The Effect Of Total Asset Turnover Ratio, Company Size And Leverage On Stock Returns In Food And Beverage Companies Listed On The Indonesia Stock Exchange In The 2018-2021 Period

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Article Info	ABSTRACT
Keywords: Total asset Turnover Ratio, Company Size, Leverage	A stock return refers to the projected profit or rate of return that investors expect from their investment in a company. This research aims to evaluate the influence of leverage, company size, and total asset turnover on the stock returns of food and beverage companies listed on the Indonesia Stock Exchange between 2018 and 2021. Purposive sampling is the approach utilized in this study for sample selection; nine samples were chosen for this study. In this study, descriptive statistical methods were employed as the analytical approach. SPSS version 26 software is utilized for data processing, and the data analysis methods utilized include conventional assumption testing and multiple linear regression analysis. The results of the study's tests indicate that the simultaneous impact of leverage, firm size, and total asset turnover on stock returns is not observed. It demonstrates, in part, that: (1) total asset turnover is unrelated to stock returns (2) Stock returns are unaffected by a company's size. (3) The return on stocks is unaffected by leverage.
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INTRODUCTION

Capital *market* is an investment vehicle that allows investors to invest their money in assets that are in accordance with the risk they take with the expected return. Indonesia's capital market has grown in tandem with the country's economy. Investors can invest in a wide range of enterprises by acquiring securities listed or traded on the capital (Hermuningsih, 2012). Stock investments are among the most popular in the capital market. Shares are certificates of ownership in a firm (Tandelilin, 2010). Making money off of stock returns is the only reason to invest in stocks. Stock return is defined by (Ang, 1997) as the profit that investors receive for their capital.

Before making an investment, investors certainly need to know and choose which stocks can provide the most optimal benefits for the funds invested. The growth or reduction in shares purchased by investors may be determined by financial performance; in order to

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evaluate the company's financial success, investors will often examine the company's finan-cial statements. The analysis's findings will serve as a guide for investors in determining if the firm has strong financial performance and whether it is worthwhile to invest in it. Currently, the Composite Stock Price Index (JCI) is experiencing difficult times due to the Covid-19 virus pandemic originating from Wuhan City which has plummeted and many domestic and foreign investors who withdraw their capital or sell their shares from the company, making the com-pany's stock price drop dramatically compared to the situation before the COVID-19 global health crisis or pandemic.

Food and drink enterprises are an attractive sector and have the potential to be a con-cern, because investing in them is quite promising in the future. But food and beverage com-panies have characteristics that are difficult to predict, where this sector is quite influenced by the country's economy. Because stock prices are lower than they were in the past, there is a problem with declining stock return value. The stock price fell due to the decline from within the company itself and from outside the company such as the national economic level, political situation, inflation, trade wars between countries, negative sentiment and the worst was the outbreak of the COVID-19 global health crisis or pandemic that entered Indonesia and para-lyzed the Indonesian economy, especially the declining JCI movement. Internal causes include the firm's improper operation, which lowers the fundamental level and reduces investor in-terest in purchasing the company's shares, lowering stock returns' value.

Total *asset turn over* is a financial ratio used in measuring how efficiently all company assets are used to meet sales activities (Ang, 2010). The turnover that occurs in a company's assets illustrates how effectively the company uses all assets to create sales in conjunction with profit. According to research (Natlya, 2021) total asset turnover does not impact stock returns. However, the findings of the research (Jauhary, 2023) state that total asset turnover affects stock returns.

The entire scale of a corporation determines its size, which may be quantified using a variety of criteria including capital, sales, or total assets. One of the primary benchmarks for assessing a company's size is the value of its total assets. This measurement provides insight into the company's financial strength and operational capacity. According to study (Dewi, 2019), firm size influences stock returns. However, according to (Gaib I, 2022) indicates that the company's size does not influence stock returns.

In this study, we'll examine how much a company relies on debt to finance its opera-tions. This is called leverage, and we'll measure it using a tool called the Debt-to-Equity Ratio (DER). This ratio helps us understand a company's overall financial health and how likely it might be to face financial trouble in the future. The research will then use this ratio to analyze (Sutanto, 2021), leverage has no effect on stock returns. However, according to (Widiarini S, 2019) stated that leverage affects stock returns.

Researchers conducted research on stock returns, total asset turnover, company size, and leverage for two reasons: first, the development of the Indonesian capital market is head-ing towards efficiency where all relevant information can be used as input to determine stock

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returns and investor risk avoidance, so that the information aspect this can serve as a foundation for decision-making. Second, financial ratios are still a significant concern for investors in determining stock investment choices. Before choosing to buy shares in a company, investors need many facts to study in order to make the right decision. Third, because the author found many differences in research results regarding the influence between these variables, the author was interested in reviewing the relationship between these variables.

METHODS

This study utilized a quantitative approach with a descriptive research methodology. It is an approach that seeks to more fully understand the nature and correlation between two variables while paying particular attention to particulars. This study utilizes secondary data. Along with secondary data sources, this study analyzed the websites of every food and beverage company listed on the Indonesia Stock Exchange from 2018 to 2021, as well as yearly financial reports obtained from https://www.idx.co.id/id. In this study, stock returns serve as the dependent variable, while total asset turnover, firm size, and leverage act as independent variables.

The sample for this study consisted of 24 food and beverage firms that were listed on the Indonesia Stock Exchange. Purposive sampling, a technique that applies certain criteria, was used in this study's sample strategy. The criteria were (1) food and beverage industry businesses listed on the Indonesia Stock Exchange between 2018 and 2021. (2) Companies in the food and beverage industry that publish yearly reports in succession from 2018 to 2021. (3) Companies in the food and beverage industry that disclose their 2018–2021 financial results in rupiah. Four food and beverage companies are listed on the Indonesia Stock Exchange and provide comprehensive data that aligns with the information needed for this study. Based on set criteria, 9 samples were selected. The data will then be analyzed using multiple linear regression analysis techniques, with data processing conducted using SPSS version 26 software.

Tabel 1. A study sample of food and beverage firms that were listed between 2018 and 2021 on the Indonesia Stock Exchange

Kode	Nama Perusahaan
ADES	Akasha Wira Internasional Tbk
AISA	Tiga Pilar Sejahtera Food Tbk
CEKA	Cahaya Kalbar Tbk
CLEO	Sariguna Primatirta Tbk
INDF	Indofood Sukses Makmur Tbk
ICBP	Indofood CBP Sukses Makmur Tbk
MYOR	Mayora Indah Tbk
STTP	Siantar Top Tbk
HOKI	Buyung Poetra Sembada Tbk

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RESULTS AND DISCUSSION

Result of Data Analysis
Analysis Descriptive Statistic

Tabel 2. Descriptive Statistics Test Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Tato	36	.04	1.95	.9411	.52831
Ukuran Perusahaan	36	27.27	29.80	28.5423	.79186
Der	36	.12	13.55	1.5186	2.29816
Return Saham	36	-.71	.46	-.0967	.23864
Valid N (listwise)	36				

Source : Data processed by SPSS 26

This table provides a key financial overview of 17 dividend-paying companies on the Indonesia Stock Exchange (IDX). These companies are all publicly traded. The average stock return for these companies was -0.0967, with individual returns ranging between -0.071 and 0.46. Similarly, total asset turnover averaged 0.9411, with a low of 0.04 and a high of 1.95. Company size, measured by total assets, ranged from a minimum of 27.27 to a maximum of 29.80, with an average of 28.5423. Finally, leverage, as measured by the Debt-to-Equity Ratio, averaged 1.5186, with values ranging from -0.12 (indicating negative debt, potentially a data error) to a maximum of 13.55. In essence, this table provides a snapshot of the key financial characteristics of these dividend-paying companies on the IDX.

Union of Classical Assumptions

To find out whether the data used meets the criteria in the linear regression model so that it can be accounted for, regression testing cannot be done without first performing traditional assumption testing. The classical assumption test is as follows:

Normality Test

The data in this study were normally distributed, as verified by the One-Sample Kolmo-gorov-Smirnov Test with a significance level greater than 0.05.

Tabel 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		36
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.22888081
Most Extreme Differences	Absolute	.117
	Positive	.089
	Negative	-.117
Test Statistic		.117
Asymp. Sig. (2-tailed)		.200[c,d]

Source : Data processed by SPSS 26

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You can see the Asymp value in the table above. The data is appropriate for testing since the normalcy test indicates that the data is normally distributed (Sig., 2-tailed) 0.200 > 0.05.

Multicolinearity Test

The Variance Inflation Factor (VIF) and Tolerance values can be utilized to detect multi-collinearity issues. An acceptable regression model has a VIF value below 10 and a Tolerance value close to 1.

Tabel 4. Multicolinearity Test Results

Coefficientsª

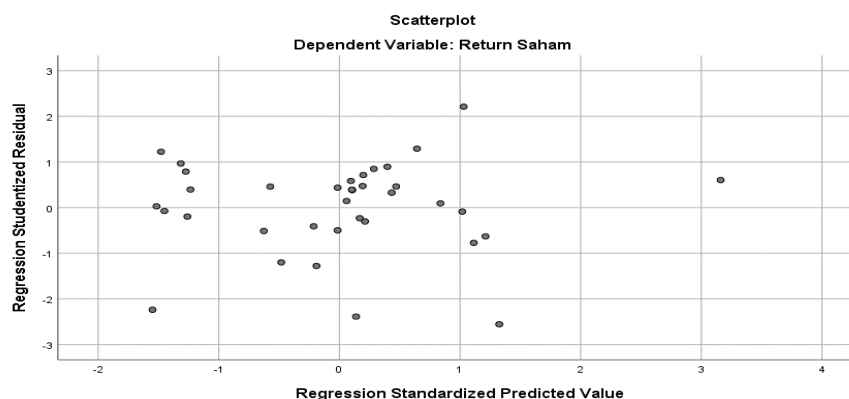| Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Tato	.974	1.026
	Ukuran Perusahaan	.809	1.236
	Der	.825	1.212
a. Dependent Variable: Return Saham			

Source : Data processed by SPSS 26

The table above demonstrates that each variable has a tolerance value close to one and a VIF value less than 10. The tolerance values for leverage, debt to equity ratio, and business size are 0.825, 0.809, and 0.974, respectively. The three independent variables do not have a multicollinearity connection, hence the regression equation does not have a multicollinearity problem.

Heteroscedasticity Test

In order to ascertain if heteroscedasticity is present or absent, we analyze the line plot between the residual (SRESID) and the predicted value of the dependent variable (ZPRES). If the points are randomly distributed above and below the zero line without forming a pattern, heteroscedasticity is not present.

Tabel 5. Multicolinearity Test Results

Source : Data processed by SPSS 26

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The dots in the aforementioned image are dispersed randomly, failing to form a pattern, above and below the Y axis's zero point. We may conclude that this study is homoscedastic as this shows that heteroscedasticity is absent.

Autocorrelation Test

Using a run test, the autocorrelation test was conducted by examining the Asymp.Sig value (2-tailed) at a significance level > 0.05, indicating the absence of autocorrelation.

Tabel 6. Autocorrelation Test Results

Runs Test

	Unstandardized Residual
Test Value[a]	.04705
Cases < Test Value	18
Cases >= Test Value	18
Total Cases	36
Number of Runs	18
Z	-.169
Asymp. Sig. (2-tailed)	.866
a. Median	

Source : Data processed by SPSS 26

The study's results, which are displayed in the table above, led to the conclusion that the probability value was 0.866. Since the result is larger than 0.05, autocorrelation is not present in this regression model.

Multiple Linear Regression Test

Multiple linear regression is a potent instrument utilized for understand how several factors (independent variables) influence a single outcome (dependent variable). It works by estimating an average outcome based on the values of the influencing factors. By analyzing how changes in these factors affect the outcome, this method reveals the connections between them. This knowledge allows us to make more accurate predictions and informed decisions.

Tabel 7. Multiple Linear Regression Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.422	1.646		-1.472	.151
	Tato (X_1)	.050	.078	.111	.647	.523
	Company Size (X_2)	.078	.057	.260	1.382	.177
	Der (X_3)	.025	.019	.238	1.276	.211
a. Dependent Variable: Return Saham						

Source : Data processed by SPSS 26

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The regression equation may be stated as follows using the data in the preceding table as a basis:

$$RS = -2.422 + 0.050\ X_1 + 0.078\ X_2 + 0.025\ X_3 + e$$

These are the explanations provided for interpreting multiple linear regression analysis:

a. Constant value: -2.422. This indicates that if the total asset turnover, firm size, and debt to equity ratio remain at zero or constant, the stock return is -2,422.

b. Total asset turnover coefficient: 0.050. This suggests that for every one-unit change in total asset turnover while another variable remains constant, the stock return improves by 0.050.

c. The enterprise's coefficient of size is 0.078. This suggests that every time the firm size changes by one unit while another variable remains constant, the stock return improves by 0.078.

d. The coefficient for the debt to equity ratio is 0.025. This indicates that every time one unit's debt to equity ratio changes while another variable remains constant, the stock return improves by 0.025.

Hypothesis testing

Coefficient of Determination (R^2)

Tabel 8. Coefficient of Determination Test Results (R^2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.283[a]	.080	-.006	.23937

a. Predictors: (Constant), Der, Tato, Ukuran Perusahaan

b. Dependent Variable: Return Saham

Source : Data processed by SPSS 26

It is evident from table 8 that the R-squared value is 0.080, or 8%. According to the coefficient of determination value, the independent variable may account for 8% of the variation in stock return for firms in the food and beverage industry; other factors outside of this study's model explain the remaining 92% of the variation.

F Test (Simultaneous Test)

Tabel 9. F Test Results (Simultaneous Test)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.160	3	.053	.929	.438[b]
	Residual	1.834	32	.057		
	Total	1.993	35			

a. Dependent Variable: Return Saham

b. Predictors: (Constant), Der, Tato, Ukuran Perusahaan

Source : Data processed by SPSS 26

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The results are shown in the previous table, with an Fcalculate value of 0.929. The Ftable's intermediate value is 2.90. It follows that Ftable < Fcalculate. H0 is accepted with a significance value of 0.438 (more than 0.05), but H1 is refused. According to this, The size and efficiency with which food and beverage companies on the IDX utilize their assets do not have a bearing on their stock performance, company size, leverage, or stock return.

t Test (Partial Test)

Tabel 10. T Test Results (Partial Test)

Coefficientsª

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-2.422	1.646		-1.472	.151
	Tato	.050	.078	.111	.647	.523
	Ukuran Perusahaan	.078	.057	.260	1.382	.177
	Der	.025	.019	.238	1.276	.211
a. Dependent Variable: Return Saham						

Source : Data processed by SPSS 26

According to the previous table, the following conclusions may be drawn:

1. A calculated value of 0.647 and a table value of 2.036 were obtained regarding the effect of total asset turnover on stock returns. Tcalculate is thus smaller than Ttable. A significance score of 0.523 indicated that the result was larger than 0.05. It may be concluded, then, that stock returns are not much impacted by overall asset turnover.
2. The computed and table numbers, which are 2.036 and 1.382, respectively, demonstrate the impact of firm size on stock returns. Tcalculate is thus smaller than Ttable. A significance value more than 0.05 was attained, namely 0.177. The upshot is that stock returns are not much impacted by a company's size.
3. With a table value of 2.036, the impact of leverage, specifically the ratio of debt to equity, on stock returns was found to be 1.276. Tcalculate is thus smaller than Ttable. With a significance value of 0.211, more than 0.05, was attained. The debt-to-equity ratio, sometimes referred to as leverage, does not significantly affect stock returns, it is concluded.

Discussion

The Effect of Total Asset Turnover on Stock Return

Total Asset Turnover calculates how much revenue a business can generate from its assets. According to our study, total asset turnover had zero impact on stock returns for IDX-listed food and beverage businesses between 2018 and 2021. where the ttable value is 2.036 and the tcount is 0.647. Tcalculate is thus smaller than Ttable. Attained significance value of 0.523 is more than 0.05. Therefore, overall asset turnover is not statistically significant and

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has no bearing on stock returns. This is because rapid asset turnover does not result in significant earnings, making it less advantageous for investors where receivables and inventory are high in the business. These results align with previous research (Jamaluddin; et al, 2021) and (Dini, 2021), which found that total asset turnover had no meaningful influence importance for stock returns.

The Effect of Company Size on Stock Return

While a company's size, measured by its total assets, offers a general sense of its scale, this study reveals that, in the food and beverage sector, the size of a company doesn't necessarily influence how its stock performs. firms listed on the IDX between 2018 and 2021. Where there is a tcount of 1.382 and a ttable value of 2.036. So, tcalculate is less than ttable. The significance value achieved was 0.177, which is larger than 0.05. As a result, the conclusion is that the size of the firm has minimal impact or importance for stock returns. According to (Farooq; et al, 2012) investors who will invest their funds in large companies will not necessarily produce high returns and small companies will not necessarily produce returns, so the level of risk received by investors is not determined by assessing the size of a company. These results align with research indicating that show that firm size has no discernible impact on stock returns (Gaib I, 2022) and (Federika; et I, 2022)

The Effect of Leverage on Stock Return

In this study, leverage is represented as a ratio that shows the total debt relative to equity. The analysis's findings indicate that leverage has no appreciable impact on stock returns for food and beverage firms listed between 2018 and 2021 on the IDX. where the ttable value is 2.036 and the tcount is 1.276.So, tcalculate is less than ttable. The significance value achieved was 0.211, which is larger than 0.05. As a result, leverage has little effect and is insignificant in terms of stock returns. In other words, larger leverage equals fewer stock returns, and vice versa. Management must exercise caution when using debt, as higher debt levels diminish stock returns. These findings are consistent with previous research (Nur, 2021) and (Milka, 2019), which found that leverage had no meaningful influence on stock returns. This is because investors prioritize the company's capacity to make significant profits over its debt level.

CONCLUSION

The analysis of the study's findings leads to the conclusion that total asset turnover, firm size, and leverage do not have a significant effect on stock returns of food and beverage firms listed on the Indonesia Stock Exchange from 2018 to 2021. This is evidenced by a significance value of 0.438, which is greater than 0.05. Aside from that, the partial test indicates that there is no discernible relationship between stock returns and the total asset turnover ratio (X1); the significant value is 0.523 > 0.05, and the t value is 0.647 < t table of 2.036. The stock returns are not significantly affected by company size (X2); the significant value is 0.177 > 0.05 and the t value is 1.382 < t table is 2.036. Additionally, leverage (X3) has no discernible effect on stock returns; its significant value is 0.211 > 0.05 and its t value is 1.276 < t table of 2.036.

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