ability to generate profits, and serve as a basis for decision-making for management and external parties such as investors and creditors. A company's financial performance is measured using financial ratios.

A financial ratio is a calculation using financial statements that serves as a measuring tool for assessing a company's financial condition and performance (Destiani & Hendriyani, 2022). Financial ratios demonstrate the relationship between financial components such as assets, liabilities, equity, revenue, and expenses and can provide an overview of a company's ability to meet obligations, generate profits, and manage resources efficiently. The types of financial ratios in a company are Liquidity ratio, Solvency ratio, Profitability ratio and Activity ratio.

Liquidity analysis is used to assess a company's ability to meet its short-term obligations that are due soon (Suyanto & Supramono, 2012). This analysis is used to measure a company's ability to meet its short-term financial obligations. Liquidity ratios indicate a company's ability to provide funds to pay current liabilities, thus reflecting the company's short-term financial condition. The higher the liquidity level, the better the company's ability to meet its obligations, as the company has sufficient current assets to cover short-term debt. The liquidity ratio used in this study is the Current Ratio (CR). The Current Ratio is a company's ability to pay debts that must be immediately met with current assets (Shabrina & Hadian, 2021). The Current Ratio can be measured by comparing current assets to current liabilities to determine the company's ability to meet its short-term obligations. A good Current Ratio indicates that a company has sufficient capacity to maintain its operational continuity. However, a Current Ratio that is too high can also indicate that current assets are not being fully utilized to generate profits.

The activity ratio is used to measure the effectiveness of a company's assets or wealth utilization, and to what extent the company's assets are financed with debt or financed by external parties. These external parties include investors and banks. According to Hery (2018), the activity ratio is used to measure a company's effectiveness in utilizing its assets, including its efficiency in utilizing resources (Fitriyani et al., 2022). The activity ratio indicates a company's ability to optimally utilize resources, particularly in asset turnover. The higher the activity ratio, the greater the company's efficiency in utilizing its assets, as it indicates that the assets are

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

capable of generating maximum sales. Therefore, the activity ratio reflects the company's effectiveness in carrying out its operational activities.

The activity ratio in this study is Total Asset Turnover (TATO), which is the turnover of a company's assets as measured by sales volume. The TATO calculation shows how effectively a business uses its assets to generate sales and profit. An increase in the TATO value indicates an increase in asset sales (Budianto & Dewi, 2023). Total Asset Turnover shows how much asset turnover supports sales. Total Asset Turnover can be measured by comparing net sales with total assets to see how effectively a company uses its assets to generate revenue. In practice, there are still companies with low Total Asset Turnover levels, which indicates that their assets are not being optimally utilized to generate revenue in this study.

A profitability ratio is a ratio used to assess a company's ability to generate profits. This ratio is used to measure the level of returns or gains (profits) compared to sales or assets, to gauge the company's ability to generate profits related to sales, assets, profits, and equity. According to Kasmir (2017), a profitability ratio is a ratio used to assess a company's ability to generate profits. This ratio indicates management's ability to generate profits and is the end result of a number of policies, policies, and decisions taken by management (Salma & Riska, 2019).

The profitability ratio used in this study is Return on Assets (ROA). Return on Assets is a ratio used to measure the extent to which investments are able to provide expected returns, and the investment is actually equal to the company's invested or invested assets (Khamisah et al., 2020). ROA is calculated by comparing net profit after tax to total assets, so this ratio can indicate the overall level of return on the use of the company's assets. The higher the ROA value, the more efficient the company is in managing its assets to generate optimal profits. Conversely, a low or even negative ROA value indicates that the company is unable to utilize its assets effectively and may even indicate losses. Thus, ROA is a relevant indicator in assessing a company's financial performance, particularly in terms of profitability.

PT. Kimia Farma Tbk. was founded on August 16, 1817, and is the first pharmaceutical company in Indonesia. Initially engaged in the trading of chemicals and pharmaceuticals, the company operates as an integrated pharmaceutical company specializing in drug production, distribution, and healthcare services.

PT. Kimia Farma Tbk. has been listed on the Indonesia Stock Exchange (IDX) since 2001 through an initial public offering (IPO) with the ticker symbol KAEF. As a pharmaceutical company, PT. Kimia Farma Tbk. faces significant industry dynamics, both in terms of market demand and

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

competition. Therefore, it is important to understand the extent to which financial ratios, such as the Current Ratio (CR) and Total Asset Turnover (TATO), impact Return on Assets (ROA). This study aims to analyze and explain the relationship and influence of these three ratios on the financial performance of PT Kimia Farma Tbk. This study aims to provide management and investors with a better understanding of the company's financial performance and enable them to make more informed decisions. The following shows financial report data which includes Current Assets, Current Liabilities, Sales, Total Assets, Net Profit after Tax, at PT Kimia Farma Tbk.

Table 1. Data on current assets, current liabilities, sales, total assets, and net income after tax for PT Kimia Farma Tbk. for the years 2010–2024 (Presented in thousands of rupiah, unless otherwise stated)

Year	Current Assets	Current Liabilities	Sales	Total Assets	Net Income After Tax
2015	Rp2.100.921.793.619	Rp1.092.623.765.562	Rp4.860.371.483.524	Rp3.434.879.313.034	Rp265.497.362.082
2016	Rp2.906.737.458.288	Rp1.696.208.867.581	Rp5.811.502.656.431	Rp4.612.562.541.064	Rp271.597.947.663
2017	Rp3.662.090.215.986	Rp2.369.507.448.769	Rp6.127.479.369.403	Rp6.096.148.972.534	Rp331.707.917.461
2018	Rp5.369.546.729.061	Rp3.774.304.481.466	Rp7.454.114.741.189	Rp9.460.427.317.681	Rp401.792.808.948
2019	Rp 7.334.787.123	Rp 7.392.140.277	Rp 9.400.535.476	Rp18.352.877.132	Rp 15.890.439
2020	Rp 6.093.103.998	Rp 6.786.941.897	Rp 10.006.173.023	Rp 17.562.816.674	Rp 65.354.454
2021	Rp 6.303.473.591	Rp 5.980.180.556	Rp 12.857.626.593	Rp 17.760.195.040	Rp 1.208.269
2022	Rp 8.179.802.709	Rp 8.691.263.905	Rp 9.606.145.359	Rp 20.353.992.893	Rp 8.179.802.709
2023	Rp 5.886.662.752	Rp 9.409.735.166	Rp 9.871.842.138	Rp 16.630.699.447	Rp 2.260.684.344
2024	Rp 3.932.651.949	Rp 7.948.556.630	Rp 9.938.958.364	Rp 14.967.031.490	Rp 1.104.869.947

Source: https://idx.icbp.co.id

The financial performance of PT Kimia Farma Tbk has varied from one year to the next, as seen in Table 1, which contains the company's financial statements for the period 2015–2024. From 2015 to 2018, current assets grew at a steady rate, outpacing current liabilities as a measure of liquidity. However, in 2019, they experienced a significant decline, followed by an increase in 2022, and then another decline from 2023 to 2024, while current liabilities increased from 2023 to 2024. In terms of business activity as measured by sales, sales increased from 2015 through 2018. Then, in 2019, sales experienced a significant decline, before gradually increasing again

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

from 2020 through 2024. Meanwhile, in terms of total assets, from 2015 to 2018, total assets saw a substantial increase. However, in 2019, they experienced a very significant decline, and in the subsequent years through 2024, total assets fluctuated, with a trend toward instability. In terms of profitability, as measured by net income after taxes, net income increased from 2015 through 2018. However, it dropped sharply in 2019, rose slightly in 2020, and then declined again in 2021. Furthermore, in 2022, net profit increased again, but in 2023 it declined, and declined again in 2024.

Based on previous research, there are differences in research results regarding the effect of Current Ratio and Total Asset Turnover on Return on Assets. (Amelia et al., 2023) stated that Current Ratio has a significant effect on Return on Assets, however (Chandra et al., 2020) found that Current Ratio has no significant effect on Return on Assets. In the Total Asset Turnover variable, (Ikbal et al., 2025) stated that Total Asset Turnover has a significant effect on Return on Assets, however (Nuroktofiana et al., 2023) found that Total Asset Turnover has no significant effect on Return on Assets. The results of research related to Current Ratio and Total Asset Turnover also showed inconsistencies, where (Ikbal et al., 2025) stated that there was a significant effect on Return on Assets, while (Wahyudi, 2024) and (Chandra et al., 2020) found the opposite results. Thus, the results of this study are not only beneficial for the company, but can also be an academic reference for further research that wants to examine further the factors that influence Return on Assets (ROA) at PT. Kimia Farma Tbk.

PROBLEM IDENTIFICATION

Based on the background described above, the research problems identified in this study are as follows:

1. There was a decline in PT Kimia Farma Tbk's current assets in 2019 and 2024
2. There was a decline in PT Kimia Farma Tbk's current liabilities in 2019 and 2021
3. There was a decline in sales at PT Kimia Farma Tbk in 2019
4. There were fluctuations in the total assets of PT Kimia Farma Tbk, which decreased in 2019–2020 and declined again in 2023–2024
5. There was a decrease in PT Kimia Farma Tbk's net income after tax in 2019 and 2021

PROBLEM FORMULATION

Based on the problem identification, the research questions can be formulated as follows:

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

1. Does the Current Ratio (CR) have a significant effect on Return on Assets (ROA) at PT Kimia Farma Tbk?
2. Does Total Asset Turnover (TATO) have a significant effect on Return on Assets (ROA) at PT Kimia Farma Tbk?
3. Is there a significant simultaneous effect of the Current Ratio (CR) and Total Asset Turnover (TATO) on Return on Assets (ROA) at PT Kimia Farma Tbk?

RESEARCH OBJECTIVES

In light of the aforementioned research topics, the following are the aims of this study:

1. To study PT Kimia Farma Tbk's Return on Assets (ROA) and find out whether the Current Ratio (CR) affects it.
2. Examining PT Kimia Farma Tbk's Total Asset Turnover (TATO) in relation to Return on Assets (ROA) is the goal here.
3. Purpose: to study PT Kimia Farma Tbk's Return on Assets (ROA) and find out whether the Current Ratio (CR) and Total Asset Turnover (TATO) have an influence on ROA at the same time.

LITERATURE REVIEW

1. Financial Management

Kasmir (2019) states that financial statements are records that reveal the current or historical financial health of a business. A full set of financial statements usually consists of the following: income statement, balance sheet, statement of changes in equity, statement of cash flows, and notes to the financial statements (Indonesia Institute of Certified Public Accountants, 2016). Financial statements are designed to help various users make informed economic choices by providing information on a company's financial position, performance, and changes in that position (Sutanti, 2015). The different financial statements are the income statement, balance sheet, statement of changes in equity, statement of cash flows, and notes to the financial statements. Information on current assets, sales, total assets, and net income after taxes were culled from PT. Kimia Farma Tbk.'s financial statements for the purpose of this research.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

2. Financial Ratios

One way to compare numbers in financial accounts is by dividing them by another; this method is called financial ratio analysis (Kasmir, 2019). It is possible to compare parts of one financial statement to those of another, or even between separate financial statements. Sarnawiah et al. (2025) states that financial ratio analysis is used to measure the health and performance of a company's finances over a certain time frame. In this analysis, financial measures such as the Current Ratio (CR), Total Asset Turnover (TATO), and Return on Assets (ROA) were used. Liquidity ratios and activity ratios were also considered.

3. *Current Ratio*

According to Khoer et al. (2024), the current ratio is the most commonly used ratio to measure a company's liquidity and its ability to meet its short-term obligations, such as paying cash dividends owed. This ratio indicates the company's ability to meet its short-term obligations immediately by using its total available current assets (Harry, 2018 in Satria, 2022).

The purpose of using the current ratio is to determine the company's level of liquidity and its ability to meet its short-term obligations. According to Kasmir (2019) in Rian (2025), the main factors influencing the current ratio are current assets and current liabilities. The higher the company's operating efficiency, the higher the current ratio.

Table 2: Current Ratio Standards:

Current Ratio	*Description*
200 - 250 %	Sangat Baik
175 - 250 %	Baik
150 – 175 %	Kurang baik

source: (Kasmir, 2019 In Albar, 2025)

$$CR = \frac{Total\ Assets}{Current\ Liabilities} \times 100\%$$

source: (Kasmir, 2019 In Albar, 2025)

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

4. *Total Asset Turnover*

According to Budianto & Dewi (2023), Total Asset Turnover (TATO) is an indicator that measures how efficiently a company utilizes all its assets to generate revenue. In other words, this ratio shows the company's effectiveness in utilizing all its assets to generate sales and profit. This turnover is also determined by the asset element itself (Sartono, 2016 in Chandra 2020). The higher the Total Asset Turnover (TATO), the better the company's ability to manage its assets, indicating that the assets owned are capable of optimally generating sales.

The purpose of using Total Asset Turnover is to determine how effectively a company utilizes all its assets to generate sales. According to Hery (2017) in Amin (2025), factors that influence Total Asset Turnover include sales, total assets, and asset utilization efficiency. According to Kasmir (2019) in Saputra and Akbar (2024), Total Asset Turnover is a ratio used to measure the turnover of all company assets in generating sales.

Tabel 3. Total Asset Turnover *Standars*

TATO	*Keterangan*
>1,1	Sangat Baik
<1,1	Kurang baik

source: (Lukviarman, 2006 In Sari, 2020)

$$TATO = \frac{Sales}{Total\ Assets}$$

source: (*Kasmir, 2019 In Gultom & indrawswari 2025*)

5. *Retrun on Assets*

One profitability statistic that shows how well a business is able to transform its assets into net income is the return on assets (ROA). As stated in Kuniawati (2024) and referenced by Kariyoto (2017), this ratio indicates how well the corporation manages its assets to produce profits. A greater return on assets (ROA) indicates a more profitable business with better asset utilization and higher net income.

The goal of calculating a company's Return on Assets (ROA) is to find out how much money the business makes out of all its assets and how well the management is at handling those assets. The research by Putra and Yulianti (2020) cites Kasmir (2019) as

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

saying that a company's ROA is affected by its profit generation and asset utilization effectiveness.Overall efficacy in producing profit from available assets is measured by return on assets (ROA), according to Horne & Wachowicz (2025) in Khoer & Mubaarok (2024).

Tabel 4 *Retrun on Asset Standars*

ROA	Kriteria
>5,98 %	Sangat baik
< 5,98 %	Kurang Baik

source: (Lukviarman, 2006 In Rahmatullah 2025)

$$ROA = \frac{Net\ Profit}{Total\ Assets} \times 100\%$$

source:(Kasmir, 2017 In Cahayani & Noryani 2025)

6. The Effect of the Current Ratio on Return on Assets

If you want to know how liquid a firm is and if it can pay its short-term bills, including dividends, the current ratio is your best bet (Khoer et al., 2024). A stronger ability to satisfy short-term commitments is shown by a higher ratio. Although a high Current Ratio is indicative of robust liquidity, it also raises the possibility that the firm is underutilizing its current assets to produce profits, which might result in a decrease in Return on Assets (ROA). The inverse is also true: a low Current Ratio can indicate a lack of liquidity, which might cause operational disruptions and, ultimately, a negative Return on Assets (ROA). According to Widarti et al. (2021), Situmorang (2023), and Astutik & Anggraeny (2019), the CR significantly affects ROA. The CR has no discernible impact on ROA, according to Marsella and Priyanto (2022).

7. The Effect of the Current Ratio on Return on Assets

If you want to know how liquid a firm is and if it can pay its short-term bills, including dividends, the current ratio is your best bet (Khoer et al., 2024). A stronger ability to satisfy short-term commitments is shown by a higher ratio. Although a high Current Ratio is indicative of robust liquidity, it also raises the possibility that the firm is underutilizing its current assets to produce profits, which might result in a decrease in Return on Assets (ROA). The inverse is also true: a low Current Ratio can indicate a lack of liquidity, which might cause operational disruptions and, ultimately, a negative Return on

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Assets (ROA). According to Widarti et al. (2021), Situmorang (2023), and Astutik & Anggraeny (2019), the CR significantly affects ROA. At the same time, Marsella and Priyanto (2022) discovered that CR had no notable impact on ROA.

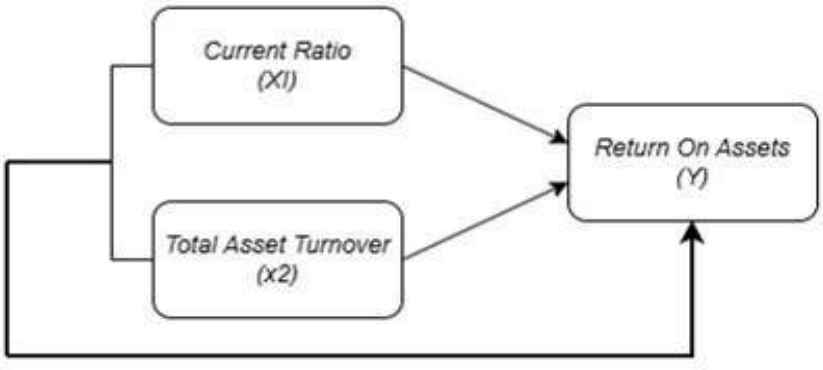
8. Effect of Current Ratio and Total Asset Turnover on Return on Assets

Profitability, as measured by Return on Assets (ROA), is an indication of a company's capacity to make money from its assets (Van Horne & Wachowicz, 2021). An improved ability to turn assets into profit is reflected in a better return on assets (ROA). In contrast, inefficient use of assets in producing profits is indicated by a low ROA. Two financial ratios that show how a firm is doing financially are the current ratio and total asset turnover. The current ratio shows how well a company can pay its short-term bills, while total asset turnover shows how efficiently it uses its assets to make sales. A higher Return on Assets is the result of a more profitable business that has sufficient cash on hand and makes appropriate use of its assets. On the other side, a poor Return on Assets is the consequence of a declining profit line caused by inefficient use of assets and an inability to sustain liquidity. Return on Assets is affected by Total Asset Turnover and the Current Ratio, according to Situmorang's (2023) research. Return on Assets is unaffected by Total Asset Turnover and Current Ratio, according to Astutik & Anggraeny (2019).

RESEARCH FRAMEWORK

This research's conceptual framework is best stated as follows:

Figure 1. research framework



Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Notes:

1. The arrows from X1 and X2 to Y indicate the partial effects of each variable on Y.
2. The lines connecting X1 and X2 to Y indicate the effect

STATISTICAL HYPOTHESES

An empirical fact derived from data gathering forms the basis of a hypothesis, which is a potential response to a research question (Sugiyono, 2019).

The research hypotheses are as follows:

1. On the other hand, ROA is affected by the Current Ratio (CR) of PT Kimia Farma Tbk.
2. Returned on Assets (ROA) at PT Kimia Farma Tbk is affected by Total Asset Turnover (TATO).
3. Return on Assets (ROA) at PT Kimia Farma Tbk is impacted by both the Current Ratio (CR) and the Total Asset Turnover (TATO).

The statistical hypotheses used in this study are:

1. H0: $\beta_1 = 0$, There is no significant effect of the Current Ratio on Return on Assets at PT Kimia Farma Tbk.

   Ha: $\beta_1 \neq 0$, There is a significant effect of the Current Ratio on Return on Assets at PT Kimia Farma Tbk.
2. H0: $\beta_2 = 0$, There is no significant effect of Total Asset Turnover on Return on Assets at PT Kimia Farma Tbk.

   Ha: $\beta_2 \neq 0$, There is a significant effect of Total Asset Turnover on Return on Assets at PT Kimia Farma Tbk.
3. H0: $\beta_1 = \beta_2 = 0$, There is no simultaneous effect of the Current Ratio and Total Asset Turnover on Return on Assets.

   Ha: $\beta_1 \neq \beta_2 \neq 0$, There is a simultaneous effect of Current Ratio and Total Asset Turnover on Return on Assets.

RESEARCH METHODOLOGY

This study examines the relationship between PT Kimia Farma Tbk's Return on Assets (ROA) and the Current Ratio (CR) and Total Asset Turnover (TATO). It employs a quantitative technique and comes under the area of associative research. Secondary data used in this research comes from PT Kimia Farma Tbk's and the Indonesia Stock Exchange's yearly financial statements

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

covering the years 2015–2024. The research tools are tables of data that depict the study period's net income after taxes, total assets, sales, current liabilities, and current assets. This study uses PT Kimia Farma Tbk's financial statements from 2001 to 2024 as its population, and a research sample was chosen using purposive sampling based on the criteria of having all financial statements from 2015 to 2024. The outcome was ten collections of research data.

The data was gathered by reviewing existing literature and documenting relevant events. Using IBM SPSS, the researchers in this study tested the hypothesis that the Current Ratio (CR) and Total Asset Turnover (TATO) had an effect on Return on Assets (ROA). At the 0.05 level of significance, the independent variables' contribution to the dependent variable was measured using the coefficient of determination, and the t-test and F-test were used to assess simultaneous effects and partial effects, respectively.

DISCUSSION

Return on Assets (ROA) at PT Kimia Farma Tbk is the focus of this research, which seeks to analyze the relationship between CR and TATO.

1. The effect of the Current Ratio on Return on Assets at PT Kimia Farma Tbk. for the period from 2015 to 2024..

The hypothesis test revealed that the computed t-value of 0.063 is less than the crucial t-value of 2.447, and the significance level of 0.951 is higher than 0.05. This was determined by comparing the two t-values. Accordingly, Return on Assets (ROA) is unaffected by and unrelated to the Current Ratio (CR). Several factors may contribute to the onset of this illness. To begin, as a liquidity ratio, the CR does not accurately represent a company's profitability as it just shows its capacity to satisfy its short-term commitments. Secondly, if the CR value is too high, it might mean that the company's present assets are sitting idle or aren't being used to their full potential. Thirdly, ROA is less affected by the liquidity level of the organization and more by how well it manages all of its assets to produce profits. Consequently, the return on assets (ROA) may not always reflect the CR level.

Gultum and Indraswari (2024) also discovered that return on assets at Kalbe Farma Tbk. from 2014 to 2023 was unaffected by the current ratio variable; our findings are in line with theirs. Because of this, it is clear that the return on assets (ROA) metric is unaffected by the current ratio's level, whether it is high or low. Given that the company's present assets may not be put to good use in generating profits just yet, this condition suggests that having a lot of cash on hand doesn't always translate to better earnings. Additionally, the study's findings run counter

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

to those of Kurniawati and Amelya (2024), who looked at the years 2013–2022, and concluded that PT. Industri Jamu dan Farmasi Sido Muncul Tbk.'s Return on Assets was positively and significantly impacted by the Current Ratio (CR).

2. The Effect of Total Asset Turnover on PT. Kimia Farma Tbk. from 2015 to 2024.

The hypothesis testing findings show that the computed t-value of 0.634 is less than the crucial t-value of 2.447, and the significance level of 0.547 is larger than 0.05. This is based on a comparison between the two t-values. Therefore, it is safe to say that TATO does not impact ROA and is not statistically significant. Because TATO does not directly represent a company's capacity to make profits, it simply reflects its ability to use assets to generate sales. This might lead to this situation. On top of that, if operational expenses are going up along with sales, then a growth in asset turnover may not translate into higher profit. Thus, Return on Assets (ROA) is not directly proportional to TATO level.

Finding that Total Asset Turnover (TAT) has no effect on Return on Assets (ROA), this study's findings are in line with those of Nurktofiana & Alwi (2023). The results show that the Return on Assets metric is unaffected by a company's Total Asset Turnover level, whether it's high or low. Since the revenues that come from using assets might be accompanied with higher operational expenses, it's possible that a high rate of asset turnover won't really boost a company's profitability. This study's findings also go counter to those of an earlier one by Ikbal and Wartono (2025), which indicated that TATO significantly and positively affects ROA.

3. The Effect of the Current Ratio (CR) and Total Asset Turnover on PT Kimia Farma Tbk. from 2015 to 2024.

The hypothesis testing findings show that the computed F-value of 0.987 is less than the crucial F-value of 5.14, and the significance level is larger than 0.05, with a value of 0.442. Results show that ROA is unaffected by either the Current Ratio (CR) or the Total Asset Turnover (TATO) at the same time or to a substantial degree. Return on Assets (ROA) variations cannot be adequately explained by these two factors alone. One explanation is that ROA is more affected by a company's overall capacity to produce profits, whereas CR and TATO are financial ratios that only explain the amount of liquidity and the efficacy of an organization's asset usage based on financial data for a certain time. Additionally, if operating costs and expenditures also increase, a gain in liquidity and asset turnover does not guarantee a growth in corporate profitability.

Research by Nurhasnah and Hetrtina (2025) confirmed what this research found: Total Asset Turnover (TATO), a measure of a company's capacity to generate revenues from all assets, has no effect on the growth or decline of Return on Assets (ROA). Results show that ROA is

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

unaffected by taking both the Current Ratio (CR) and the Total Asset Turnover (TATO) into account at the same time. Furthermore, these findings go counter to those of an earlier research by Abdul Aziz (2020) that indicated a substantial impact of the Current Ratio (CR) and Total Asset Turnover (TATO) on Return on Assets when taken together.

CONCLUSION

The following findings are derived from a research that examined the impact of PT Kimia Farma Tbk.'s Current Ratio (CR) and Total Asset Turnover (TATO) on Return on Assets (ROA) from 2010 to 2024:

1. In terms of Return on Assets, the Current Ratio is insignificant.
2. The impact of Total Asset Turnover on Return on Assets is insignificant.
3. Return on Assets is unaffected by Total Asset Turnover and Current Ratio when both are taken into account at the same time.

SUGGESTIONS

1. In order to maximize profitability, PT Kimia Farma Tbk should pay greater attention to efficiently managing its assets and keep its liquidity and asset turnover levels high. Research shows that Return on Assets (ROA) is unaffected by the Current Ratio (CR) and Total Asset Turnover (TATO), hence other approaches are required to boost the business's bottom line.
2. Investors should look at other financial parameters that affect Return on Assets (ROA) more than the Current Ratio (CR) and Total Asset Turnover (TATO) when assessing a company's performance. on order to make better investment choices that are grounded on thorough analyses of the company's financial state, this is crucial.
3. Future studies could consider include other variables that might impact Return on Assets (ROA), such as the Debt-to-Equity Ratio (DER), Net Profit Margin (NPM), or any other external factors, in addition to the Current Ratio (CR) and Total Asset Turnover (TATO). Since additional factors may still influence Return on Assets (ROA) that are beyond the purview of this study, it is crucial to do this in order to provide more comprehensive and thorough research findings.

REFERENCES

Agustina, N., & Pratiwi, A. (2021). Pengaruh Asset Turn Over (TATO) terhadap Return on Asset (ROA) pada PT. Unilever Indonesia Tbk. Jesya (Jurnal Ekonomi Dan Ekonomi Syariah), 4(2), 1322–1328.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Albar, M. R., Muniarty, P., & Rimawan, M. (2025). Pengaruh Current Ratio dan Net Profit Margin Terhadap Harga Saham pada PT . Fortune Mate Indonesia , Tbk. IGM : Indo Global Mandiri, 6(2), 737–754.

Analisis Laporan Keuangan - Rajawali Pers. (2019). Rajagrafindo Persada.

Astutik, E. F., & Anggraeny, A. N. (2019). Pengaruh Current Ratio (CR) dan Debt To Asset Ratio (DAR) Terhadap Return On Asset (ROA) Pada PT. Indocement Tunggal Prakarsa Tbk Periode 2008-2017. Jurnal SEKURITAS (Saham, Ekonomi, Keuangan Dan Investasi), 3(1), 97.

Budianto, E. W. H., & Dewi, N. D. T. (2023). Pemetaan penelitian rasio total asset turnover (TATO) pada perbankan syariah dan konvensional: Studi bibliometrik vosviewer dan literature review. Jurnal Akuntansi Dan Manajemen, 20(2), 40–50.

Destiani, T., & Hendriyani, R. M. (2022). Analisis rasio keuangan untuk menilai kinerja keuangan perusahaan. Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah, 4(1), 33–51.

Dewi, I. K., & Budhiarjo, I. S. (2023). Pengaruh DER, TATO, dan Firm Size terhadap ROA pada PT Elnusa Tbk Periode 2011-2021. Jurnal Madani: Ilmu Pengetahuan, Teknologi, Dan Humaniora, 6(2), 59–66.

Fitriyani, A. S., Sutardi, & Fitriah. (2022). Analisis Rasio Likuiditas, Solvabilitas, Aktivitas Dan Profitabilitas Dalam Mengukur Kinerja Keuangan Pada PT Adhi Karya (Persero) Tbk (Tahun 2015-2019). JUVA: Junal Vokasi Akutansi, 1(1), 29–50.

Gudono, M. (2012). Analisis Data Multivariat Edisi Kedua. BPFE: Yogyakarta.

Gultom, R. K., & Indraswari, T. (2025). Pengaruh Total Asset Turnover Dan Current Ratio Terhadap Return On Assets Pada PT Kalbe Farma Tbk. Periode 2014-2023. IPPSSJ : Integrative Perspectives of Social and Science Journal, 2(1), 1541–1556.

Indonesia, I. A. (2016). Ikatan Akuntan Indonesia. Penyusunan Dan Penyajian Laporan Keuangan Sesuai PSAK, 1.

Khamisah, N., Nani, D. A., & Ashsifa, I. (2020). Pengaruh Non Performing Loan (NPL), BOPO dan Ukuran Perusahaan Terhadap Return On Assets (ROA) Perusahaan Perbankan yang Terdaftar di Bursa Efek Indonesia (BEI). TECHNOBIZ: International Journal of Business, 3(2), 18.

Khoer, M., Mubaarok, S. H., Jaelani, I., Acim, A., & Mutakin, K. (2024). Pengaruh Current Ratio Dan Total Assets Turn Over Terhadap Return On Assets. Equilibrium: Jurnal Penelitian Pendidikan Dan Ekonomi, 21(01), 104–112.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Larasati, N., & Hidayat, I. (2018). Analisis Rasio Keuangan Untuk Menilai Kinerja Keuangan Pada Perusahaan Sektor Kesehatan (Rumah Sakit). Jurnal Ilmu Dan Riset Manajemen, 7(12), 1–17.

Lorang, P. M. D., Ndoen, W. M., & Foenay, C. C. (2023). Pengaruh Likuiditas Dan Leverage Terhadap Profitabilitas Dan Nilai Prusahaa Pada PT Wismilak Inti Makmur Yang Terdaftar Di Bursa Efek Indonesia. Glory: Jurnal Ekonomi & Ilmu Sosial, 4(4), 943–959.

Lukviarman, N. (2006). Dasar-Dasar Manajemen Keuangan. Padang: Andalas University Pers.

Maith, H. A. (2013). Analisis laporan keuangan dalam mengukur kinerja keuangan pada PT. Hanjaya Mandala Sampoerna Tbk. Jurnal Emba, 1(3), 619–628.

Marsella, M., & Priyanto, A. A. (2022). Pengaruh Current Ratio (CR) dan Debt To Asset Ratio (DAR) Terhadap Return On Aseset (ROA) Pada PT. Gudang Garam, Tbk. Periode 2010-2019. Jurnal SEKURITAS (Saham, Ekonomi, Keuangan Dan Investasi), 5, 145.

Nihe, S., Murni, S., & Wullur, M. (2023). Analisis Pengaruh Total Asset Turnover, Working Capital Turnover, Firm Size dan Public Ownership Terhadap Nilai Perusahaan Pada Sektor Consumer Non-Cyclical Di Bursa Efek Indonesia (BEI) Periode 2018-2021. Jurnal EMBA, 11(4), 346–357.

Priadana, M. S., & Sunarsi, D. (2021). Metode penelitian kuantitatif. Pascal books Tangerang Selatan.

Ramdhan, M. (2021). Metode penelitian. Cipta Media Nusantara.

Sa'adah, L. (2021). Metode penelitian ekonomi dan bisnis. Lppm Universitas Kh. A. Wahab Hasbullah.

Salma, N., & Riska, T. J. (2019). Pengaruh Rasio Leverage, Likuiditas, Profitabilitas Terhadap Kualitas Laba Perusahaan Makanan Minuman BEI. COMPETITIVE, 14(2), 84–95.

Sari, M., & Muniarty, P. (2020). Analisis Perputaran Total Aset Pada PT. Indofood Makmur Tbk. IJAB : Indonesia Journal Of Accounting and Business, 2(1), 1–9. https://doi.org/10.33019/ijab.v2i1.10

Sarnawiah, Syawalinda, Chair, U., & Nurwahida. (2025). Analisis NPM, ROA Dan ROE Untuk Mengukur Kinerja Keuangan Pada PT. Sarimelati Kencana Tbk. Yang Terdaftar Di Bursa Efek Indonesia. POINT: Jurnal Ekonomi & Manajemen, 7, 187–202.

Sarwono, J. (2022). Quantitative, Qualitative, and Mixed Method Reseach Methodology.

Satria, R. (2022). Pengaruh Current Ratio (CR) dan Debt To Equity Ratio (DER) Terhadap Return On Asset (ROA) Pada PT Mayora Indah Tbk Periode 2009-2020. SCIENTIFIC JOURNAL OF REFLECTION, 5(2), 440–447.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Shabrina, W., & Hadian, N. (2021). The influence of current ratio, debt to equity ratio, and return on assets on dividend payout ratio. International Journal of Financial, Accounting, and Management, 3(3), 193–204.

Situmorang, I. (2023). Pengaruh current ratio (CR) dan debt to equity ratio (DER) terhadap return on asset (ROA) pada perusahaan sub sektor advertising, printing and media yang terdaftar di BEI. Jurnal Bintang Manajemen, 1(1), 165–179.

Sugiyono, P. D. (2017). Metode penelitian bisnis: pendekatan kuantitatif, kualitatif, kombinasi, dan R&D. Penerbit CV. Alfabeta: Bandung, 225(87), 48–61.

Sugiyono, P. D. (2019). metode penelitian pendidikan (kuantitatif, kualitatif, kombinasi, R&D dan penelitian pendidikan). Metode Penelitian Pendidikan, 67, 18.

Sutanti, T. (2015). PENGARUH RETURN ON EQUITY (ROE) TERHADAP HARGA SAHAM PADA PERUSAHAAN SEKTOR ANEKA INDUSTRI. Jurnal FINANCIAL, 56–61.

Suyanto, K. D., & Supramono. (2012). Likuiditas, Leverage , Komisaris Independen, Dan Manajemen Laba Terhadap Agresivitas Pajak Perusahaan. Jurnal Keuangan Dan Perbankan, 16(2), 167–177.

Van Horne, J. C., & Wachowicz, J. M. (2021). Prinsip-prinsip manajemen keuangan.

Wahyuni & Rindrayani. (2025). METODE PENELITIAN. 41–57.

Widarti, A., Sudaryo, Y., & Epi, S. A. N. (2021). Analisis Debt to Equity Ratio (DER), DEBT to Assets Ratio (DAR) dan Current Ratio (CR) Terhadap Profitabilitas Perusahaan. Jurnal Indonesia Membangun, 20(03), 22–42.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.