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EFFECT OF ASSET TURNOVER AND SOLVENCY ON PROFIT GROWTH IN REGISTERED FOOD AND BEVERAGE MANUFACTURING COMPANIES ON THE INDONESIAN STOCK EXCHANGE PERIOD 2017-2021

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Abstract: The development of the food and drink business world is currently increasingly rapid, financial reports have become an important medium in making decisions for every company. Companies measure total asset turnover to find out how many times assets rotate to generate sales. The solvency ratio or leverage ratio is a ratio used to measure the extent to which a company's assets are financed with debt and profit growth in a company. It can be used as a tool to assess how the company is performing. This research aims to determine the effect of asset turnover and solvency on profit growth in food and beverage manufacturing companies listed on the Indonesia Stock Exchange for the period 2017 - 2021. The research method used in this research is quantitative research methods. This research also uses quantitative analysis techniques, which use company financial ratio data. The results of this research are that asset turnover has a partial positive and insignificant effect on profit growth in food and beverage companies listed on the Indonesia Stock Exchange. Partially, solvency has a negative and insignificant effect on profit growth in food and beverage companies listed on the Indonesia Stock Exchange. Simultaneously, asset turnover and solvency have no effect on profit growth in food and beverage manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2021 period.

Keywords: Management Control System, Accounting Information System, Work Discipline, Employee Performance.

Introduction

The development of the food and drink business world is currently increasingly rapid, financial reports have become an important medium in making decisions for every company. Financial reports are information that describes the finances of a company which is used as information in decision making and can be used as an illustration of the company's financial performance.

Companies measure total asset turnover to find out how many times assets rotate to generate sales. According to Kasmir (2017:185) total asset turnover is a

ratio used to measure the turnover of all assets owned by a company and measure how many sales are obtained from each rupiah of assets or assets. The higher the total asset turnover ratio, the higher the company's efficiency in managing its assets in generating sales. Sales are income from products or services sold, so the amount of profit a company obtains over a period of time depends on the size of these sales, in other words it is assumed that a company with positive sales is a company with good prospects because it will earn positive profits also.

The analytical tool commonly used to measure company debt is the solvency ratio. According to Dr Kasmir, the solvency ratio or leverage ratio is a ratio used to measure the extent to which a company's assets are financed with debt. This means how much debt the company bears compared to its assets. In a broad sense, it is said that the solvency ratio is used to measure a company's ability to pay all its obligations, both short and long term. If the company is dissolved. The higher the solvency value, the higher the profit growth will be because the company is able to fulfill all its obligations. Debt to Asset Ratio (DAR), namely the ratio of total liabilities to total assets which is used to assess a company's limits on borrowing money. This ratio emphasizes the importance of debt financing by showing percentage assets which owned by that company supported by debt. A high ratio value indicates an increase in risk to creditors form inability company in pay all his obligations to For shareholders , a high ratio will result in high interest payments which will ultimately lead to reduced profits and reduced dividend payments.

Profit growth in a company can be used as a tool to assess how the company is performing. According to Harahap (2011) Profit growth is the percentage increase in profits obtained by the company. Good profit growth reflects that the company's performance conditions are also good. The profit used in calculating profit growth uses net profit, which is the company's profit which has been reduced and added to the company's costs and income which have been reduced by taxes. Increases and decreases in profit growth are influenced by changes in the components of the financial statements. The following is data on the ratio of ten food and beverage companies listed on the Indonesia Stock Exchange from 2017 to 2021.

·	Company Code	Year	Activity (Asset Turnover)	Solvency	Profit Growth
			(TATO)	(DAR)	(Profit Growth)
1	CEKA	2017	2,45	0,35	0,09
		2018	3,28	0,16	-0,24
		2019	0,61	0,18	1,01
		2020	2,83	0,19	-0,15
		2021	3,02	0,18	-0,49
2	DLTA	2017	0,61	0,15	0,10
		2018	0,62	0,15	0,21
		2019	0,56	0,14	0,06
		2020	0,41	0,16	0,61
		2021	0,54	0,22	0,52
3	ULTJ	2017	10,35	0,32	0,03

		2018	1,02	0,51	-0,02
		2019	1,03	0,14	0,48
		2020	0,78	0,45	0,07
		2021	0,81	0,31	0,15
4	INDF	2017	0,83	0,46	- 0,02
		2018	0,79	0,48	- 0,03
		2019	0,79	0,43	0,19
		2020	0,63	0,51	0,48
		2021	0,79	0,51	0,19
5	COCO	2017	2,76	0,85	2,12
		2018	1,92	0,69	0,50
		2019	1,05	0,56	2,57
		2020	0,67	0,57	-4,15
		2021	0,71	0,40	2,12
6	MLBI	2017	1,42	0,57	0,35
		2018	1,35	0,59	-0.07
		2019	1,28	0,60	-0.02
		2020	0,68	0,50	-0,76
		2021	0,85	0,62	1,33
7	MYOR	2017	32,18	0,50	0,17
		2018	1,20	0,51	0,08
		2019	1,37	0,47	0,15
		2020	1,26	0,43	0,02
		2021	1,41	0,42	0,42
8	ROTI	2017	0,66	0,30	0,52
		2018	1,14	0,33	0,06
		2019	0,74	0,33	0,86
		2020	0,17	0,27	-0,29
		2021	0,01	0,32	0,67
9	SKLT	2017	1,51	0,51	0,11
		2018	1,51	0,54	0,13
		2019	0,38	0,51	0,35
		2020	1,60	0,47	0,05
		2021	1,63	0,39	0,99
10	GOOD	2017	2,22	0,51	0,40
		2018	2,07	0,54	0,13
		2019	1,82	0,51	0,24
		2020	1,33	0,47	0,48
		2021	1,31	0,39	1,63

Processed Data, 2022

From the data in ratio table 1.1 above, the asset turnover ratio has increased followed by a decrease in profit growth, one of which is PT Wilmar Tbk in 2020 to 2021 by 2.83% to 3.02% and -0.15% to -0.49%. Meanwhile, from the results of previous research, when total asset turnover increases, it is followed by increased profit growth, because the total asset turnover ratio can measure the company's level of efficiency in managing its assets to obtain income. From the data in table 1.1 it is also known that the solvency ratio has increased followed by a decrease in profit growth, one of which is PT. Wahana Interfood Nusantara Tbk in 2019 to 2020 was 0.56% to 0.57% and 2.57% to - 4.15%.

Literature Review

Profit Growth

The main goal of the company is to maximize profits. The operational definition of profit is the difference between realized income arising from transactions during one period and the costs associated with that income. According to Wild and Halsey (2005, p. 408) " Profit (*Income* - also called *Earnings* or *Profit*) is a summary of the results of business operating activities expressed in financial terms." Profit reflects the return to equity holders for the period in question, while the items in the statement detail how profit is made can.

According to Darsono and Purwanti (2008, p. 121) states "Profit is the achievement of all employees in a company which is expressed in the form of financial figures, namely the positive difference between income minus expenses (*Expenses*)". Profit is a basic performance measure for management's ability to operate company assets. Profit must be planned well so that management can achieve it effectively. The measure that is often used to determine the success or failure of company management is the profit earned by the company. The success or failure of a company is generally marked by management's ability to see possibilities and opportunities in the future, both long term and short term. Thus, the main target of financial reporting is information about company achievements which is presented through measuring profits and its components. According to Warsidi and Pramuka (2000, p. 45) "Profit growth is calculated by subtracting the current period's profit from the previous period's profit and then dividing by the previous period's profit. Profit growth is influenced by changes in components in the financial statements. Profit growth caused by changes in components report finance for example change sale, change price principal sold, changes in operating expenses, changes in interest expenses, changes in income tax, changes in extraordinary items, etc. According to Hanafi and Halim as quoted by Angkoso (2006, p.20) stated that profit growth is influenced by several factors, including other:

1) The size of the company.
2) Age company.
3) Level *Leverage*.
4) Level sale.
5) Changes in profit over time Then.

However, profit growth can also be influenced by external factors such as an increase in prices due to inflation and the existence of managerial discretion *which* allows managers to choose accounting methods and make estimates that can increase profits. The Profit Growth Formula is as follows:

Profit Growth = $\frac{NP_t - NP_{t-1}}{NPt_{-1}}$

Information: NP = Total Net Profit (Net Profit)

Financial Ratios

Financial ratios are the most frequently used financial analysis tool. Financial ratios link various estimates contained in financial reports so that the financial condition and operating results of a company can be interpreted. According to Simamora (2001, p. 822) "Ratios are useful guidelines in evaluating a company's financial position and operations and making comparisons with results from previous years or companies. other". Financial ratios can be used to determine whether there have been irregularities in carrying out the company's operational activities. Furthermore, Wild, et al (2005, p. 36) state that: Ratios are a tool to provide a view of underlying conditions. The ratio is a starting point, not an ending point. Properly interpreted ratios indicate areas that require more investigation carry on.

1. Profitability Ratio

According to Sujarweni (2017, 64), ratio profitability is ratio Which used For measure level rewards or acquisition (profit) compared sale or assets, measure how big the company's capabilities are obtain profit in connection with sales, assets and profits and own capital. Ratio profitability Which used in study This is *Return On Assets.*

According to Henry (2017, 193), *Return On Assets* is ratio Which show how much the asset contributes to creating net profit. In other words, this ratio is used to measure how big the net profit is that will be generated from every rupiah of funds embedded in total asset. *Return On Assets* formulated as following:

$$\textit{Return On Assets} = \frac{Laba\ Bersih}{Total\ Aset}$$

2. Activity Ratio

According to Kasmir (2016, 172), activity ratio is the ratio used to measure the company's effectiveness in using assets that he has. or it can also be said to be a ratio This used For measure level efficiency (effectiveness) utilization of company resources. Ratio activity used in research This is *Total Assets Turnovers*.

Total Asset Turnover is a ratio that used For measure rotation all assets Which owned company And measure how many sales were obtained from each rupiah assets (Cashmere, 2016, 185). *Total Asset Turnover* is formulated as follows (Harahap, 2013, 309):

$$\text{Total Asset Turnover} = \frac{Penjualan}{Rata-Rata\ Total\ Aset}$$

3. Liquidity Ratio

According to Cashmere (2015, 110), ratio liquidity is a ratio that describes ability company in fulfil obligation short-term. Function other ratio liquidity is For show or measure ability company in fulfill its obligations as they fall due obligations to parties outside the company (liquidity body business) nor in in company (liquidity company). Ratio liquidity Which used in study This is *Working Capital to Total Assets*.

4. Solvency Ratio

Types of Solvency Ratios:

1. Debt Total Assets

The Debt to Total Assets Ratio is a debt ratio used to measure the comparison between total debt and total assets. In other words, how much of the company's assets are financed by debt or how much debt the company has has an effect on asset management. The higher this ratio, the more debt funding, the more difficult it is for the company to obtain additional loans because it is feared that the company will not be able to cover its debts with the assets it owns. On the other hand, the lower this ratio, the smaller the company is funded by debt. The measurement standard for assessing whether a company's ratio is good or not is the average ratio of similar companies. According to Kasmir (2010, p.122) The formula for finding *the Debt to Assets Ratio* can be used as following:

$$DAR = \frac{Total\ Hutang}{Total\ Aset} x100\%$$

Description:
DAR = Debt to Asset Ratio
Total Debt = Total debt for the last year
Total Assets = Total Assets Last Year

2. Debt to Equity Ratio

This is a ratio used to assess debt versus equity. This ratio is measured by comparing all debt, including current debt, with all equity. This ratio is useful for knowing the amount of funds provided by the borrower (creditor) and the company owner.

3. Long Term Debt to Equity Ratio (LTDtER)

This is the ratio between long debt and own capital. The aim is to measure how much of each rupiah of own capital is used as collateral for long-term debt by comparing long-term debt with the own capital provided by the company. The formula for finding *the Long Term Debt to Equity Ratio* can be used as follows:

$$LTDtER \frac{Long\ Term\ Debt\ To\ Equity}{Equity} x\ 100\%$$

4. Times Interest Earned

According to J. Fred Weston, *Times Interest Earned* is a ratio to find the number of times interest earned. This ratio is interpreted by James C Van Horne as the company's ability to pay costs flower. The formula for finding *Times Interest Earned* can be used as follows:

$$\text{Times Interest Earned} = \frac{EBIT + Biaya\ Bunga}{Biaya\ Bunga} \text{x } 100\%$$

5. Fixed Charge Coverage (FCC)

This is a ratio that resembles the *times interest earned ratio*. It's just that this ratio is used if the company obtains long-term debt or rents assets based on a lease contract. *The* formula for finding *Fixed Charge Coverage* can be used.

Method

Research Approach

This research uses a quantitative research method, namely "research that uses a lot of numbers, starting from collecting data, interpreting the data obtained and presenting the results" Arikunto (2006: 12). This researcher uses an associative approach according to (Sujarweni 2015, 16), namely "a method of research to determine the relationship between two or more variables. With this research, a theory can be built that can function to explain, predict and control a symptom."

Operational Definition of Variables

The operational definition in this research is the research elements related to the variables studied. Operational Definitions are the variables tested in this research, namely profitability, leverage on earnings management. Operationally, each variable in this research can be explained as follows:

Independent Variable

a) Asset Turnover (X1)

The independent variable in this research is asset turnover, the ratio used to measure asset turnover in this research is Return On Assets (ATR), namely the company's ability to manage total assets to generate income. The formula is as follows: Population

According to Arifin (2017, p. 7) "the use of a population for research requires, among other things, large costs, quite a long time, involves a lot of energy, and has a wide scope, and where part of the entire object studied is considered to represent the entire population is called a research sample . The population in this research is the Food and Beverage population listed on the Indonesia Stock Exchange for the 2017-2021 period, totaling 33.

Sample

The criteria used in this research are as follows:

a. Companies that have complete financial reporting data on the Indonesian Stock Exchange, both resumes and annual reports for the 2017-2021 period
b. Companies that publish financial reports whose units are rupiah are interpreted in rupiah.
c. Companies that do not experience continuous losses/declines.

From the above criteria, there are 10 samples in the financial reports of Food and Beverage manufacturers on the Indonesian Stock Exchange.

Data Collection Techniques

The data collection technique in this research is collecting financial report data on Food and Beverage manufacturing companies that have been audited on the Indonesian Stock Exchange. The data used is secondary data obtained by taking data published on the Indonesian Stock Exchange.

Data analysis technique

The data analysis technique in this research aims to test whether profitability and leverage decisions have an effect on company earnings management. For this reason, the techniques that will be used are multiple linear regression analysis, descriptive analysis, and coefficient of determination. The data analysis technique in this research is quantitative data analysis. After that, you can draw conclusions from the test:

Multiple linear regression

According to Sugiyono (2012, p. 276) Multiple regression analysis is used by researchers if the researcher intends to predict how (up and down) the dependent variable (criterium) will be, if two or more independent variables as predictor factors are manipulated (increasing and decreasing their value), and regression analysis Multiples will be used if the number of independent variables is at least two. The data analysis method used in hypothesis testing in this research is the Multiple Regression Statistical analysis method. So, the multiple linear regression equation is used to determine the influence of other variables, namely Total Asset Turnover and Debt to Asset Ratio on the Profit Growth variable. The multiple linear regression analysis model used in this research is:

$Y = a + b1\ X1 + b2\ X2 + e$

Information:

Y = Profit Growth
a = Constant
b = Regression coefficient
X1 = Asset Turnover
X2 = Solvency
e = Percentage of errors (error)

Where multiple regression can be used, classical assumption testing will be carried out which includes normality tests, multicollinearity tests and heteroscedasticity tests, namely:

1. **Normality test**

This normality test is carried out to see whether the modal regression is normal or not. And the basis for decision making in normality detection is that if the data spreads around a diagonal line, then the regression meets the assumption of normality. However, if the data spreads far from the diagonal line or does not follow the direction of the diagonal line, then the regression model does not meet the assumption of normality. This means that the research cannot continue because the data is not normally distributed.

2. **Multicollinearity Test**

The multicollinearity test carried out in this research is useful to see whether in the regression model obtained there is a correlation between the independent (free) variables. The criteria for drawing conclusions for the multicollinearity test are seen from the tolerance value and Variance Inflation Factor (VIF), then the tolerance value is greater than 0.10 or the VIF value is greater than 10, so there will be no multicollinearity in what will be used/processed.

3. **Heteroscedasticity Test**

This Heteroscedasticity Test aims to test whether in the regression model there is an inequality in the variance of the residual from one observation to another. If the variant model of the residual from one observation is good, it is called homoscedasticity, and vice versa, if the variance of the residual is different, it is called heteroscedasticity. Whether or not there is heteroscedasticity can be determined by using a scatterplot graph between the predicted values of the independent variables and their residual values. Decisions that can be used to determine heteroscedasticity are:

a. If there is a certain pattern, such as dots that form a certain pattern that is like wavy, widening, then narrowing, then heteroscedasticity has occurred.
b. If there is no clear pattern, and the points are spread above and below the number 0 on the Y axis, then heteroscedasticity does not occur.

4. **Autocorrelation Test**

According to Juliandi, et al, (2014, p. 163-164), Autocorrelation aims to test whether in a linear regression model there is a correlation between confounding errors in period t and errors in period t-1 (previous). If there is correlation, then the model experiences an autocorrelation problem. A good regression model is a model that is free from autocorrelation. A good regression model is one that is free from autocorrelation. To detect whether there is autocorrelation, this is done using the Durbin-Watson analysis tool (DW test). One way to identify it is to look at the Durbin Watson (D-W) value:

a. If the D-W value is below -2, it means there is positive autocorrelation
b. If the D-W value is between -2 to +2, it means there is no autocorrelation
c. If the D-W value is above +2, it means there is negative autocorrelation

Hypothesis Testing

1. Partial Significant Test (t test)

This examiner aims to test each variable The formula for the t test is as follows:

$$x = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

The description:

t = valuet_{hitung}

n = number of samples

r = correlation coefficient value for making decisions based on criteria

1. If the significant value is greater than 0.05 then the hypothesis is rejected and the regression coefficient is not significant. So partially the independent variable does not have a significant influence on the dependent variable.
2. Likewise, if the significant value is smaller than 0.05, the hypothesis is accepted and the regression coefficient is significant. So partially the independent variable has a significant influence.

2. Simultaneous Significant Test (F test)

According to Ghozali (2013, p. 98) the F statistical test aims to show whether all independent or independent variables have a joint influence on the related dependent variable. Testing was carried out using a significant value of 0.05. This decision is made in the following way:

a) If the results of the calculated value are significantly smaller than 0.05, the regression coefficient is significant, that is, there is a joint influence between the independent variables on the dependent variable.
b) If the results of the significant calculation value are greater than 0.05, it means that the regression coefficient is not significant, meaning that all independent variables in the model have no effect on the dependent variable.

With the F test calculation formula:

$$F = \frac{R^2/K}{(1-R^2)/(n-k-1)}$$

Information:
k = Number of independent variables (free)
n = Number of Samples

3. Test (R-square)

The coefficient of determination test is used to determine the percentage of influence of the independent independent variable and the dependent dependent variable , which means squaring the coefficient found. When using the coefficient of determination, it is expressed as a percentage (%). A small value R^2means that the ability of the independent variable to explain the dependent variable is very limited. A value close to one means that the independent variable provides almost all the information needed to predict variations in the dependent variable. The Determination Coefficient formula is:

D = R^2 x 100%

Information: D = Determination
R^2 = Multiple correlation value

$$\text{TATTOO } t = \frac{\frac{Pendapatan}{TA_t - TA_{t-1}}}{2}$$

Solvency (X2)

The independent variables in this research are solvency, r ratio.

Result and Discussion

The findings in this research are regarding the findings of this research regarding the suitability of theories, opinions and previous research that have been put forward by the results of previous research as well as behavioral patterns that must be carried out to overcome these things. Following are three main parts that will be discussed in the analysis of the findings of this research, namely as follows:

1. Effect of Asset Turnover on Profit Growth

Based on research obtained regarding the effect of asset turnover on profit growth of food and beverage companies listed on the Indonesia Stock Exchange, the results of partial hypothesis testing show that the t value for the asset turnover variable is 0.61 and t table with α = 5% is known to be 2.011, thus tcount is smaller than ttable and the significant value of asset turnover is 0.952 > 0.05, meaning that from these results the conclusion is that H0 is accepted (Ha is rejected) indicating that Asset Turnover and Solvency have a positive and insignificant effect on profit growth in food and beverage companies listed on the Stock Exchange Indonesian Effect. The results of this research are also supported by previous research by researchers Ade Gunawan, Sri Fitri Wahyuni.

Asset turnover does not have a significant influence because total assets consist of current assets and fixed assets, where current assets in the form of inventory are dominantly included as a factor that influences profit growth. Inventory is a number of finished goods, goods in process or raw materials owned by a company with the aim of selling or further processing. Inventory must be owned by the company because it is the company's product which must be sold as a source of company income. The inventory turnover rate measures a company's ability to turn over its merchandise and shows the relationship between goods needed to support or offset a specified sales level. The higher inventory turnover indicates that the company is efficient in utilizing inventory, so that it can reduce storage costs which can also increase the profits that can be obtained. The level of efficiency in managing assets to obtain profits is very much needed in companies to increase profit growth. From the research results, total asset turnover has a positive and insignificant effect because some assets do not have a big impact on profit growth, such as fixed assets. Increases in raw material prices and product selling prices can also influence a decrease in profit growth so that not only the efficiency of total asset turnover is a factor in profit growth. Total Asset Turnover (TATO) is a ratio that compares net sales with total assets. TATO is also used to estimate a company's efficiency in utilizing its assets in making sales (6). A high TATO value indicates that company management is in good condition, but if the TATO ratio is low then the company must make an evaluation regarding its marketing strategy and capital expenditure.

2. Effect of Solvency on Profitability

Based on research obtained regarding the effect of solvency on profit growth in food and beverage companies listed on the Indonesia Stock Exchange using the DAR ratio, partial hypothesis test results show that the t value for the solvency variable is - 0.663 and t table with α = 5% is known to be 2.011, thus tcount is smaller than ttable and the significant value of solvency is 0.511 > 0.05, meaning that from these results the conclusion is that H0 is accepted (Ha is rejected) indicating that solvency has a negative and insignificant effect on profit growth in food and beverage companies listed on the Stock Exchange Indonesia. The results of this research are also supported by previous research by researchers Ade Gunawan, Sri Fitri Wahyuni.

The solvency ratio is used to determine the company's ability to pay its obligations if the company is liquidated. Debt to Asset Ratio (DAR), namely the ratio of total liabilities to total assets which is used to assess a company's limits on borrowing money. This ratio emphasizes the importance of debt funding by showing the percentage of assets owned by the company that are supported by debt. A high ratio value indicates an increase in risk to creditors in the form of the company's inability to pay all its obligations to shareholders. A high ratio will result in high interest payments which will ultimately lead to reduced profits and reduced dividend payments. Solvency is proxied by Debt to Asset Ratio (DAR) is used to measure how much of a company's assets are financed using debt. The higher the DAR ratio indicates the higher the company's assets are financed using debt. This can lead to higher credit interest expenses that must be paid

by the company, which in the end can reduce the amount of profit that can be obtained. From the research results, it was found that solvency in the form of the DAR ratio has a negative influence where the relationship is not in the same direction as on profit growth, when solvency increases then profit growth decreases and vice versa. This means that more manufacturing company assets are not financed using company liabilities, but using share capital. So it can be concluded that if there is an increase in the level of liabilities used to finance assets, it will not have a big impact on the level of profit, because the company's assets are mostly financed using share capital. However, it seems that not all companies whose assets are financed using liabilities also experience profit growth and not all companies whose assets are financed using liabilities also experience a decline in profits. Therefore, the condition of assets financed with liabilities or share capital does not have a big impact on the company's profit growth. However, it focuses more on the company's ability to control debt levels and find funding sources with affordable interest rates.

3. Effect of Asset Turnover and Solvency on Profit Growth.

Based on research obtained regarding the influence of asset turnover and solvency on profit growth of food and beverage companies listed on the Indonesia Stock Exchange. The results of partial hypothesis testing can be seen that the calculated f value is 0.220 with a significance level of 0.804. Meanwhile, the ftable value is known to be 2.011. Based on these results, it can be seen that fcount < ftable (0.220 < 2.011) meaning that H0 is rejected. The significant value is 0.804 > 0.05, so it can be concluded that the asset turnover and solvency variables do not have a significant effect on profit growth in food and beverage companies listed on the Indonesia Stock Exchange.

Profit growth is the change in the percentage increase in profit obtained by the company and shows the company's ability to increase the net profit obtained from the previous year. Profit growth is one of the aspects needed by financial managers to evaluate the company's financial performance. Profit figures are usually reported in the income statement for a period along with other components such as income, expenses, profits and losses. Companies that have relatively stable profits make it possible to predict the size of estimated future profits and these companies will usually pay a higher percentage of their profits as dividends compared to companies with fluctuating profits.

From the research results, total asset turnover has a positive and insignificant effect because some assets do not have a big impact on profit growth, such as fixed assets. Increases in raw material prices and product selling prices can also influence a decrease in profit growth so that not only the efficiency of total asset turnover is a factor in profit growth.

From the research results, solvency has an insignificant negative effect on profit growth, this is caused by an increase in company assets, mainly obtained through increased sales and increased profits which are then set aside as retained earnings. Additional assets can also come from debt. However, logically the addition of debt will not exceed the addition of assets from the company's own profits due to bankruptcy costs. So it can be concluded that companies that have high growth tend to be able to generate funds better over time. In accordance with the pecking order theory, if there is availability of internal funds, companies tend not to undertake external financing.

From the results of simultaneous research, the asset turnover variable and the solvency variable do not have a significant effect on the profit growth of food and beverage manufacturing companies listed on the Indonesia Stock Exchange in 2017 - 2021. These two variables are not the main factors that influence profit growth, there are other factors which influence profit growth such as current ratio, inventory turn over, earning power, sales level, inflation rate and economic growth.

Conclusion

Data analysis that has been carried out from the data that has been obtained and the discussions that have been carried out in the previous chapter, can be concluded regarding the Influence of Asset Turnover and Solvency on Profit Growth in Food and Beverage Companies Listed on the Indonesian Stock Exchange for the 2017-2021 Period as follows:

1. Based on research conducted, partial asset turnover has a positive and insignificant effect on profit growth in food and beverage companies listed on the Indonesia Stock Exchange
2. Based on research conducted, solvency partially has a negative and insignificant effect on profit growth in food and beverage companies listed on the Indonesia Stock Exchange
3. Based on research conducted, asset turnover and solvency simultaneously do not have a significant effect on profit growth in food and beverage companies listed on the Indonesia Stock Exchange.

Suggestion

Based on the conclusions above, suggestions that can be given in this research include:

1. To increase asset turnover, companies should efficiently and effectively manage their assets, especially current assets, in order to increase sales which affects profit growth
2. Companies should be better able to manage, minimize inventory buildup, adjust purchasing prices for raw materials and selling prices, so that sales are maximized and not hampered so that it will not be detrimental to the company.
3. Management is expected to control total debt every year, because high debt will have an impact on reducing profits earned. Controlling total debt can be done through strengthening and increasing company equity
4. For future researchers, research can be carried out by expanding the scope of research objects by examining other variables that influence profit growth such as other activity ratios, as well as increasing the research time period so that maximum results can be obtained.

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