

ABSTRACT

This study aimed to examine effect of current ratio, total sales and net working capital of listed transportation firms in Indonesia. Profitability was measured by return on equity (ROE). This study based on independent variable such as current ratio, total sales net, and net working capital and one dependent variable: return on equity that show profitability. The sample used in this study was transportation company listed on the IDX (Indonesia Stock Exchange) during the period 2018-2021. The number of samples were 8 companies taken by purposive sample method. Analytical method of the study was panel data regression with Moderate Regression Analysis (MRA) which previously passed the classic assumption test. Random effect was chosen as the best model.

This result show each of liquidity (current ratio), firm size (total sales), working capital (net working capital) have various significant result with return on equity. Companies are expected to give more attention to total sales because it have significant positive effect on profitability. Meanwhile, for shareholders are expected to be a referce in making investment decision especially investing in the transportation industry in Indonesia. Further for the next research it is expect too add another variable outside of this study cause the result of Adjusted R Square only 18,7% and also make the research period longer so that the result are more representative of the profitability of transportationl companies in Indonesia.

Keywords: Return on equity, Current Ratio, Total Sales, Net Working Capital