

ABSTRACT

This study aims to analyze influence of independent variables which consist of Ratio (CR), Total Asset Turnover (TATO), Debt to Equity Ratio (DER), Size, and Debt Ratio (DR) to profitability (ROE).

Selection of sample use sensus method sampling technique. Sensus method sampling technique is the technique when all members of the population are used as samples, The sample that used in this study are automotive and allied products company for period 2006 to 2010. Quantitative data for this study get from Indonesia Stock Exchange and financial report. The data were analyzed by linear regression analysis using SPSS version 16.0. Data analysis was conducted by using Ordinary Least Square (OLS) Method.

The result of t – test shows that DER and TATO variable have different direction with the hypothesis. DER have not negative influence to profitability (ROE) and TATO have not positive influence to profitability (ROE). Based on the result of this count, Size variable have positive and significant influence to profitability (ROE) of automotive and allied products company, while CR variable have negative and significant influence to profitability (ROE) of automotive and allied products company. This result is expected that Financing To CR, Size, and DR variable can be made reference, either by investors in determining investment strategy, and also by company management.

Keyword : Financial ratio and Size