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Analysis of The Influence of Current Ratio, Debt to Equity Ratio, Total Asset Turnover and Price Earning Ratio on Stock Returns with Return on Asset as A Moderation Variable

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ABSTRACT

This study aims to examine and analyze the effect of the Current Ratio, Debt to Equity Ratio, Total Asset Turnover and Price Earning Ratio on Stock Returns with Return on Assets as a Moderating Variable. The object of this research is companies indexed LQ45 on the Indonesia Stock Exchange in 2019-2021. The sampling method used purposive sampling and obtained data for 135 companies. The analysis technique used is Multiple Regression Analysis and Moderated Regression Analysis (MRA) using SPSS version 20. The results show that the Current Ratio (CR) has a negative and insignificant effect on stock returns; Debt to Equity Ratio (DER) and Total Asset Turnover (TATO) have a negative and significant effect on Stock Returns, while the Price Earning Ratio (PER) has a positive and significant effect on Stock Returns.

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1. INTRODUCTION

Investment is an activity of placing funds with the aim of obtaining profits in the future(Adnyana, 2020). Investment decisions for an investor involve a future that contains uncertainty, which means it contains risk. So, in other words, risk can be interpreted as the possibility that the level of profit obtained will deviate from what was expected. Knowledge about risk is very important and must be possessed by an investor or prospective investor when making decisions in the capital market(Parhusip & Silalahi, 2017).

The capital market is a market used to buy and sell long-term instruments, such as: bonds, shares, mutual funds and other instruments. According to(Kasmir, 2010)The capital market is a type of financial market which is a market for long-term financial instruments issued by both the government and private companies such as shares and bonds. Shares are documents that are a sign of ownership of a company, while bonds are a letter of acknowledgment of debt. The capital market in Indonesia is the Indonesian Stock Exchange (BEI). When making an investment, of course investors need to consider whether the company is worth investing in because the aim of investment is to make a profit.

*Return*shares are income expressed as a percentage of the initial investment capital. Investment income in this case includes profits from buying and selling shares. Returns can be

realized returns that have occurred or expected returns that have not yet occurred but are expected to occur in the future. Realized return is a return that has occurred which is calculated based on historical data. Realized return is important because it is used as a measure of company performance. Expected return is the return that investors hope to obtain in the future. In contrast to realized returns which have already occurred, expected returns have not yet occurred.(Simorangkir, 2019).

Liquidity is defined as a company's ability to pay or fulfill obligations suddenly or at any time(Fuada, 2022). The greater the current ratio a company has, the greater the company's ability to meet its operational needs, especially working capital to maintain company performance, which ultimately influences the value of share prices. This gives investors confidence to own shares in the company so that they can increase stock returns(Sinaga, Eric, Rudy, & Wiltan, 2020).*Current Ratio*(CR) is the most common measure of a company's ability to pay debts in the short term(Brigham & Houston, 2010). Current Ratio is used to measure a company's ability to fulfill short-term obligations using its current assets.

Solvency means a company's ability to pay all its debts, both long term and short term. Solavability can be called debt or it can also be called leverage, which measures a company's ability to meet its long-term obligations. Debt is an obligation which is an obligation owned by the company that comes from external funds, whether from external sources, whether from banking loans, leasing, bond sales and the like.(Ulinnuha, Farida, & Dewi, 2022). Debt to Equity Ratio (DER) is a ratio used to measure the level of equity's ability to guarantee the entire debt owned by the company(Meilinda & Destriana, 2019).

The activity ratio is a company's financial ratio that reflects asset turnover. The activity ratio can be used as an indicator of management performance which explains the extent of efficiency and effectiveness of company activities carried out by management. Total Asset TurnOver (TATO) measures the effectiveness of using all assets in generating sales. The greater this ratio shows the more effective the company is in managing all its assets(Sudana, 2015).

The concept of profitability is often used as a fundamental performance indicator that represents company performance. Profitability analysis describes the company's fundamental performance in terms of the company's level of efficiency and effectiveness in obtaining profits using the company's resources such as capital, assets and sales. Profitability is measured using Return on Assets (ROA) taking into account the profits generated by the company with its total assets(Harmono, 2011).

When investing, investors tend to choose to avoid investment risks, but there is no investment that is without risk. So an investor needs to carry out an analysis to minimize risks that may occur in the future. The ratios that will be used in this research are the Liquidity Ratio using the Current Ratio (CR), the Solvency Ratio using the Debt to Equity Ratio (DER), the Activity Ratio using Total Asset TurnOver (TATO), the Profitability Ratio using Return on Assets (ROA) and Market Value Ratio using Price Earning Ratio (PER).

The gap phenomenon that occurred from 2019 to 2020, the Current Ratio experienced a decrease, but what happened to Stock Returns actually experienced a significant increase. Results of research examining the influence of the Current Ratio on Stock Returns by(Lestari & Cahyono, 2020; Sinaga et al., 2020; Ulinnuha et al., 2022)shows that the Current Ratio has a positive effect on Stock Returns. Whereas(Karyatun, 2022; Sululing & Sandangan, 2019; Tarmizi et al., 2018)The results of his research show that the Current Ratio has a negative effect on Stock Returns. Likewise, other gap phenomena in ratios that influence stock returns have fluctuated from 2019-2021, but what has happened to stock returns has always been an increase.

The results of research regarding the influence of the Debt to Equity Ratio on Stock Returns according to(Lestari & Cahyono, 2020; Meilinda & Destriana, 2019; Silalahi & Silalahi, 2020; Ulinnuha et al., 2022)shows that the Debt to Equity Ratio has a significant positive effect on Stock Returns. Different from research(Devi & Artini, 2019; Hertina & Hidayat, 2019; Listiorini, 2017)which shows that the Debt to Equity Ratio has a significant negative effect on Stock Returns.

Research result(Bagaswara & Wati, 2020; Fuada, 2022; Nikmah et al., 2021)concluded that Total Asset TurnOver has a significant positive effect on Stock Returns. Meanwhile, research

results(Abrar et al., 2019; Alfian & Indah, 2022; Setianingsih & Hamzah, 2020)concluded that Total Asset TurnOver has a significant negative effect on Stock Returns.

Study(Asrini, 2020; Listiorini, 2017; Pradana & Maryono, 2022; Silalahi & Silalahi, 2020; Sinaga et al., 2022)shows that the Price Earning Ratio has a significant positive effect on Stock Returns. However, this is different from the results of the research conducted(Devi & Artini, 2019; Halimatussa'diah & Putra, 2021; Saputri et al., 2018; Sari & Kardinal, 2023)which shows that the Price Earning Ratio has a significant negative effect on Stock Returns.

The results of previous research show that there is a research gap regarding the influence of the Current Ratio, Debt to Equity Ratio, Total Asset TurnOver and Price Earning Ratio on Stock Returns. Therefore, researchers will add moderating variables. Moderating variables are variables that have an indirect influence on other variables. The moderating variable in this research is the Profitability Ratio which is calculated using Return on Assets (ROA). Several previous studies used the Return on Assets variable as a moderating variable, namely research(Kuncoro & Sudiyatno, 2022)with the results of his research showing that Return On Assets moderates the influence of the Current Ratio on Stock Returns (strengthens the influence of the Current Ratio negatively on Stock Returns), and the research conducted(Hasbullah et al., 2018)The results of his research show that Return On Assets moderates the influence of the Current Ratio on Stock Returns (strengthens it).

2. RESEARCH METHOD

The population in this study are companies listed in the LQ45 Index for the 2019-2021 period. The population in the study consisted of 45 companies each year. A sample is a procedure for collecting data where a portion of the population is taken to be used in determining the desired traits and characteristics. The number of samples in this research is determined based on the criteria in the sampling method. The sampling method applied in this research is the purposive sampling method, namely determining samples based on certain criteria to provide optimal information.(Nurhayati, 2019). The criteria that will be used in determining the sample include: The companies selected are companies indexed LQ45 on the Indonesia Stock Exchange for the 2019-2021 period, LQ45 indexed companies for the 2019-2021 period which published a sample of 135 companies.

Technical Analysis.

The analysis technique used is:

Classical assumption tests include: Classical assumption tests carried out in this research are normality, autocorrelation, heteroscedasticity and multicollinearity tests. The results in classical assumption testing must show that the data used in this research passes the four tests as requirements for regression analysis.

The data normality test is useful for examining a data set in a regression model to determine whether confounding variables between the independent and dependent variables are distributed normally or abnormally. The way to detect whether the data is normally distributed is by using a standardized "histogram regression" or using Kolmogorov Smirnov's "chi square". Data is normally distributed if the Asymp value. Sig. (2-tailed) > α(Nurhayati, 2019).

The multicollinearity test plays a role in finding correlations between independent variables, if there is no interrelation then a good regression model is created(Ghozali, 2018). The regression model is expected to have no correlation between independent variables. To detect symptoms of multicollinearity, this can be done by looking at the value of the Tolerance and Variance Inflation Factor (VIF) of each independent variable for the dependent variable. If the Tolerance value is > 0.100 and VIF ≤ 10 then it does not contain multicollinearity. Apart from that, the multicollinearity test can also be done by looking at the correlation coefficient value between the independent variables. If each value is ≥ 5 then it does not contain multicollinearity(Nurhayati, 2019).

The heteroscedasticity test functions to evaluate whether the test contains misalignment of variances and residuals in all observations of the regression model. Research testing expects that the regression model will not have symptoms of heteroscedasticity. To see whether there are symptoms of heteroscedasticity, you can use the Park Gleyser method, namely if the probability

value of the regression coefficient for each independent variable is > the value of α, then in the model there is no heteroscedasticity.(Nurhayati, 2019).

The autocorrelation test functions to test confounding errors in period t with confounding errors in the previous period or period t-1, whether there is still correlation in the linear regression model or not. Research requires a good regression model that is free from autocorrelation. To detect symptoms of autocorrelation, use the Durbin-Watson method (DW test). The test criteria use the Durbin-Watson method, namely if DU < DW < 4-DU then there is no positive or negative autocorrelation in the regression equation model(Ghozali, 2018)

The model feasibility test or model suitability test (goodness fit test) is used to measure the regression model on the influence of all independent variables simultaneously on the dependent variable(Sugiyono, 2015). The significance value used is 5% or 0.05. If the significance value is <0.05, it indicates that the regression model is suitable for use in research.

This research uses multiple regression analysis to find out the influence of two or more independent variables on one dependent variable. Multiple regression analysis is used to obtain regression coefficients that will determine whether the hypothesis created will be accepted or rejected(Hasbullah et al., 2018). The regression model in this research is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

The t test is used to show how far the independent variable influences the dependent variable. The test partially pays attention to T table and T count, if the calculated T value > T table then rejects the initial hypothesis and accepts the alternative hypothesis(Sinaga et al., 2022). In research(Hasbullah et al., 2018)The basis for making the t test decision is explained: If t is significant < α (0.05), then the hypothesis is accepted. This means that the independent variable has a significant effect on the dependent variable. If t is significant > α (0.05), then the hypothesis is rejected. This means that the independent variable has no significant effect on the dependent variable.

Moderator variables, namely intermediary variables, are variables that have an indirect influence on other variables. To test the effect of moderating variables using Moderated Regression Analysis (MRA) which is an application of linear regression that contains elements of interaction (multiplication of 2 or more independent variables) using the SPSS application. If the significance value is <0.05 then the moderating variable has a significant moderating effect between the independent variable and the dependent variable(Ghozali, 2018). Formula used:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 Z + \beta_6 (X_1 Z) + \beta_7 (X_2 Z) + \beta_8 (X_3 Z) + \beta_9 (X_4 Z) + e$$

3. RESULTS AND DISCUSSIONS

Classic assumption test

The normality test aims to test whether in a regression model the confounding variables or residual values have a normal distribution. To test the influence of a variable on other variables in a regression, it must have residual values that are normally distributed(Ghozali, 2018). Based on the results of the Kolmogorov-Smirnov statistical test after outlier data, the value of Asymp. Sig. (2-tailed) is 0.202 which means more than 0.05. This shows that the residual value is normally distributed.

The Multicollinearity test is seen through the Tolerance and Variance Inflation Factor (VIF) values. The regression model is free from multicollinearity if the Tolerance value is > 0.100 and VIF ≤ 10.(Ghozali, 2018). Based on the results of the multicollinearity test in the table above, the CR variable has a tolerance value of 0.641 and a VIF value of 1.560; the DER variable has a tolerance value of 0.638 and a VIF value of 1.567; the TATO variable has a tolerance value of 0.677 and a VIF value of 1.478; the PER variable has a tolerance value of 0.946 and a VIF value of 1.057; and the ROA variable has a tolerance value of 0.611 and a VIF value of 1.636. These results show that each independent variable has a tolerance value > 0.100 and a VIF value ≤ 10 so it can be concluded that it is free from symptoms of multicollinearity.

Heteroscedasticity test based on the results of the heteroscedasticity test using the Park Gleyser method, obtained a significance value for the CR variable of 0.124; DER variable of 0.064; TATO variable of 0.166; PER variable of 0.684; and the ROA variable is 0.479. These results show that each variable has a significance value of more than 0.05 so it can be concluded that the regression model is free from symptoms of heteroscedasticity.

Autocorrelation test Based on the results of the Durbin-Watson test (DW-test)(Ghozali, 2018). used to test autocorrelation, the resulting DW value is 2.172. From the Durbin Watson table with a significance value of 0.05 for a total research sample of 98 and independent variables of 5 (k=5), the DL value is 1.5656 and the DU is 1.7795. The regression model is said to have no autocorrelation if the DU < DW < 4-DU value. The 4-DU value is 2.2205. So it can be concluded that in the regression model there is no autocorrelation because 1.7795 < 2.172 < 2.2205.

Model Feasibility Test.

The model feasibility test or model suitability test (goodness fit test) is used to measure the regression model on the overall (simultaneous) influence of the independent variable on the dependent variable(Sugiyono, 2015). Based on the results of the model feasibility test in the table above, it can be seen directly that the significance value obtained is 0.004 (<0.05). This means that H0 is rejected and Hα is accepted, so it can be concluded that the variables Current Ratio, Debt to Equity Ratio, Total Asset TurnOver and Price Earning Ratio have a simultaneous influence on stock returns. Thus, this regression model is suitable for use.

Multiple Regression Analysis

Multiple regression analysis is used to determine the multiple regression equation and its interpretation.

Table 1: Multiple Regression Analysis

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,284	,165		1,725	,088
	CR	-.080	,054	-.170	-1,478	.143
	DER	-.068	.033	-.245	-2,062	,042
	TATTOO	-.220	.107	-.214	-2,060	,042
	PER	,009	,003	,284	2,902	,005

a. Dependent Variable: Stock Returns

Source: SPSS data output, processed 2023

$$RS = – 0.170\ CR – 0.245\ DER – 0.214\ TATO + 0.284\ PER$$

Interpretation

1. The regression coefficient for the Current Ratio (X1) variable is -0.170, meaning that if the value of the other independent variables remains constant and the Current Ratio increases by 1 unit, the Stock Return will decrease by 0.170. A negative coefficient means that there is a negative relationship between the Current Ratio and Stock Returns.
2. The regression coefficient for the Debt to Equity Ratio (X2) variable is -0.245, meaning that if the value of the other independent variables is constant and the Debt to Equity Ratio increases by 1 unit, the Stock Return will decrease by 0.245. A negative coefficient means that there is a negative relationship between the Debt to Equity Ratio and Stock Returns.
3. The regression coefficient for the Total Assets TurnOver (X3) variable is -0.214, meaning that if the value of the other independent variables is constant and the Total Assets TurnOver increases by 1 unit, the Stock Return will decrease by 0.214. A negative coefficient means that there is a negative relationship between Total Assets Turnover and Stock Returns.
4. The regression coefficient for the Price Earning Ratio (X4) variable is 0.284, meaning that if the value of the other independent variables remains constant and the Price Earning Ratio

increases by 1 unit, the Stock Return will increase by 0.022. A positive coefficient means that there is a positive relationship between the Price Earning Ratio and Stock Returns.

Partial Test (t)

The t test was carried out to find the significant influence of the CR, DER, TATO and PER variables on stock returns.

1. The influence of the Current Ratio (X1) on Stock Returns obtained a significance value of 0.143 (>0.05). These results show that there is no significant influence between the Current Ratio variable on Stock Returns.
2. The influence of the Debt to Equity Ratio (X2) on Stock Returns obtained a significance value of 0.42 (<0.05). These results show that there is a significant influence between the Debt to Equity Ratio variable on Stock Returns.
3. The influence of Total Asset TurnOver (X3) on Stock Returns obtained a significance value of 0.042 (<0.05). These results show a significant influence between the Total Asset TurnOver variable on Stock Returns.
4. The influence of the Price Earning Ratio (X4) on Stock Returns obtained a significance value of 0.005 (<0.05). These results show that there is a significant influence between the Price Earning Ratio variable on Stock Returns.

Moderation Test (Moderated Regression Analysis)

The moderation test is used to test the influence of the moderating variables. A moderating variable is an independent variable that strengthens or weakens the relationship between the independent variable and the dependent variable. The results of the moderation test can be seen in table 2

Table 2. Moderation Test

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,369	,276		1,339	,184
	CR	-.142	.103	-.303	-1,380	,171
	DER	-.063	,044	-.227	-1,429	,156
	TATTOO	-.194	,177	-.188	-1,093	,277
	PER	.013	,005	,434	2,604	.011
	ROA	-.727	3,995	-.071	-.182	,856
	CR*ROA	1,008	1,358	,324	,743	,460
	DER*ROA	-.902	1,832	-.093	-.493	,623
	TATTOO*ROA	-.409	1,717	-.068	-.238	,812
	PER*ROA	-.143	,120	-.242	-1,192	,237

a. Dependent Variable: Stock Returns

Source: SPSS data output, processed 2023

RS = -0.303 CR – 0.227 DER – 0.188 TATO + 0.434 PER – 0.071 ROA + 0.324 CR*ROA – 0.093 DER*ROA – 0.068 TATO*ROA – 0.242 PER*ROA

Interpretation:

1. The influence of the Return on Assets (ROA) variable in moderating the relationship between Current Ratio (CR) and Stock Returns obtained a significance value of 0.460 (>0.05). These results indicate that the Return on Assets variable does not moderate the relationship between Current Ratio (CR) and Stock Returns.
2. The influence of the Return on Assets (ROA) variable in moderating the relationship between Debt to Equity Ratio (DER) on Stock Returns obtained a significance value of 0.623 (>0.05). These results indicate that the Return on Assets variable does not moderate the relationship between Debt to Equity Ratio (DER) and Stock Returns.

3. The influence of the Return on Assets (ROA) variable in moderating the relationship between Total Asset TurnOver (TATO) on Stock Returns obtained a significance value of 0.812 (>0.05). These results indicate that the Return on Assets variable does not moderate the relationship between Total Assets TurnOver (TATO) and Stock Returns.
4. The influence of the Return on Assets (ROA) variable in moderating the relationship between Price Earning Ratio (PER) and Stock Returns obtained a significance value of 0.237 (>0.05). These results indicate that the Return on Assets variable does not moderate the relationship between Price Earning Ratio (PER) and Stock Returns.

Discussion

The Effect of Current Ratio on Stock Returns

Based on the results of research in multiple regression analysis, the influence of the Current Ratio (CR) on Stock Returns shows a significance value of 0.143 (>0.05) and a Current Ratio coefficient value of -0.170. This shows that the Current Ratio has a negative and insignificant effect on stock returns. So it does not support the first hypothesis (H1): Current Ratio has a positive and significant effect on stock returns (hypothesis is rejected).

In theory, the Current Ratio is a ratio that measures the extent to which a company's current assets can meet its short-term obligations, so that the higher the Current Ratio value, the better the company's performance. The research results show that the Current Ratio has an insignificant influence on stock returns, meaning that low or high Current Ratio values are not the main basis for investors to invest. A low Current Ratio value indicates that the company's liquidity is in poor condition because the company's current assets cannot cover its current liabilities, while a high Current Ratio value also does not always indicate that the company has good performance.

In research(Meilinda & Destriana, 2019)revealed that a high Current Ratio also indicates poor asset management such as high company inventories, increasing receivables and increasing cash. If the company's inventory is high, it means the company cannot maximize its sales, increasing receivables shows that the company has a low ability to collect debts and a high cash balance shows that the company has not managed its cash well to generate profits. The results of this study are supported by research(Meilinda & Destriana, 2019),(Basalama, Murni, & Sumarauw, 2017), And(Sinaga et al., 2022).

The Effect of Debt to Equity Ratio on Stock Returns

The results of research in multiple regression analysis of the influence of Debt to Equity Ratio (DER) on Stock Returns show a significance value of 0.042 (<0.05) and the coefficient value of Debt to Equity Ratio is -0.245. This shows that the Debt to Equity Ratio has a negative and significant effect on Stock Returns so that hypothesis two (H2) is accepted.

*Debt to Equity Ratio*is a ratio used to measure the level of leverage to show the company's ability to meet long-term obligations. A high Debt to Equity Ratio value gives a bad signal because the higher the DER, the greater the debt composition compared to the total capital itself. This shows that the source of the company's capital depends on outside parties, so it will reduce investors' interest in investing their capital in companies that have High DER. The results of this research are supported by previous research conducted by(Listiorini, 2017),(Devi & Artini, 2019), And(Hertina & Hidayat, 2019)with research results, the Debt to Equity Ratio has a negative and significant effect on Stock Returns.

The Effect of Total Asset Turnover on Stock Returns

The results of research in multiple regression analysis of the influence of Total Asset TurnOver (TATO) on Stock Returns show a significance value of 0.042 (>0.05) and a coefficient value of Total Assets TurnOver of -0.214. This shows that Total Assets TurnOver has a negative and significant effect on stock returns. The research results do not support hypothesis 3 (H3): Total Assets TurnOver has a positive and significant effect on stock returns (hypothesis rejected).

In theory, asset turnover illustrates that the faster the asset turnover rate, the more sales will increase, thereby increasing income and stock returns. So the results of this study which state that TATO has a negative and significant effect are not in line with research(Fuada, 2022),(Nikmah et al.,

2021)And(Bagaswara & Wati, 2020)who in his research stated that Total Asset TurnOver has a positive and significant effect on Stock Returns. Total Asset TurnOver (TATO) can have a negative effect because the company cannot maximize the use of its assets to increase sales so that it will reduce the profits that should be achieved. According to(Abrar et al., 2019)TATO's negative influence on stock returns is possible because the profits received by the company are used to pay all obligations that must be borne by the company, both short-term and long-term obligations, which will reduce the level of return received by investors. The results of this research are supported by research results(Abrar et al., 2019),(Alfian & Indah, 2022), And(Setianingsih & Hamzah, 2020)which shows that TATO has a significant negative effect on stock returns.

The Effect of Price Earning Ratio on Stock Returns

The results of research in multiple regression analysis of the influence of the Price Earning Ratio (PER) on Stock Returns show a significance value of 0.005 (<0.05) and a Price Earning Ratio coefficient value of 0.284. This shows that hypothesis four (H4) Price Earning Ratio has a positive and significant effect on stock returns.

Price Earning Ratio(PER) describes how much market recognition the company's shares have. So the higher the PER value indicates the better the market assessment, so it will attract investors to invest and will influence the returns generated. study(Silalahi & Silalahi, 2020)revealed that investors are generally more interested in companies that have a high PER value because it indicates that the company has good growth prospects. Likewise with research(Sinaga et al., 2022)The results of his research state that the greater the value of the Price Earning Ratio, the higher the level of Stock Return. The shares of a high company can be observed from the level of value of the Price Earning Ratio that the company has. If the contribution value increases, the rate of return will increase.

The results of this research are supported by the theory that the better the Price Earning Ratio value will have an effect on increasing stock returns and supports the research results(Silalahi & Silalahi, 2020),(Sinaga et al., 2022),(Listiorini, 2017)And(Pradana & Maryono, 2022).

The Effect of Current Ratio on Stock Returns with Return on Assets as a Moderating Variable

The results of the moderation test using MRA (Moderated Regression Analysis) The influence of the Current Ratio on Stock Returns with Return on Assets as a moderating variable shows a significance value of 0.460 (>0.05) so it does not support the fifth hypothesis (H5) Return on Assets has a significant effect on moderating the relationship between Current Ratio with Stock Returns (hypothesis rejected).

The results of this research state that Return on Assets does not moderate the influence of the Current Ratio on Stock Returns. This means that Return on Assets cannot increase Stock Returns when the Current Ratio value is high or reduce Stock Returns when the Current Ratio is low. The company's ability to fulfill its current obligations is not influenced by the level of ROA generated. The research results are not in line with(Hasbullah et al., 2018)which shows ROA moderates the relationship between CR and Stock Returns and research results(Kuncoro & Sudiyatno, 2022)ROA moderates the Current Ratio on Stock Returns (strengthens the negative influence of the Current Ratio on Stock Returns) and research.

The Effect of Debt to Equity Ratio on Stock Returns with Return on Assets as a Moderating Variable

The results of the moderation test using MRA (Moderated Regression Analysis) The influence of the Debt to Equity Ratio on Stock Returns with Return on Assets as a moderating variable shows a significance value of 0.623 (>0.05) so it does not support the sixth hypothesis (H6) Return on Assets has a significant moderating effect relationship between Current Ratio and Stock Returns (hypothesis rejected).

The results of this research show that Return on Assets does not moderate the influence between Debt to Equity Ratio and Stock Returns. This means that the high or low ROA is not related to the company's ability to pay its obligations, both short-term and long-term obligations, which can

have an effect on increasing share returns or the company's ability to pay its obligations without using profits from the results of its asset management. The results of this study are supported by research(Hasbullah et al., 2018)Return on Assets does not moderate the relationship between DER and Stock Returns.

The Effect of Total Asset Turnover on Stock Returns with Return on Assets as a Moderating Variable

The results of the moderation test using MRA (Moderated Regression Analysis) The effect of Total Assets Turnover on Stock Returns with Return on Assets as a moderating variable shows a significance value of 0.812 (>0.05) so it does not support the seventh hypothesis (H7) Return on Assets has a significant effect on moderating the relationship between Total Assets TurnOver with Stock Returns (hypothesis rejected).

The results of this study state that Return on Assets does not moderate the effect of Total Assets TurnOver on Stock Returns. ROA measures the company's efficiency in generating profits based on its asset management, while TATO calculates the frequency of asset turnover through the company's sales level. This means that according to the calculation formula, the high or low value of Return on Assets cannot influence the higher or lower asset turnover which can affect Stock Returns. But the higher the level of sales due to asset turnover will increase the company's profitability. The results of this research are supported by research results from*(Hasbullah et al., 2018)Return on Assets*has no significant effect on moderating the relationship between Total Assets TurnOver and Stock Returns.

The Effect of Price Earning Ratio on Stock Returns with Return on Assets as a Moderating Variable

The results of the moderation test using MRA (Moderated Regression Analysis) The effect of Price Earning Ratio on Stock Returns with Return on Assets as a moderating variable shows a significance value of 0.237 (>0.05) so it does not support the eighth hypothesis (H8) Return on Assets has a significant effect on moderating the relationship between Price Earning Ratio and Stock Returns.

The results of this research indicate that the value of Return on Assets does not moderate the relationship between Price Earning Ratio and Stock Returns. A high PER can occur because of the formation of prices in the market which can result in an increase in share prices so that it can increase returns or because of an increase in the number of investors from investing in shares/selling shares. The increase in share prices is not influenced by the level of profits obtained by the company but rather due to the meeting of points of stability in the forces of demand and price supply which actually occur when buying and selling securities in the capital market between sellers (issuers) and investors.(Harmono, 2011). So Return on Assets has no moderating effect on the relationship between Price Earning Ratio and Stock Returns.

4. CONCLUSION

From the results of the research that has been carried out, the following conclusions can be drawn: *Current Ratio*(CR) has a negative and insignificant effect on stock returns with a significance value of 0.143 and a coefficient value of -0.170 for LQ45 indexed companies in 2019-2021. *Debt to Equity Ratio*(DER) has a negative and significant effect on stock returns with a significance value of 0.042 and a coefficient value of -0.245 for LQ45 indexed companies in 2019-2021.

1. *Total Asset Turnover*(TATO) has a negative and significant effect on stock returns with a significance value of 0.042 and a coefficient value of -0.215 for LQ45 indexed companies in 2019-2021.
2. *Price Earning Ratio*(PER) has a positive and significant effect on stock returns with a significance value of 0.005 and a coefficient value of 0.284 for LQ45 indexed companies in 2019-2021.
3. *Return on Assets*(ROA) does not moderate the relationship between Current Ratio (CR) and Stock Returns in LQ45 indexed companies, the resulting significance value is 0.460.

4. *Return on Assets*(ROA) does not moderate the relationship between Debt to Equity Ratio (DER) and Stock Returns in LQ45 indexed companies, the resulting significance value is 0.623
5. *Return on Assets*(ROA) does not moderate the relationship between Total Asset TurnOver (TATO) and Stock Returns in LQ45 indexed companies, the resulting significance value is 0.812.
6. *Return on Assets*(ROA) does not moderate the relationship between Price Earning Ratio (PER) and Stock Returns in LQ45 indexed companies, the resulting significance value is 0.237.

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