THE INFLUENCE OF CURRENT RATIO AND RETURN ONASSETS TOWARDS THECAPITAL STRUCTURE (DEBT TOASEETS RATIO) ON THE COMPANY'SADVERTISING, MEDIAAND THE PRINTING OF REGISTERED IN THE INDONESIA STOCK EXCHANGE

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ABSTRACT

Capital structure is a consideration between tang long term with its own capital which aims to maximise wealth for their owners. Where the capital structure is a complex financial decisions and understand its relationship with risk/return results, and value. The greater the debt to maendanai asset, then the greater the capital structure. Therefore a financial manager should pay attention to factors that affect and what impact good or bad for the company. The study aims to find out the influence of the Current Capital structure Ratio (DAR) and Return On Assets towards the capital structure (DAR) on the company's Advertising, Media and Printing are listed at the IDX. The approach used is the associative approach, with an urban sample and as many as 8 company Advertising, Media and Printing are listed in BEI 2011-2015 period. The sample used is purposive sampling. Technique of data analysis using the method of linear regression, the classical assumptions of multiple, test t (partial), the f-test (simultaneous) and the coefficient of determinsi with the help of the software SPSS version 16. The results showed that there was no influence parisal in Current Capital structure Ratio (DAR) and the value of sig 0.076, there is the influence of Return On Assets against the capital structure (DAR) and the value of sig 0.025. The results showed that there is a simultaneous influence of Current Ratio and Return On Assets towards the capital structure (DAR) and the value of sig 0.011. The magnitude of the coefficient of determination (R-Square) was amounting to 0.956. This shows that 95.6% of the dependent variable i.e. capital structure (DAR) can be explained by the independent variables namely Current Ratio and Return On Assets while the rest of 4.4% is affected by other variables that are not examined by this study.

Keywords: Current Ratio, Return On Assets, capital structure (DAR)

I. INTRODUCTION

The globalization of the world economy led to increased development of business in Indonesia. These developments pose a particularly intense competition between peers. These conditions demand the company to always improve and refine its business fields in order to develop in a sustainable way. The company's managers also are required to coordinate the use of resources that belong to the company effectively and efficiently so that the resulting decision is appropriate. Investors need to conduct analysis in the decision-making process and requires some benchmark to assess achievements and financial companies.

One of the decisions faced by the Manager by the Finance Manager in relation to the continuity of operations of the company are the decision of funding and capital structure. Therefore according to Arwana (2008, p. 293) "need to be kept to the existence of an optimal balance between the two sources of the funds". A manager must be able to operate where the funds should be made and be able to muster the funds were sourced from the company or other companies in order to minimize costs and capital are borne by the company.

When managers use debt as a tool to finance company then will develop an interest rate that is charged to the creditor, while the lender is able to use internal funds or fund company itself then it will arise from the cost opportunity Fund itself is used. Capital structure decision is a financial decision with regard to a combination of debt and assets in the company's long term financial structure.

In this sense, a company that has a good capital structure, means the company is able to maximize the wealth of the owner, instead of companies that have a poor capital structure means the company is able to generate wealth for its owner.

Table I.1
The total debt of the company's Advertising, Media and Printing
Listed on the Indonesia stock exchange (idx)

No	The Name Of The Issuer	Period				
		2011	2012	2013	2014	2015
1	ABBA	294206	305769	271922	270730	301928
2	ACES	173430	219882	298915	563420	585200
3	ADES	224615	190302	179972	176286	209066
4	ADMG	2516788	2674991	2696078	2888339	2138479
5	AIMS	134952	151486	23436	480	1001
6	AISA	1346881	1757492	1834123	2664051	3779017
7	AKKU	13552	5833	6678	42758	86809
8	AKPI	608947	792044	871568	1055231	1191197
	Total	**5313371**	**6097799**	**6182692**	**7661295**	**8292697**
	Average	**1180749**	**1355066**	**1373932**	**1702510**	**1842822**

Source: Indonesia stock exchange (2016) BEI

Based on data obtained from the company's Advertising, Media and Printing were listed on the Indonesia stock exchange (BEI), a phenomenon that occurs in the company is the average total debt experienced fluctuations. In the year 2012 has increased registration (1355066), the year 2013 is experiencing an increase of (1373932), the year 2014 is experiencing an increase of (1702510), and by the year 2015 is experiencing an increase of (1842822).

The following net profit that is in the company's Advertising, Media and Printing were listed on the Indonesia stock exchange (idx).

Table 1.2
Net profit for the company's Advertising, Media and Printing
Listed on the Indonesia stock exchange (idx)

No	The Name Of The Issuer	Period				
		2011	2012	2013	2014	2015
1	ABBA	2827	4042	31470	6980	-11053
2	ACES	167668	279505	428849	503004	548893
3	ADES	31659	25868	83376	55656	31021
4	ADMG	36979	284062	81237	23673	-307259
5	AIMS	459	567	520	1839	-1988
6	AISA	80066	149951	253664	346728	378142
7	AKKU	4683	8893	2207	1466	5945
8	AKPI	62429	56784	31116	34620	34691
	Jumlah	**386770**	**809672**	**912439**	**973966**	**678392**
	Rata – rata	**48346,25**	**101209**	**114054,9**	**216437**	**150754**

Source: Indonesia stock exchange (2016)

Following the total assets that exist in the company's Advertising, Media and Printing were listed on the Indonesia stock exchange (idx).

Tabel 1.3
Total Assets the company's Advertising, Media and Printing
Listed on the Indonesia stock exchange (idx)

No	Nama Emiten	Tahun				
		2011	2012	2013	2014	2015
1	ABBA	425864	441554	439177	443923	464053
2	ACES	1198044	1451755	1916915	2478919	2947349
3	ADES	324493	316048	389094	441064	504865
4	ADMG	3766145	5247204	5790767	6712452	5796004
5	AIMS	156195	163296	45766	24649	23182
6	AISA	1936950	3590309	3867576	5020824	73171846
7	AKKU	28380	11767	10583	45208	90674
8	AKPI	1297898	1556601	1714834	2084567	2227043
	Jumlah	**9133969**	**12778534**	**14174712**	**17251606**	**85225016**
	Rata – rata	**1141746**	**1597317**	**1771839**	**2156451**	**10653127**

Source: Indonesia stock exchange (2016)

THE CORNERSTONE OF THE THEORY

1. The capital structure (Debt to Assets Ratio)

One of the things that faced the company pertaining to the Fund is capital. The capital is the main thing in growing company. In fact the structure of capital is the result of a decision of funding used to fund the company's operations. According to Arwana (2008, p. 22) "capital structure is permanent spending which reflects the consideration between the long-term debt with its own capital." The basic structure of capital is related to the source of funding of the company.

According to the Rodoni and Ali (2010, p. 137) States that:

> "Capital structure is the proportion in determining the fulfillment of the company's shopping needs, where funds were obtained using a combination of source or guide that comes from long-term Fund is comprised of two main sources, i.e. originating from inside and outside the company."

Companies with relatively stable sales will have a relatively stable cash flow. Then the company can use debt greater than companies with sales that are not stable. According to Sjahrial (2007, p. 236), regardless of where the optimal approach, financial managers need to consider some important factors are:

1) Sales Level
2) Structure of Assets
3) The sales growth rate
4) Profit Ability
5) Variability of earnings and tax shelters
6) Scale company
7) Conditions of internal corporate and macroeconomic

Furthermore according to Arwana (2008, p. 296) capital structure influenced some of the major factors, namely:

1) Interest rate
2) stability and "Earning"
3) Order of Assets
4) Rough the risk of Assets
5) The large amount of capital required
6) State of the capital markets
7) Nature of management
8) Magnitude of an enterprise

2. Current Ratio

The liquidity ratio is a ratio that shows the relationship between cash and other company assets smoothly with lancarnya obligations. Liquid assets (liquid assets) is the asset traded on active markets so that it can be converted quickly into cash at the market price prevailing. Analysis of liquidity full use of cash budget needs, but by linking cash and assets with other current liabilities smoothly, ratio analysis gives the size of the liquidity that's fast and easy to use. Liquidity not only with regard to its ability to change certain current assets into cash money.

In this Liquidity has some kind of ratio that can be used as a tool for mengkur rise or fall in the amount of liquidity in the company. According to Cashmere (2012, p. 134) classify the kinds of liquidity ratios that can be used to measure a company's capabilities, among others, as follows:

1) Current ratio (Current Ratio)
2) Ratio very smoothly (Quick ratio or acid tast ratio)
3) Ratio of cash (the Cash ratio)

4) The cash turnover Ratio)
5) Inventory to net working capital

3. Return On Assets

Return On Assets ratio of profitability is one that demonstrates the ability of the company and generate profit. Return On Asset (ROA) shows the return or profit of the company resulting from the activities of the company that used to run the company. The larger this ratio then the profitability of the company will be getting better. According to Cashmere (2012, p. 201) "Return On Assets (ROA) is a ratio that shows the result (return) over the total assets used in the company".

Return On Assets (ROA) is the ratio between net profit with overall assets to generate profits. This ratio indicates how much of the acquired company's net profit is measured from the value of its assets. Analysis of the Return On Asset (ROA) or often translated in the language of Indonesia as an economic development measure, earning ratios of companies in generating profits.

Furthermore according to Syamsuddin (2009, p. 63) mentions, "Return On Assets is a measurement of the company's overall capability in generating profits with the overall amount of assets that are available in the company".

Further according to Hani (2014, p. 75) explains, "Return On Assets is the ability of the invested capital in the overall assets to produce profits neto".

Of the several theories on top then it can be inferred that the Return On Assets (ROA) ratio of profitability is one that shows the profit of the company and is used to measure the effectiveness of the company in generating profits by leveraging assets that belonged to him.

According to Munawir (2007, p. 89) stated that the magnitude of Return On Assets is affected by two factors:

1) *Turnover of Operating assets (assets turnover rate that is used for operations), which has been described in point 2.*
2) Profit margin, i.e. the magnitude of the operating profit is stated in percentage and the amount of net sales. Profit margin measures the level of profit that could be achieved by companies associated with the sale.

THE CONCEPTUAL FRAMEWORK

1. *Current Ratio against the capital structure (Debt to Asset Ratio)*

Current ratio is a measure of short-term liquidity. Current ratio comparison between assets with current liabilities. The value of liquidity is too high an impact less well against the earning power due to excess cash or middle shows the required working capital, excess this will lower the chance of a profit.

Current assets owned by the company is less than the debt well, and companies have difficulty in operating the company. This is because too much working capital resulted in a lot of funds that are idle, so it can lose profit.

Current Ratio indicates the extent to which current assets cover current liabilities-liabilities. According to Syamsuddin (2009, p. 42) Current Ratio is a comparison between current assets and current liabilities. This ratio is the most commonly used measure to know the ability of a company meet short-term obligations. Current assets in General consists of cash, securities, accounts receivable and inventory.

Furthermore according to Hani (2014, p. 73) "Current Ratio is a measurement tool for the ability of liquidity (short-term solvency), namely the ability to pay debt that must immediately be filled with current assets". Further according to the Cashmere (2012, p. 134) "or the current ratio (Current Ratio) is the ratio to measure the company's ability to pay short-term obligations or debts immediately due upon billed as a whole".

2. *Return On Assets against the capital structure (Debt to Assets Ratio)*

Companies with high profit tends to use more loans to gain tax benefits. Return On Assets ratio of profitability is one that demonstrates the ability of the company and generate profit. Return On Asset (ROA) shows the return or profit of the company resulting from the activities of the company that used to run the company. The larger this ratio then the profitability of the company will be getting better. According to Cashmere (2012, p. 201) "Return On Assets (ROA) is a ratio that shows the result (return) over the total assets used in the company".

Return On Assets (ROA) is the ratio between net profit with overall assets to generate profits. This ratio indicates how much of the acquired company's net profit is measured from the value of its assets. Analysis of the Return On Asset (ROA) or often translated in the language of Indonesia as an economic development measure, earning ratios of companies in generating profits.

3. **Current Ratio, Return On Assets and influential together against capital structure (Debt to Assets Ratio)**

Current Ratio indicates the extent to which current assets cover current liabilities-liabilities. According to Syamsuddin (2009, p. 42) Current Ratio is a comparison between current assets and current liabilities. This ratio is the most commonly used measure to know the ability of a company meet short-term obligations. Current assets in General consists of cash, securities, accounts receivable and inventory.

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RESEARCH METHODOLOGY

The approach in this research is to use the Associative approach. Associative approach is an approach that aims to find out the relationship between two or more variables in order to find out the relationship between the variables or influence one another. In this study the researchers want to know how the Current Ratio (CR), Return On Assets (ROA) of capital structure (Debt to Assets Ratio). The data type used is the Quantitative nature of the data, i.e., the shape of the numbers by using a formal instrument, standard and scalable.

THE HYPOTHESIS

The answers given in this hypothesis is still based on the relevant theory and not based on empirical factors through data collection. The hypothesis can be about behavior, phenomena or circumstances that have occurred or will occur. Based on a conceptual framework for the formulation of the problem, and the purpose of this research, then taken the hypothesis as follows:

1. Current Ratio (CR) a positive and significant effect against the capital structure (Debt to Assets Ratio) on the company's Advertising, Media and Printing were listed on the Indonesia stock exchange (idx).
2. Return On Assets (ROA) is a positive and significant effect against the capital structure (Debt to Assets Ratio) on the company's Advertising, Media and Printing were listed on the Indonesia stock exchange (idx).
3. Current Ratio (CR) and Return On Assets (ROA) together positive and significant effect against the capital structure (Debt to Assets Ratio) on bid an Advertising, Media and Printing were listed on the Indonesia stock exchange (idx).

DISCUSSION

The analysis of the results of this research is the analysis of the findings of this research towards the suitability of theory, research, and opinions previously expressed by previous research results as well as patterns of behavior that must be done for addressing such matters. Here there are three (3) the main part of which will be discussed in the findings of this research, namely the following:

1. **The influence of the Current Ratio of capital Structure (Debt to Assets Ratio)**

Based on the results of the research of Current Ratio against the capital structure (Debt to Assets Ratio) on the company's Advertising, Media and Printing were listed on the Indonesia stock exchange stating that thitung>ttabel with value i.e. 3.411 > 2.005 and value significant of 0.076 (greater than 0.05) mean Ho accepted Ha was rejected. This hypothesis test results show that the partially no significant positive influence on Current Ratio against the capital structure (Debt to Assets Ratio) on the company's Advertising, Media and Printing were listed on the Indonesia stock exchange in the period 2011-2015.

2. **The influence of Return On Assets towards the capital structure (Debt to Assets Ratio)**

Based on the research results obtained regarding the influence of Return On Assets towards the capital structure (Debt to Assets Ratio) on the company's Advertising, Media and Printing were listed on the Indonesia stock exchange stating that thitung>ttabel with a value of i.e. 6.217 > 2.005 and significant value of 0.025 (smaller than 0.05) mean Ho denied Ha received. This hypothesis test results indicate that there are partially positive influence and significant Return On Assets towards the capital structure (Debt to Assets Ratio) on the company's Advertising, Media and Printing were listed on the Indonesia stock exchange period 2011-2015.

3. **The influence of Current Ratio and Return On Assets towards the capital structure (Debt to Assets Ratio)**

The research results obtained regarding the influence of the Current Ratio and Return On Assets towards the capital structure (Debt to Assets Ratio) on the company's Advertising, Media and Printing were listed on the Indonesia stock exchange. Of test ANOVA (Analysis Of Variance) in the table above was obtained Fhitung of a significant level of 21.797 0.044 whereas ftabel is known of 2.005. Based on those results can be known that Fhitung>Ftabel (21.797) so Ho and Ha rejected accepted. So it can be concluded that the Current variable Ratio and Return On Assets are jointly significant and positive effect toward the capital structure (Debt to Assets Ratio) on the company's Advertising, Media and Printing are listed on the stock exchange Indonesian.

CONCLUSION

Based on the results of research and discussion that had been featured before then can be taken the conclusions of research regarding the influence of the Current Ratio and Return On Assets towards the capital structure (Debt to Assets Ratio) on the company's Advertising, Media and Printing were listed on the Indonesia stock exchange (idx) of the period of 2011 to 2015 with samples as much as companies are as follows

1. Current Ratio (CR) was not a positive and significant effect against the capital structure (Debt to Assets Ratio) on the company's Advertising, Media and Printing were listed on the Indonesia stock exchange (idx) of the period of 2011-2015.
2. Return On Assets (ROA) is a positive and significant effect against the capital structure (Debt to Assets Ratio) on the company's Advertising, Media and Printing were listed on the Indonesia stock exchange (idx) of the period of 2011-2015.
3. Current Ratio and Return On Assets (ROA) together positive and significant effect against the capital structure (Debt to Assets Ratio) on the company's Advertising, Media and Printing were listed on the Indonesia stock exchange (idx) of the period of 2011-2015.

ADVICE

Based on the conclusions above, in this case the author can suggest things as follows:

1. The company's Liquidity could not be said to be good, so that the company's liquidity is good with the existing capital structure should the company more effective and efficient in the use of cash and assets, short term debt so that it could be fulfilled and capital work more optimally. Therefore companies can meet their obligations so the company is said to be illiquid.
2. The company Should optimize the return on investment (ROA) with the use of sums of debt is relatively low. The reason with a high rate of return of course firms can do the majority of their funding through funds generated internally. Companies that have high profit will use low amounts of debt or increase the company's ability to use its assets to obtain and measure results total for all creditors and shareholders as the provider the source of the funds.
3. The company Should pay attention to the management of the company's performance in terms of Current Ratio and Return On Assets for the sake of achievement of the objectives of the company. This can be done by way of recruiting financial personnel experts and skilled and has high dedication and loyalty to the company. If investors want to infuse capital to parties who want to make investments should the investors pay more attention to the factors that may affect the company's Capital Structure, especially on the structure of its capital (Debt to Assets Ratio) I.e. the Current Ratio and Return On Assets are known to simultaneously effect significantly to capital structure (Debt to Assets Ratio) of the company. However for other researchers recommended to forward or continue the study of the acts of other sectors in order to be later able to describe research results as well as using time series data are up to date on the latest/, so the result will also be more accurate.

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