

ABSTRACT

The aims of this study is to analyze the differences in financial performance between foreign-owned and domestic-owned company of manufacturing company listed in Indonesia Stock Exchange in 2014-2018. The variables in this study are financial ratios to compare firm performance. Financial ratios used are profitability ratio (Return on Assets and Return on Equity), liquidity ratio (Current Ratio), solvency ratio (Debt to Equity Ratio), and activity ratio (Total Assets Turnover).

The population in this study were manufacturing company listed in Indonesia Stock Exchange in 2014-2018. The sampling in this study using purposive sampling. So that a sample of 35 domestic companies and 22 foreign companies was obtained, thus obtained 285 research data. The analysis technique used is statistics descriptive, normality test, and mann-whitney test.

The result of this study shows that there are significant differences in performance on the variable Return on Assets, Return on Equity, and Debt to Equity Ratio between foreign manufacturing companies and domestic manufacturing companies. And the other hand, there is no significant differences in performance on the variable Current Ratio and Total Assets Turnover between foreign manufacturing companies and domestic manufacturing companies. Overall, the financial performance of foreign manufacturing companies is better than domestic manufacturing companies in this study.

Keywords: financial performance, profitability ratio, liquidity ratio, solvency ratio, activity ratio