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Liquidity, Solvency and Return on Equity in Automotive Companies and Their Listed Components on the Indonesia Stock Exchange

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ABSTRACT
This research aims to influence how the variable Current Ratio and Debt to Equity Ratio towards Return On Equity both in simultaneous on the company as well as persial Automotive and its components are listed on the Indonesia stock exchange Period 2012-2016.
The population in this research is the company's Automotive and komponenya were listed on the Indonesia stock exchange period 2012-2016 that add up to 13 companies. Sample company was determined by means of Purposive sampling to obtain 7 companies that meet the criteria to be used as research samples. Free variables in this study is the Current Ratio (X 1), Debt to Equity Ratio (X 2), and the variable is bound in this research is the Return On Equity (Y). Data analysis technique used was multiple linear regression analysis, taking into account the classical assumptions of the test, namely the test of normality, test multicollinearity, heterokedastisitas and autocorrelation test test. Hypothesis testing the statistical test used was partially (t-test) and simultaneous statistical tests (test F) 0.05 significant level. Data analysis using SPSS version 16.0 program assistance.
The results of the partial test (t-test) show that the Current Ratio (X1) shows the value of tcount > ttable (4.170> 2.035) and a significant value below 0.05 (0.000 <0.05) means that H0 is rejected Ha is accepted, which means there is a significant positive effect between variable Current Ratio to Return On Equity. The Debt to Equity Ratio (X2) shows the value of tcount > ttable (3.873>2.035) and a significant value below 0.05 (0.000 <0.05) means that H0 is rejected Ha is accepted, which means there is a significant influence between the Debt to Equity Ratio variable on Return On Equity. Simultaneously (F test) together it shows that the Current Ratio (X1) and the Debt to Equity Ratio (X2) show a value of Fcount > Ftable (9.055> 3.29) and a significant value below 0.05 (0.000 > 0.05) means that H0 is rejected Ha is accepted , which means significant and influential on Return On Equity (Y) in automotive companies and their components listed on the Indonesia Stock Exchange.

Keywords : Current Ratio (CR), Debt to Equity Ratio (DER) dan Return On Equity (ROE).

INTRODUCTION

The automotive industry is one of the types of business that was booming in indonesia. The increasing number of quantity of automotive company is one of the evidence, that the automotive industry has attracted a lot of parties. It is based on the fact that economic power inidonesia for real this is sustained by the domestic side. We who have high purchasing power and to deal with the increased demand of society will transport. The car manufacturer in indonesia are vying to improve production and the quality of the goods it produces. Then by continuing to increase the number of vehicles (cars and motorcycles) as evidence of increasing sales figures of vehicles in indonesia. the ultimate goal to be achieved an important company is getting a return over the maximum profit, in addition to the rights of other things. By acquiring a high profit and memakmurkan owners of capital.

The financial performance of a company can be defined as the prospect or future development potential, growth is good for the company. Financial performance information is needed to assess potential changes in economic resources, which may be controlled in the future and to predict the production capacity of existing resources. Whereas the financial statements analyzed indispensable leader or management company to serve as a tool for further decision making for the future. Then the performance measurement by using this ratio reflects what was the measure of success of the company. Every element of the account presented in the financial statements actually have relationships that are interrelated with each other. income statement served is the most important information and is usually the top priority in decision making.

The financial report is a media information notes, summarizes all activities of the company and is used to report the company's position on the circumstances and the parties concerned, especially on the part of lenders, investors, and management the company itself. To dig more information contained in a financial statement required an analysis of the financial statements. If an information is presented properly, the information is very useful for companies in decision making and to know the performance of the company.

According To Kasmir (2012:104) financial ratios is an activity comparing the figures that exist in the financial statements by means of dividing one number by another number. A comparison can be made between one component with a component in a financial statement or between components that exist between the financial statements. Then the numbers can be compared the figures in one period or several periods.

Ratio analysis also connects elements of income and calculation of the plan so as to assess the effectiveness and efficiency of the company. Profit the company itself can be measured through a Return On Equity of the company. Because ROE had a positive relationship with the changes. ROE is used to measure the effectiveness of the company in generating profits by leveraging the equity. Return On Equity is the ratio between the earnings after taxes (EAT) and total equity. Measuring the performance of a company's most popular between the investor and the senior manager is the top shareholder rights results is Return On Equity. The higher profits of the company then will the higher Return On Equity, the magnitude of the company's profit was also affected by several factors such as Current Ratio and Debt to Equity Ratio.

Considering the economic conditions are always changing, then it can affect the condition of the company which can be seen from its profits. The company's profit should be increased, quite the opposite experience tends to decrease. Research conducted at the company's automotive and components listed in BEI in 2012-2016. It can be seen from the company's automotive and components there are 7 companies.

According To Kasmir (2012: 204) Return On Equity is the ratio to measure the net profit after tax of capital itself. This ratio indicates the efficient use of own capital usage. The higher this ratio is seamkin good. This means that the position of the owner of the company grew stronger, semikian vice versa.

The following is a table of the Return On Equity in the company's automotive and its components are listed on the Indonesia stock exchange (BEI) in 2012-2016.

Table 1. Return On Equity in Automotive and Component Companies listed on the Indonesia Stock Exchange (IDX) in 2012-2016

Return On Equity							
No	Companies	Years					Average
		2012	2013	2014	2015	2016	
1	ASII	0,25	0,21	0,18	0,12	0,14	0,18
2	AUTO	0,21	0,11	0,09	0,03	0,03	0,10
3	BRAM	0,13	0,34	0,09	0,07	0,08	0,14
4	INDS	0,12	0,08	0,07	0,10	0,02	0,08
5	NIPS	0,10	0,14	0,09	0,05	0,06	0,09
6	PRAS	0,06	0,03	0,02	0,01	0,00	0,02
7	SMSM	0,33	0,34	0,37	0,32	0,09	0,29
Average		0,17	0,18	0,13	0,10	0,06	0,13

Source : www.idx.co.id

Based on Table 1. can be seen from the company's automotive and its components 7 listed on the Indonesia stock exchange, there are 4 companies that Return On Equity of her experience are likely to decrease or below average, and 3 the company's Return On its Equity increase or above average. It can be seen the average yearly Return On its Equity increase. In the year 2012 Return On Equity experienced an increase of 0.17, in the year 2013 of 0.18 and also in 2014 of 0.13. In the year 2015 Return On Equity decreased by 0.10 and 2016 year Return On Equity also decreased by 0.06.

Then a decline in Return On Equity is suspected due to declining net income decrease in magnitude with the same total equity. With the decrease in Return On Equity means a repayment rate of net profit of the investor is not sufficient so that investors don't want to infuse capital back.

According To Sjahrial (2013: 37) Current Ratio is the company's ability to pay short-term obligations (or debt smoothly) at maturity by using current assets. the higher this ratio the better. That is, current assets can cover the obligation lancarnya. But this ratio is too high also is not good, because the company is not able to manage current assets are effective. The following table of Current Ratio on the company's Automotive and its components are listed on the Indonesia stock exchange (idx) of the period of 2012-2016.

Table 2. Current Ratio Automotive and Component Companies listed on the Indonesia Stock Exchange for the 2012-2016 period

Current Ratio							
No	Company	Years					Average
		2012	2013	2014	2015	2016	
1	ASII	1,40	1,24	1,32	1,38	1,24	1,32
2	AUTO	1,16	1,89	1,33	1,32	1,48	1,44
3	BRAM	2,13	1,57	1,42	1,81	1,95	1,77
4	INDS	2,33	3,86	2,91	2,23	3,01	2,87
5	NIPS	1,10	1,05	1,29	1,05	1,19	1,14
6	PRAS	1,11	1,03	1,00	1,01	1,01	1,03
7	SMSM	1,94	2,10	0,21	2,39	3,28	1,99
Average		1,60	1,82	1,36	1,60	1,88	1,65

Source : www.idx.co.id

Based on the data above, it is noted that the average Current Ratio of company-owned Automotive and Its decline and improvement. Current Ratio has decreased below the average in the year 2012 that is 1.60. In the year 2013 has increased above average be 1.82 and in 2014 has decreased back under an average of 1.36 and became the year 2015 become the 1.60. In the year 2016 are experiencing above average peingkatan be 1.88.

Then it can be known that 3 companies increase on Current Ratio indicates that the company is able to pay short-term obligations that are maturing soon using total assets smoothly.

From the above data may be known that the onset of a rise in Current Ratio is caused due to an increase in average assets smoothly followed by increase in average debt smoothly.

According To Hery (2015:198) Debt to Equity Ratio is a ratio used to measure the magnitude of the proportion of debt to capital. This ratio is used to find out how each part of the capital was made rupiah as collateral for debt. The higher the Debt to Equity Ratio means that the smaller the amount of capital owners who can be used as collateral for debt.

THE CORNERSTONE OF THE THEORY

1. Return On Equity (ROE)

Return On Equity It is one of the ratio of profitability. Profitability is the ratio that indicates the magnitude of the profit obtained a company in a given period. This ratio is used to assess how efficient the company managers can locate profitably for any sales made.

This ratio is a measure that shows the company's ability in conducting increased sales from pressing charges that occur. In addition, this ratio indicates the ability of the company in utilizing all funds which have to get the maximum benefit.

Return On Equity is one of the ratio of profitability according to the purpose to be achieved, there is some kind of ratio of profitability that can be used. Each type of profitability ratio can be digumakan to assess and measure the financial position of the company within a certain period or multiple periods.

According To Fahmi, Irham (2015: 135) Profitability ratio is the ratio to measure the effectiveness of the overall management of the indicated by the large to the small level of profit

earned in connection with a sale or investment. The better profitability ratio then the better illustrates the ability of the high gain of the company.
According To Hani, (2015 : 117)

Demonstrating the profitability ratio management capabilities in generating profits, and is the end result of a certain amount of discretion and the decision taken by the management. Profitability is much more important than with the presentation of the profit figures. Because of the high profit yet a measure or guarantee that the company has worked well, whether the company is already using capital effectively and efficiently or not. Efficient can be known by comparing the profit gained by the estimated accounts can affect your ability to earn a profit.
Profitability ratios include:

1. Gross profit margin
2. Operating Profit Margin
3. Return On Equity
4. Rate of Return on

Current Ratio

The current Ratio is one of the likuidias ratio. ratio of liquidity is the ability of a company in memennuhi the financial obligations that can immediately be cashed or which is due. Specifically the liquidity reflects the availability of the funds belonging to the company to meet all of the debt that will be maturing. Liquidity is low, causing the loss of opportunity for companies also take advantage of opportunities potonga embelian that ditawarkakn by the supplier, as a result the company had to operate with high cost, thus reducing the opportunity for achieve greater profits.

According To Hani (2015 : 121)

Ratio of Liquidity is the ability of a company to meet financial obligations kewajiiban soon be disbursed tau is due. Liquidity ratio can be measured with some of the following ratios:

a. Current Ratio, is a tool for measuring the ability of liquidity (short-term solvency), namely the ability to pay debt that is soon to be met with current assets.
b. Quick Raio, is a measurement tool to assess the company's ability in repaying debt soon to be met with current assets that are more liquid.
c. Cash Ratio, is a tool for measuring the company's ability to pay the debt immediately should be filled with the amount of cash that is owned.

According to Kasmir (2012 : 128)

Liquidity ratios or often called by the name of the working capital ratio is a ratio used to measure how a company likuidnya. In other words, the liquidity ratio is useful to know the ability of firms in the finance and fulfill the obligations/debt upon maturity or collectable.

According To Hery (2015 : 175) "The ratio is the ratio of Llikuiditas showed kemmpuan the company in fulfilling obligations or pay short-term debt".

Thus, it can be concluded that the liquidity ratio is the ratio of to assess the extent to which companies use lancarnya in the form of cash assets or money borrowed for a period of one year.

Liquidity is one of the factors that determine the success or failure of an enterprise. Provision of cash to meet short-term obligations to determine where the company risk. By measuring the liquidity it can be known how much cash owned or may be reached by way of cash selling wealth.

According to Kasmir (2012: 134) "Or current ratio (current ratio) is the ratio of the company's ability to measure in the short term obligations or pay debts immediately due upon billed as a whole".

According to Hery (2015: 178) "current ratio is a ratio used to measure a company's ability to meet short-term obligations that are maturing soon using total assets smoothly.

According To Harahap (2016: 301) "current ratio is a ratio that shows the extent to which current assets cover current liabilities-liabilities".

According to Walsh (2003: 106) "current ratio is the ratio of favorites from lender institutions".

From the explanation above it can be concluded that the Current ratio is a financial ratio liquidity ratio contains IE ratio to assess the extent to which companies use lancarnya in the form of cash assets or money borrowed for a period of one year.

Debt To Equity Ratio (DER)

Solvency ratio describes the ability of the company in the long-term liability of paying the obligation or if the company is liquidated.

According To Hery (2015 : 190)

solvency Ratio or leverage ratio is a ratio used to measure the extent of the company's assets are financed with debt. In other words, the solvency ratio or leverage ratio is a ratio used to measure how big a debt burden that should be the responsibility of the company in order fulfillment assets.

According To Ross dkk (2009 : 83) "short-term solvency ratios-Ratio panjangditunjukan to see the long term ability of the company to meet its obligations, or more generally, financial leverage."

According To Harahap (2016 : 303) "Solvency Ratio describes the ability of the company in the long-term liability of paying the obligation or if the company is liquidated."

According To Dermawan Sjahrial (2013: 37)

the ratio of solvency capital or structure describes the capabilities of the company's long-term liabilities paid off when perusahaan is liquidated. The smaller the raio is getting better (except raio multiples interest earned) due to fewer long-term liabilities from capital or assets. Great long term obligations had consequences that large interest expenses.

Thus, the above indicates that the ratio of each interest charges secured by profit before deducting interest.

Debt to Equity Ratio is the ratio of debt that illustrates the extent to which the owners of capital can cover debts-debts to outside parties and is a ratio that measures up to what extent the company is financed by debt, and capital kenmampuan shows company to meet its obligations by using the existing capital.

According To Kasmir (2012: 157- 158) States that:

Debt To Equity Ratio is a ratio used to assess the debt with equitas. This ratio is sought by way of compare between the entire debt, including debt smoothly with the rest of equitas. This Rsio nerguna to know the amount of funding provided borrowers (krediator) with the owner of the company. In other words, this ratio serves to mngetahui each own capital was made rupiah to guarantee debt.

The Conceptual Framework

The Impact of Current Ratio to Return On Equity

The larger the Current Ratio the better the position of creditors, as it means there is no need to concern creditors will pay its obligations on time. If the Current Ratio is low it can be said that the company is lacking the capital to pay the debt.

Return On Equity is used to measure the extent of the amount of net income to be generated from every rupiah of funds that are embedded in the total equity. The higher the Return On Equity then the higher the amount of net profit generated from every rupiah of funds that are embedded in the equity, as well as vice versa.

According To Hanafi (2016: 75) "The current ratio is a measure of the ability of the company meet short-term debt by using current assets.

From the theory above Current ratio effect on Return on equity. Results of research of Hantono (2013) stated that the Current Ratio of positive effect towards profitability

Based on explanation above it can be concluded that the Current Ratio is the ratio to measure the company's ability in repaying short-term debt. If the Current Ratio of a company is experiencing a rise in corporate Profitability thus will decrease. due to the high current ratio indicates the presence of an excess of current assets, which will have an effect that is not both to the profitability of the company.

The Impact of Debt To Equity Ratio to Return On Equity

High low Debt To Equity Ratio will affect the level of achievement of the Return On Equity reached the company. The higher the Debt to Equity Ratio of the small number of owners of capital that can be used as collateral for debt.

According To Hery (a 2015:167) Debt To Equity Ratio is a ratio used to measure a comparison between the total debt by total equity.

According To Hani (2015:124) Debt to Equity Ratio shows how every part of its own capital was made rupiah guarantees for the entire debt. The higher this ratio means the higher amount of funds from the outside that must be guaranteed by the amount of own capital.

Of research results Rizki Adriani (2014) there is a positive influence Debt to Equity Ratio against the Return On Equity.

Based on explanation above it can be concluded, the high solvency ratio on the company will experience a decrease in profitability. Debt To Equity Ratio shows how every part of its own capital was made rupiah guarantee debt. If the value of the Debt to Equity Ratio the higher the value the greater the debt, then its effect on Return On Equity led to the company's ability in generating profits distracted because capital used to finance the totality of the debt.

The Impact of Current Ratio and Debt To Equity Ratio to Return On Equity

On the basis of previous research it can be concluded that if the Current Ratio and Debt to Equity Ratio of a company is experiencing a rise in corporate profitability will then decline.

According to Cashmere (2012:134) "Current Ratio is a ratio to measure the company's ability in repaying short-term obligations or debts immediately due upon billed as a whole".

According to Harahap (2008:303) "Debt to Equity Ratio this ratio describes is sejauhmana capital owners can cover debts to outside parties."

According to Hery (a 2015:194) "Return On Equity is the ratio that indicates how large the equity contribution in creating a net profit".

Various ratio of profits can be calculated using the financial statements of the company. Relationship of Current Ratio and Debt to Equity Ratio against the Return On Equity is proven by the existence of the research of Hantoto (2013) stated that the Current Ratio and Debt to Equity Ratio of positive effect against the Return On Equity.

Hypothesis

The hypothesis is a provisional conclusions or answers while the existing formulation of the statement of the research issues. Therefore, the answers given are still based on the relevant theory and not based on empirical factors acquired through data collection. The hypothesis can be about behavior, phenomena, or circumstances that have occurred.

Based on the formulation of the problem and the purpose of this study, it can be taken the hypothesis as follows:

1. There is the influence of Current Ratio against the Return On Equity in the company's Automotive and its components are listed on the indonesia stock exchange (idx).
2. There is the influence of the Debt To Equity Ratio against the Return On Equity in the company's Automotive and its components which terfartar in Indonesia stock exchange (idx).
3. There is the influence of the Current Ratio, Debt To Equity Ratio, Return On Equity against the company in the automotive and its components are listed on the Indonesia stock exchange (idx).

METHOD

This research uses the associative research approach i.e. research approach with the use of two or more variables in order to find out the relationship between the variables or the effect of one variable with another. The reason researchers wear associative approach because researchers want to know how the Current Ratio, Debt to Equity Ratio, Return On Equity against the company in the automotive and its components are listed on the Indonesia stock exchange, either singly (partial) or together (simultaneously).

RESULT AND DISCUSSION

1. a Classic Assumption Test

A classic assumption test carried out in an attempt to obtain a valid analysis results. The following testing to determine whether the classical assumptions are met or not.

a. test of Normality

This testing aims to test whether in regression model, the dependent variable models (tied) and indevenden variables (free) both have mormal distribution or not. The best regression model should have a normal distribution of the data or close to normal. In principle the normality can be detected by looking at the spread of data (point) on the diagonal axis on the graph the histogram and normal test p-plot data. Test of normality that is used in this research is to graph the histogram and normal test p-plot of Component Regression Residual.

1) Test The Histogram

The histogram is a bar graph that can serve to test (graphically) is a Gaussian of data or not. If the data is Gaussian, then the data will form a kind of bells. When the data graph looks much the shape of the Bell, then it can be said the data is not Gaussian. Because the curve has a balanced trend, either on the left or the right and shaped to resemble a bell curve is almost perfect.

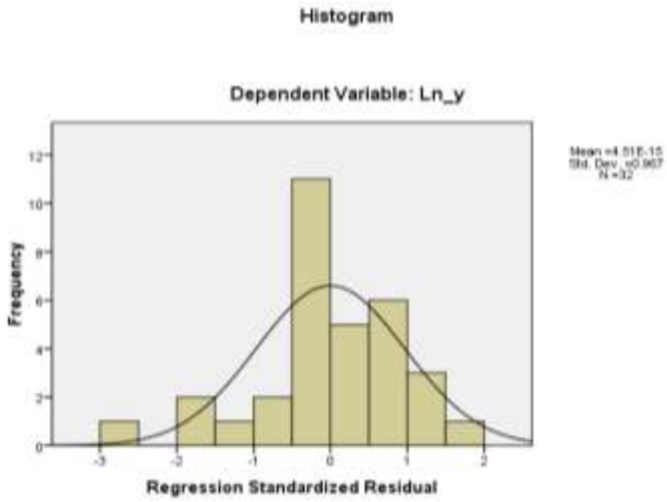

Figure 1. Histogram Graph

2) Normal P-Plot Test

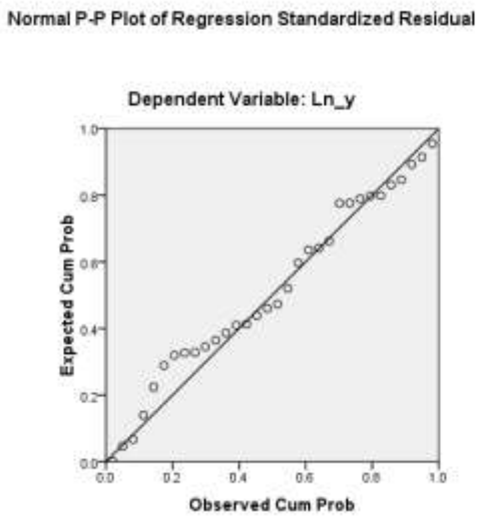

Figure 2. Normal P-Plot Graph

On the graph of p-nomal plot shown in the image above, that data is spread around the diagonal line and follow the direction of a diagonal line, then it can be inferred that the regression models meet the assumptions of normality and worthy to be analyzed.

3) Test Kolmograv Smirnov

Kolmograv Smirnov test used in this research is to know the Current Ratio (CR) and Debt to Equity Ratio (DER) and Return On Equity (ROE) data is Gaussian or not the results are obtained by using the help of SPSS 16.00. Residual Gaussian is a non parametric statistical tests kolmograv smirnov (K-S) by making a hypothesis.

Ho : the residual Data is Gaussian
Ha : the residual Data is not Gaussian

Table 3.
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		32
Normal Parameters[a]	Mean	.0000000
	Std. Deviation	.78544281
Most Extreme Differences	Absolute	.126
	Positive	.059
	Negative	-.126
Kolmogorov-Smirnov Z		.715
Asymp. Sig. (2-tailed)		.685

a. Test distribution is Normal.

Source : result by SPSS 16 (2018)

1. If Sig> 0.05 then the data is Gaussian.
2. If Sig < 0.05 then the data is not Gaussian.

From table 3. Asymp value. SIG (2-tailed) of 0685 can note that the value of Kolmograv-Smirnov Gaussian normally, because it does not have significant levels of below 0.05. The value of the variable that has met predetermined standards can be seen from Asymp. SIG (2-tailed).

b. Multicollinearity Test

This trial aims to test whether the regression models found a strong correlation between the existence of the variable indevenden (free). Good regression models should be free from multikolinieritas or is not the case the correlation among variables devenden. Kriterian withdrawal multikolinieritas test conclusion as seen from table Tolerance and (Variance Inflation Factor/VIF), if the value of the Tolerance is greater than 0.1 or VIF values smaller than 10, then it can be concluded does not occur in the data multikolinieritas that will be in sports.

Table 4.
Coefficients[a]

Model	Correlations			Collinearity Statistics	
	Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)					
Current ratio	.257	.612	.608	.346	2.892
Debt to equity	.124	.584	.564	.346	2.892

a. Dependent Variable: return on equity

From table IV. 6 shows test result value that VIF multicollinearity and the value of tolerance to each variable as follows:

1) value tolerance CR of 0346 > value 0.1 and VIF of 2,892 < variable CR 10, then declared free of multicollinearity.
2) value tolerance DER of 0346 > VIF values of 0.1 and 2.892 < 10, then variable DER non stated MulticollinearityNilai tolerance CR sebesar 0.346 > 0.1 dan nilai VIF sebesar 2.892 < 10, maka variabel CR dinyatakan bebas dari multikolinearitas.

c. Heteroscedasticity Test

This test aims to find out whether the regression occurred in the model ketidaksaman a variant of residual observations to other observations. If a variant of residual one observation to other observations, it is called a homokedastisitas instead if different variants it is called heterokedastisitas. There are not heterokedastisitas can be known through a scatterplot graph predictive value between independent variable with the value residualnya. Basic analysis that can be used to determine heterokedastisitas are:

1) if there is a particular pattern like the dots that make up a particular pattern of a regular (wavy widens and then narrows), then heterokedastisitas has occurred.
2) if there are no obvious patterns like dots spread above and below the 0 on the y-axis, then its not the case heterokedastisitas.

As for the image and the result of a test of heterokedastisitas can be seen below:

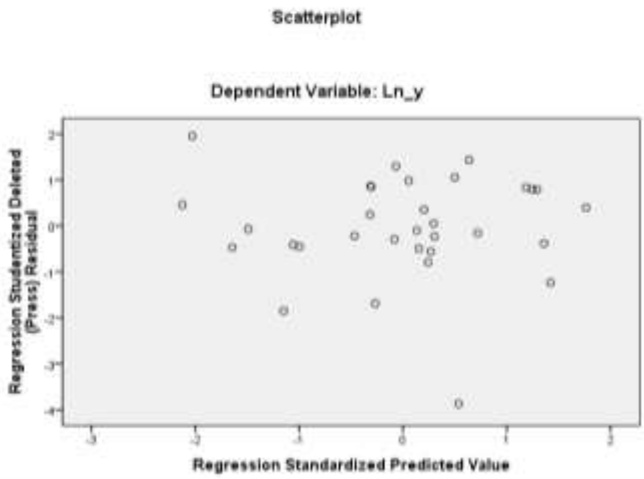

Figure 3. Heteroscedasticity Test Results
Source : result by SPSS 16.00 (2018)

d. Autocorrelation Test

Autocorrelation test aimed at testing whether a linear regression model in there is a correlation between the error of a bully on the t by mistake in the period t-1 (earlier). If there is a correlation, then called the autocorrelation problem. Good regression model is free of autocorrelation.

One way to identify it is to see the value of the Durbin Watson (D-W):

a. If the value of D-W under-2, then there is a positive autocorrelation.
b. If the value of D-W range of-2 to + 2 then no autocorrelation.
c. If the value of D-W above + 2, then there are negative autocorrelation.

Based on the results of the transformation of data, the study did test autocorrelation with the following results:

Table 5. Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.620[a]	.384	.342	.81208	1.969

a. Predictors: (Constant), debt to equity ratio, current ratio

b. Dependent Variable: return on equity

Source: Result by SPSS 16.00 (2018)

DISCUSSION

Analysis of the results of this research is the analysis of the findings of this research towards the suitability of theory, research, and opinions expressed earlier the results of previous studies as well as patterns of behavior that must be done to limit the such things. Here there is (3) the main part of which will be discussed in the analysis of research findings, namely the following:

The influence of Current Ratio against the Return On Equity.

The research results obtained regarding the influence of Current Ratio against the Return On Equity in the company's Automotive and its components are listed on the Indonesia stock exchange period 2012-2016. Indicates that the value of thitung is less than tTable (4,170 > 2,035) with significant value of 0000 > 0.05. So the Ha received and Ho is rejected, this indicates that the Current Ratio effect partially against the Return On Equity in the company's Automotive and its components are listed on the Indonesia stock exchange period 2012-2016.

According To Sjahrial (2013, hal. 37) Current Ratio is the company's ability to pay short-term obligations (or debt smoothly) at maturity by using current assets. the higher this ratio the better. That is, current assets can cover current liabilities.

the company experienced a decline and the rise in current assets and debts are comparable. It can be seen that the increase in current assets in proportion to the increase in debt lancarnya. Besides the increase in Current Ratio is caused because of the possibility of stacking up inventory, cash and securities that are too large and redundant to inefficient in their use of the company's working capital, while the increase and decrease in the Return On Equity due to interest expenses from long-term debt, while current assets function smoothly, to pay the debts and by increasing assets, so the company is able to pay current liabilities.

The higher the Current Ratio current assets then higher than the debt. It can be said the company is able to pay its obligations at maturity and can pay the interest charges, the use of capital in the company is not bothered that it can increase the profits that resulted can improve Return On Equity.

The results of this study stated that there is no alignment of research with theory, and Current Ratio of research partially there is significant influence against the Return On Equity. This is in line with the previous research conducted Hantono (2013) declared Current Ratio there are influential and significantly to the Return On Equity.

The influence of Debt to Equity against the Return On Equity

The research results obtained regarding the Debt to Equity Ratio against the Return on Equity in the company's Automotive and komponennnya listed on stock exchange of 2012-2016 period. Indicates that the value of thitung is less than tTable (3,873 > 2.035) with significant value of 0000 > 0.05. Thus Ha Ho accepted and rejected. This shows that the Debt to Equity Ratio effect partially against the Return On Equity in the company's Automotive and its components are listed on the Indonesia stock exchange period 2012-2016.

According To Hery (2015, hal. 198) Debt to Equity Ratio is a ratio used to measure the magnitude of the proportion of debt to capital. This ratio is used to find out how each part of the capital was made rupiah as collateral for debt. The higher the Debt to Equity Ratio means that the smaller the amount of capital owners who can be used as collateral for debt.

This gives a meaning that companies in using funds from debt is very effective with more use of own capital. The increase in Debt to Equity Ratio of the company's Automotive and components are measured between the total debt by total equity experienced a total indebtedness disproportionate to the magnitude of the increase in total equity.

Solvency ratio i.e. the ability of a company to pay off her debts pseudo (both short term and long term). The higher level of Debt to Equity Ratio then it is not a good position for the company due to higher debt levels, as a result the higher interest expenses which resulted in the decline of the rate of profit and Return On Equity will decrease and vice versa. In General an increasing Debt to Equity Ratio was followed by increased interest expenses which resulted in the company's earnings will decline. interest rates are low so companies prefer to use foreign capital and vice versa when high interest rates perusahaa prefer using their own capital.

From the results of the research there is no conformance between theory with research, and the results of the research there is no influence and significant between the Debt to Equity Ratio against the Return On Equity. The research is in line with previous research Uliva (2014) States Debt to Equity Ratio partially positive and significant effect against the Return On Equity.

The influence of Current Ratio, Debt to Equity Ratio against the Return On Equity

The research results obtained regarding the influence of the Current Ratio and Debt to Equity Ratio against the Return On Equity in the company's Automotive and its components are listed on the Indonesia stock exchange period 2012-2016.
From ANOVA Test in the table above Fhitung of a significant level of 9,055 while FTable note of 3.29. based on those results can be known that Fhitung > FTable (9,055 > 3.29) so Ha Ho accepted and rejected. So it can be concluded that the variable Current Ratio and Debt to Equity Ratio to simultaneously have a positive affect and significantly to the Return On Equity in the company's Automotive and its components are listed on the Indonesia stock exchange period 2012-2016.

The higher the level of Current Ratio current assets then steeper than with debt well, means the company is able to pay its obligations at maturity and can pay the interest charges, the use of capital in the company is not disturbed so that it can improve the bottom line.

The higher the Debt to Equity Ratio then it is not a good position for the company due to higher debt levels as a result of increasingly high interest bebam that resulted in the decline of the rate of profit and Return On Equity will decrease. low levels of Debt to Equity Ratio will then increase the profits of an enterprise, and consequently Return On Equity will increase. Because the source of the funds derived from loans or debt will be more effective in generating profit. Based on the results of earlier research then there is compliance against the authors of the research conducted by Hantono (2013) stated that the Current Ratio and Debt to Equity Ratio of positive and significant effect against the Return On Equity in the company Automotive and components are listed on the Indonesia stock exchange in the period 2012-2016.

CONCLUSION

Based on the results of research conducted among Current Ratio against the Return On Equity in the company's Automotive and its components are listed on the Indonesia stock exchange (BEI) in the period 2012-2016, it shows the Current Ratio has partially a positive and significant effect against the Return On Equity.

Based on the results of research conducted between the Debt to Equity Ratio against the Return On Equity in the company's Automotive and its components are listed on the Indonesia stock exchange (idx) from 2012-2016, showing the partially Debt to Equity Ratio has a positive influence and significantly to Return On Equity.

Based on research done at the company's Automotive and its components are listed on the Indonesia stock exchange (idx) of the period of 2012-2016. This shows that the Current Ratio and Debt to Equity Ratio to simultaneously have a positive affect and significantly to Return On Equity.

SUGGESTIONS

1. Pay more attention to capital Companies do prefer using their own capital or capital outside parties, making it more effective in meningkatkana profit and at a time when the company is due, the company is able to meet long-term obligations. Many ways to improve the bottom line by using capital effectively, and mengefesiensikan costs thereby increasing the profits of the company.
2. The companies further improve Current Ratio so that the company can fulfill its obligation smoothly at maturity, with ways to improve the current assets and reduce debts.
3. The company is paying more attention to the level of Debt to Equity Ratio and further improve the Current Ratio, so that by the time the company maturing can meet long-term obligations and short-term, so companies can run with It can be more efficient and improve profits.

For further research are expected to increase the number of samples and add to the number of variables indevenden and devendennya so as to get a better research results.

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