World Journal of Innovation and Technology
Volume 06 Number 02 April 2026

ISSN : 2963-1637
(Online - Elektronik)

The Effects of Current Ratio (CR) and Debt to Equity Ratio (DER) on Net Profit Margin (NPM) and Price to Book Value (PBV) of Consumer Goods Companies Listed on the Indonesia Stock Exchange during 2016–2018

Nur Alvianti Mardiana [1], I Gede Arimbawa [2]

Management Program, Faculty of Economics and Business, Narotama University, 60117, Indonesia
Email: n.alvianti.m@gmail.com [1], gede.arimbawa@narotama.ac.id [2]
* Correspondence: n.alvianti.m@gmail.com

Citations: Mardiana, Nur Alvianti., & Arimbawa, I Gede., (2026). The Effects of Current Ratio (CR) and Debt to Equity Ratio (DER) on Net Profit Margin (NPM) and Price to Book Value (PBV) of Consumer Goods Companies Listed on the Indonesia Stock Exchange during 2016–2018. *World Journal of Innovation an d Technology (WJIT)*, 06(02), 78-88.

Academic Editor:

Received: 15 January 2026 Accepted: 12 February 2026 Published: 30 April 2026

Abstract: This study examines the effects of Current Ratio (CR) and Debt to Equity Ratio (DER) on Net Profit Margin (NPM) and Price to Book Value (PBV) of consumer goods companies listed on the Indonesia Stock Exchange during 2016–2018. The study uses a quantitative approach with secondary data obtained from companies' financial reports. The sample was selected using purposive sampling, resulting in 15 companies from a population of 22 companies. Data were analyzed using path analysis, supported by t-tests and F-tests. The results indicate that CR has a significant negative effect on NPM, while DER also has a significant negative effect on NPM. Furthermore, CR and DER have significant effects on PBV, while NPM has a significant effect on PBV. The first structural model produces an R^2 of 0.256, indicating that CR and DER jointly explain 25.6% of the variation in NPM. The second model produces an R^2 of 0.502, indicating that CR, DER, and NPM jointly explain 50.2% of the variation in PBV. These findings indicate that liquidity, capital structure, and profitability are associated with the market valuation of the companies examined.

Keywords: Current Ratio; Debt to Equity Ratio; Net Profit Margin; Price to Book Value; Path Analysis

Copyright: © 2022 by the author. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (https://creativecommons.org/licenses/by/4.0/).

1. Introduction

The consumer goods industry constitutes an important part of Indonesia's manufacturing sector and provides products that are closely related to household consumption. Statistics Indonesia (BPS) reports that large and medium manufacturing production increased by 4.07% in 2018 compared with 2017, while beverage production recorded substantial growth in the fourth quarter of 2018 (Badan Pusat Statistik, 2019). Kantar Worldpanel also reported that Indonesia recorded the highest FMCG growth among Southeast Asian countries in 2017 (Kantar Worldpanel, 2017). These developments indicate the relevance of consumer goods companies within Indonesia's economic and business environment.

For publicly listed companies, maintaining firm value is an important financial objective because market valuation reflects investors' assessment of corporate performance and prospects. Price to Book Value (PBV) is commonly used to represent firm value by comparing the market price per share with its book value per share. Changes in PBV therefore provide an indication of how the market values the company

relative to its accounting value. The financial condition underlying such valuation can be assessed through financial ratios representing liquidity, capital structure, and profitability.

Current Ratio (CR) reflects the company's ability to meet short-term obligations, while Debt to Equity Ratio (DER) indicates the proportion of debt relative to shareholders' equity. Net Profit Margin (NPM), meanwhile, reflects the company's ability to generate net income from sales. These three indicators represent different dimensions of financial performance and may provide information relevant to investors when assessing firm value. Previous empirical studies have examined the relationships between liquidity, leverage, profitability, and PBV, although the reported results remain mixed across sectors and observation periods (Jonathan & Purwaningsih, 2023; Mandalika, 2024; Rahmi, 2022; Sukmayanti & Sembiring, 2022; Sulistianingsih et al., 2018; Taufiqurrahman & Hidayati, 2022).

The inconsistency of previous findings provides a basis for further examination using a model that considers both direct relationships with firm value and the relationship between financial ratios and profitability. This study therefore examines the effects of CR and DER on NPM and PBV and evaluates the effect of NPM on PBV among consumer goods companies listed on the Indonesia Stock Exchange during 2016–2018. The study uses path analysis to assess the relationships among the variables and to provide empirical evidence concerning the financial factors associated with PBV in the observed sample.

2. Literature Review

2.1. Financial Management

Financial management concerns the planning, acquisition, allocation, and utilization of financial resources to support the achievement of organizational objectives. In a publicly listed company, financial decisions are closely related to liquidity management, financing structure, profitability, and firm value. Therefore, financial ratios can be used to evaluate the company's financial condition and to examine its relationship with market valuation (Brigham & Houston, 2022; Kasmir, 2016).

2.2. Firm Value

Firm value represents the market's assessment of a company's performance and prospects. For publicly listed companies, market valuation is reflected in the relationship between the market price of shares and the underlying book value. PBV is therefore used in this study as a proxy for firm value because it compares market price per share with book value per share. A higher PBV indicates that the market assigns a higher value to the company relative to its book value (Brigham & Houston, 2022; Harmono, 2009).

2.3. Financial Ratios

Financial ratios provide a quantitative basis for evaluating a company's financial condition by relating selected items in its financial statements (Kasmir, 2016). In this study, three dimensions are considered: liquidity, leverage, and profitability.

a. Current Ratio (CR).
   CR measures the company's ability to meet its short-term obligations using current assets. It is calculated as current assets divided by current liabilities. CR is used to represent liquidity because it indicates the extent to which short-term liabilities are covered by current assets (Kasmir, 2016).
b. Debt to Equity Ratio (DER).
   DER measures the proportion of debt financing relative to shareholders' equity. It is calculated by dividing total debt by total equity. The ratio provides an indication of the company's capital structure and its reliance on external financing (Brigham & Houston, 2022; Kasmir, 2016).
c. Net Profit Margin (NPM).
   NPM measures the proportion of net income generated from sales. It is calculated by dividing net income by net sales. The ratio reflects the company's ability to convert sales into net profit and is therefore used as an indicator of profitability (Kasmir, 2016).

2.4. Relationship among Financial Ratios and Firm Value

Liquidity, capital structure, and profitability may provide different signals regarding a company's financial condition. Empirical studies in Indonesian listed companies have reported varying relationships between CR, DER, profitability indicators, and PBV. For example, research on primary consumer goods companies found that capital structure and liquidity were associated with firm value (Taufiqurrahman & Hidayati, 2022). Other studies have reported significant relationships between CR, DER, profitability, and

PBV, although the direction and significance of individual effects differ across sectors and research periods (Jonathan & Purwaningsih, 2023; Mandalika, 2024; Rahmi, 2022; Sukmayanti & Sembiring, 2022; Sulistianingsih et al., 2018; Taufiqurrahman & Hidayati, 2022). These variations support the need to examine the proposed relationships within the specific consumer goods sample and observation period used in this study.

Kerangka Berpikir :

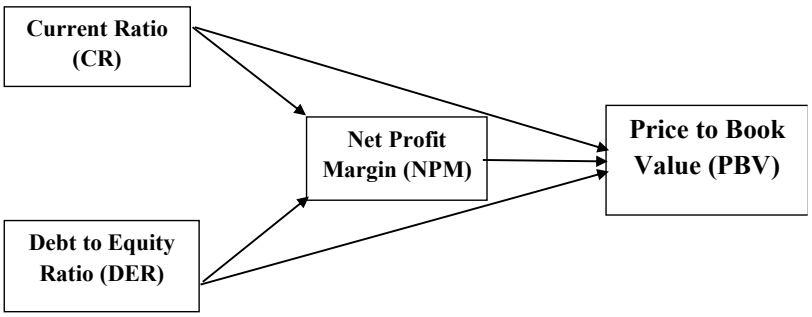


Figure 1. Framework of thinking

3. Materials and Methods

This research uses a quantitative research approach with secondary data used in the form of financial reports of consumer good companies for the 2016-2018 period which are listed on the Indonesia Stock Exchange. The sampling method uses a purposive sampling method, with the number of samples selected being 15 companies from 22 existing companies. Data collection techniques in this research used library study and documentation techniques. The library method is a way of collecting data through library media in the form of company annual reports, books, journals and other literature related to the problem being studied. The second method used is the documentation method. The documentation method is a way to collect financial reports for consumer good companies for 2015-2018 on the website www.idx.co.id. The data analysis technique uses path analysis. Hypothesis testing is carried out using the t test, F test.

Steps to test path analysis according to (Sarwono, 2014):

1. Substructure Analysis 1

$$Y1 = \beta Y1X1 + \beta Y1X2 + e1$$

Where:
Y1 = Net Profit Margin
X1 = Current Ratio
X2 = Debt Equity Ratio
e1 = Error 1

2. Substructure Analysis 2

$$Y2 = \beta Y2X1 + \beta Y2X2 + e1$$

Where:
Y2 = Price to Book Value
X1 = Current Ratio
X2 = Debt Equity Ratio
E2 = Error 2

ISSN : 2963-1637
(Online - Elektronik)

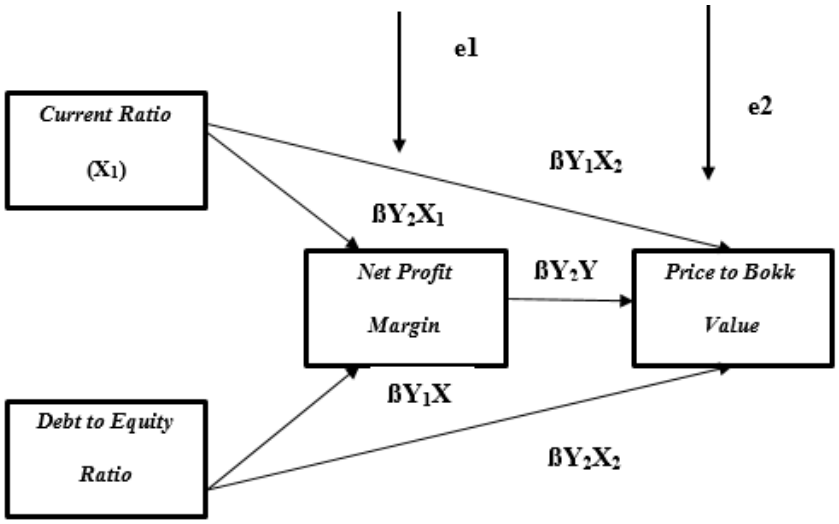


Figure 2. Path Analysis

Current Ratio (X1)

This Current Ratio measures the company's ability to pay current debts using its current assets. The greater this ratio, the greater the company's liquidity.

$$\boldsymbol{Curren\ Ratio} = \frac{\boldsymbol{Aktiva\ Lancar}}{\boldsymbol{Utang\ Lancar}}$$

Debt to Equity Ratio (X2)

Debt to Equity Ratio (DER) is a ratio that shows the extent to which capital alone guarantees all debt. This ratio can also be read as a comparison between outside funds and company owner funds.

$$\boldsymbol{Debt\ to\ Equity\ Ratio} = \frac{\boldsymbol{Total\ Hutang}}{\boldsymbol{Total\ Ekuitas}}$$

Net Profit Margin (Y1)

Net Profit Margin shows the level of net profit (after deducting costs) obtained from a business or shows the extent to which a company manages its business.

$$\boldsymbol{Net\ Profit\ Margin} = \frac{\boldsymbol{Laba\ Setelah\ Pajak}}{\boldsymbol{Penjualan}}$$

Price to Book Value

Price to Book Value (PBV) is a ratio used to assess the fair price of a share by calculating the value of the latest share price over the book value of the company's most recent financial report (Latief, 2018). The formula for calculating PBV is:

$$\boldsymbol{Price\ to\ Book\ Value} = \frac{\boldsymbol{Harga\ SahamPerLembar}}{\boldsymbol{Nilai\ Buku\ Per\ Lembar\ Saham}}$$

4. Results

4.1. Data Normality Test

The normality test aims to examine whether the disturbance variables or residuals in a regression model follow a normal distribution.

Tabel 1. Data Nomality Test

		Current Ratio	Debt to Equity Ratio	Net Profit Margin	Price to Book Value
N		45	45	41	45
Normal Parameters[a,b]	Mean	5.1927	4.1563	2.5487	-1.3817

	Std. Deviation	.65815	.85389	.75323	1.33258
Most Extreme Differences	Absolute	.106	.156	.192	.194
	Positive	.106	.084	.192	.194
	Negative	-.057	-.156	-.126	-.105
Kolmogorov-Smirnov Z		.714	1.044	1.227	1.303
Asymp. Sig. (2-tailed)		.689	.225	.099	.067

a. Test distribution is Normal
b. Calculated from data

Based on the SPSS output table above, it can be seen that the variables Current Ratio, Debt to Equity Ratio, Net Profit Margin, and Price to Book Value have an asymptotic significance (2-tailed) value greater than 0.05, which indicates that the data used are normally distributed.

4.2. Path Analysis

Path analysis is also known as causal modeling. This term is used because path analysis allows researchers to test theoretical propositions regarding cause-and-effect relationships without the need to manipulate variables (Sarwono, 2014).

1.2.1. Direct Efect

Tabel 2. Direct Effects

No	Description	Relationship		Sig
1	The effect of the Current Ratio variable on the Net Profit Margin	X1	Y1	.017
2	The effect of the Debt to Equity Ratio variable on the Net Profit Margin	X2	Y1	.001
3	The effect of the Current Ratio on the Price to Book Value	X1	Y2	.000
4	The effect of the Debt to Equity Ratio variable on the Price to Book Value	X2	Y2	.004
5	The effect of the Return on Equity and Net Profit Margin variables on the Price to Book Value	Y1	Y2	.046

Table 2. shows that:

1. The significance value for X1 is 0.017 < 0.05. Therefore, it can be concluded that there is a significant direct effect of X1 on Y1.
2. The significance value for X2 is 0.001 < 0.05. Therefore, it can be concluded that there is a significant direct effect of X2 on Y1.
3. The significance value for X1 is 0.000 < 0.05. Therefore, it can be concluded that there is a significant direct effect of X1 on Y2.
4. The significance value for X2 is 0.004 < 0.05. Therefore, it can be concluded that there is a significant direct effect of X2 on Y2.
5. The significance value for Y1 is 0.046 < 0.05. Therefore, it can be concluded that there is a significant direct effect of Y1 on Y2.

1.2.2. Indirect Efect

Tabel 3. Indirect Effect

No	Description	Relationship			Calculation
1	The effect of the Current Ratio variable on Price to Book Value via Net Profit Margin	X_1	Y_1	Y_2	(-.411 x .278) = -.114
2	The effect of the Debt to Equity Ratio variable on Price to Book Value via Net Profit Margin	X_2	Y_1	Y_2	(.-579 x .278) = -.160

Table 3. shows that:

1. The indirect effect of X1 on Y2 through Y1 is the product of the beta value for X1 on Y2 and the beta value for Y1 on Y2, namely: -0.411 x 0.278 = -0.114
2. The indirect effect of X2 on Y2 through Y1 is the product of the beta value for X2 on Y2 and the beta value for Y1 on Y2, namely: -0.579 x 0.278 = -0.160

1.2.3. Total Effect

Tabel 4. Total Effect

No	Description	Relationship			Calculation
1	The influence of the Current Ratio variable on Net Profit Margin	X_1	Y_1	Y_2	(-.411 x .278) = -.114
2	The influence of the Debt To Equity Ratio variable on Net Profit Margin	X_2	Y_1	Y_2	(.-579 x .278) = -.301

Table 4. shows that:

1. The total effect of X1 on Y2 is the sum of the direct effect and the indirect effect, calculated as: -0.411 x 0.278 = -0.114. Based on the calculations above, the direct effect is -0.411 and the indirect effect is 0.278, indicating that the magnitude of the direct effect is greater than that of the indirect effect.
2. The total effect of X2 on Y2 is the sum of the direct effect and the indirect effect, calculated as: -0.579 x 0.278 = -0.301. Based on the calculations above, the direct effect is -0.579 and the indirect effect is 0.278, indicating that the magnitude of the direct effect is greater than that of the indirect effect.

4.3. Simultaneous Test (F-test)

The F-test is used to determine whether the independent variables, when taken together (simultaneously), have a significant effect on the dependent variable. A 5% significance level (confidence level) is applied. If the calculated F-value is greater than the F-table value, then the alternative hypothesis—which states that all independent variables simultaneously exert a significant effect on the dependent variable—is supported (Gujarati, 2015).

Decision-making criteria:

a. If the probability (significance) > 0.05 (α) or the calculated F-value < F-table value, the hypothesis is not supported; thus, the null hypothesis (H0) is accepted and the alternative hypothesis (Ha) is rejected.
b. If the probability (significance) < 0.05 (α) or the calculated F-value > F-table value, the hypothesis is supported; thus, the null hypothesis (H0) is rejected and the alternative hypothesis (Ha) is accepted.

4.3.1. The Effect of the Current Ratio and Debt-to-Equity Ratio on Net Profit Margin (Sub-structure 1)

Tabel 5. Results for the Coefficient of Determination of Substructure 1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.506a	.256	.217	.66645

Table 5 shows that the R2 or R-square value in the model summary table is 0.256. This indicates that the contribution or influence of X1 and X2 on Y is 25.6%, while the remaining 74.4% is contributed by other variables not included in the study.

Tabel 6. Results of the Structural F-Test 1

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.816	2	2.908	6.548	.004[b]
	Residual	16.878	38	.444		
	Total	22.694	40			

Table 6 shows a significance value of 0.004 < 0.05, with a calculated F-value of 6.548. Since the calculated F-value is greater than the F-table value (6.548 > 2.83), H0 is rejected and Ha is accepted. Therefore, it can be concluded from the analysis above that the current ratio and debt-to-equity ratio have a significant influence on the net profit margin.

4.3.2. The Influence of Current Ratio, Debt-to-Equity Ratio, and Net Profit Margin on Price-to-Book Value (Sub-structure 2)

Tabel 7. Results of the Coefficient of Determination for Sub-structure 2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.709[a]	.502	.462	1.01497

a. Predictors: (Constant), Net Profit Margin, Current Ration, Debt to Equity Ratio

Table 7 shows that the R^2 (R-square) value in the model summary table is 0.502. This indicates that the contribution of X1 and X2 to Y is 50.2%, while the remaining 49.8% (100% - 50.2%) is attributed to other variables not included in this study.

Tabel 8. Results of the Structural F-test 2

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	38.453	3	12.818	12.443	.004[b]
	Residual	38.116	37	1.030		
	Total	76.569	40			

a. Dependent Variable: Price to Book Value
b. Predictors: (Constant), Net Profit Margin, Current Ration, Debt to Equity Ratio

Table 8 shows a significance value of 0.000 < 0.05, with an F-calculated value of 12.443. Since the F-calculated value is greater than the F-table value (12.443 > 2.83), the null hypothesis (H0) is rejected and the alternative hypothesis (Ha) is accepted. Therefore, it can be concluded from the analysis above that the current ratio, debt-to-equity ratio, and net profit margin have a significant influence on the price-to-book value.

4.4. T Test

The t test basically shows how far the influence of one independent variable individually explains the variation in the dependent variable. Partial regression testing is intended to determine whether the independent variables individually have an influence on the dependent variable with the assumption that the other variables are constant.

Basis for decision making:

a. If the probability (significance)> 0.05 (α) or T count < T table means the hypothesis is not proven then H0 is accepted and Ha is rejected, if the test is carried out partially.
b. If the probability (significance) < 0.05 (α) or T count > T table means the hypothesis is proven then H0 is rejected and Ha is accepted, if the test is carried out partially.

4.4.1. The Influence of Current Ratio and Debt to Equity Ratio on Net Profit Margin (Substructure1)

Tabel 9. Results of Structural t Test 1

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	7.190	1.403		5.124	.000
Current Ratio	-.468	.187	-.411	-2.508	.017
Debt to Equity Ratio	-.526	.149	-.579	-3.534	.001

a. Dependent Variable: Net Profit Margin

Table 9. shows that:

1. The calculated t-value is -2.508, which is greater than -2.019, with a significance (sig) value of 0.017 < 0.05; this indicates that the current ratio has a significant negative effect on the net profit margin, meaning H0 is rejected and Ha is accepted.
2. The calculated t-value is -3.534, which is greater than -2.019, with a significance (sig) value of 0.001 < 0.05; this indicates that the debt-to-equity ratio has a significant negative effect on the net profit margin, meaning H0 is rejected and Ha is accepted.

Based on the results above, the equation for the sub-structure 1 analysis model is as follows:

$$Y_1 = ßY_1X_1 + ßY_1X_2 + + e_1$$

Y = Net Profit Margin
X_1 = Current ratio
X_2 = Debt to Equity Ratio
e_1 = error

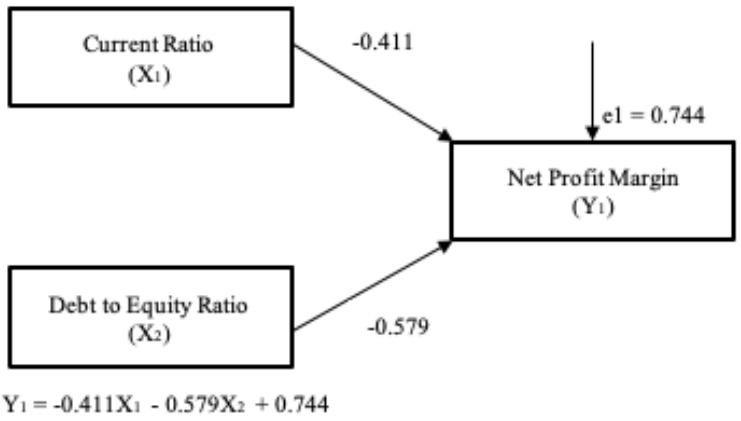


Figure 3. Substructure Analysis 1

The picture above shows that the current ratio variable influences the net profit margin by -0.411 and the debt to equity ratio variable influences the net profit margin by -0.579, while 0.744 is caused by other variables outside the research.

4.4.2. The Influence of Current Ratio Debt to Equity Ratio and Net Profit Margin on Price to Book Value (Substructure 2)

Tabel 10. Results of Structural t Test 2

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	7.235	2.779		2.604	.013
Current Ratio	-1.251	.307	-.598	-4.076	.000
Debt to Equity Ratio	-.807	.261	-.485	-3.093	.004
Net Profit Margin	.511	.247	.278	2.067	.046

a. Dependent Variable: Price to Book Value

Table 10. shows that:

1. The calculated t-value is -4.076 > -2.019, with a significance (sig.) value of 0.000 < 0.05; this indicates that the current ratio has a significant negative effect on the price-to-book value, meaning H0 is rejected and Ha is accepted.
2. The calculated t-value is -3.093 > -2.019, with a significance (sig.) value of 0.046 < 0.05; this indicates that the current ratio has a significant negative effect on the net profit margin, meaning H0 is rejected and Ha is accepted.
3. The calculated t-value is 2.067 > 2.019 (the t-table value), with a significance (sig.) value of 0.004 < 0.05; this indicates that the debt-to-equity ratio has a significant effect on the price-to-book value, meaning H0 is rejected and Ha is accepted.

ISSN : 2963-1637
(Online - Elektronik)

Based on the results above, the equation for the substructure 2 analysis model is as follows:

$$Y_2 = ßY_1X_1 + ßY_1X_2 + + e_1$$

Y_2 = Price to Book Value
X_1 = Current ratio
X_2 = Debt to Equity Ratio
e_2 = error

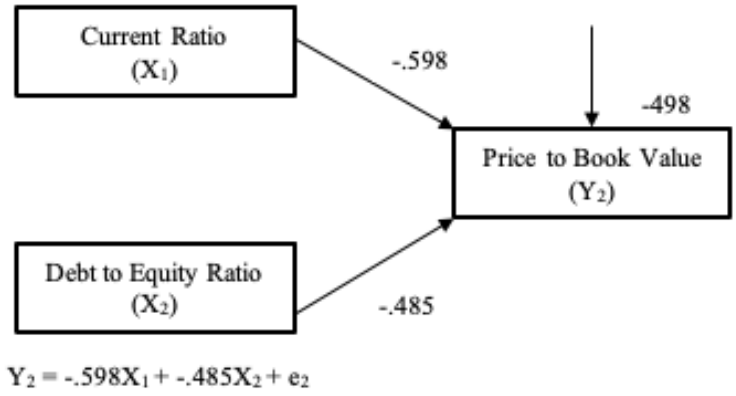


Figure 4. Substructure Analysis 2

The image above shows that the current ratio variable influences the price-to-book value by -0.598, and the debt-to-equity ratio variable influences the price-to-book value by -0.485, while 0.498 is attributed to other variables outside the scope of this study.

Thus, the overall path analysis model diagram can be illustrated as follows:

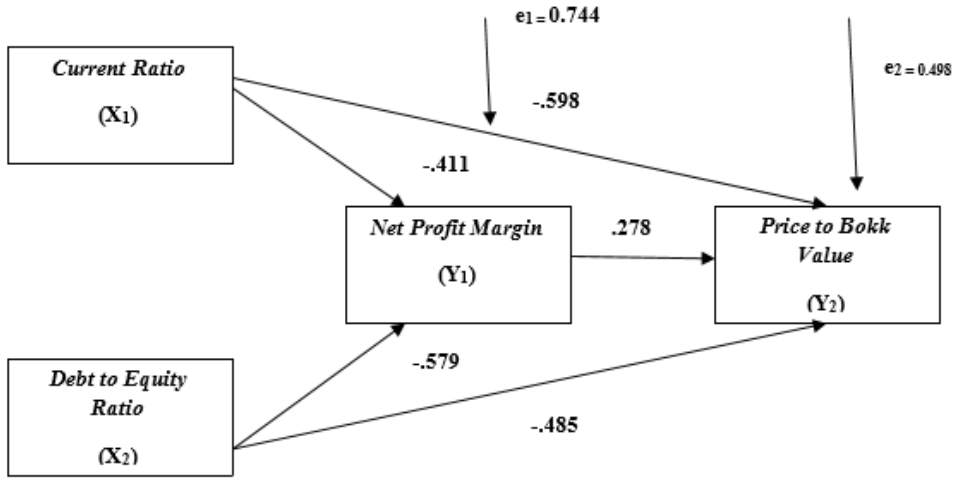


Figure 5. Path Analysis

4. Discussion

1. Effect of Current Ratio on Net Profit Margin

   The magnitude of the sig is 0.017 < 0.05, meaning that the current ratio has a significant negative influence on the net profit margin, so that H0 is rejected and Ha is accepted. The magnitude of the influence of the current ratio on the net profit margin is -.411 which is shown by the magnitude of beta (β). This is considered if the current ratio increases by 1 unit then the net profit margin decreases by .411
2. Effect of Debt Equity Ratio on Net Profit Margin

The magnitude of the sig is 0.001 < 0.05, meaning that the debt to equity ratio has a significant negative influence on the net profit margin, so that H0 is rejected and Ha is accepted. The magnitude of the influence of the debt to equity ratio on the net profit margin is -.579 which is shown by the magnitude of beta (β), this is considered if the debt to equity ratio increases by 1 unit then the net profit margin decreases by .579

3. Effect of Current Ratio on Price to Book Value

   The sig value is 0.000 < 0.05, meaning that the current ratio has a significant negative influence on price to book value, so that H0 is rejected and Ha is accepted. The magnitude of the influence of the current ratio on price to book value is -.598 which is shown by the magnitude of beta (β). It is assumed that if the current ratio increases by 1 unit, the net profit margin will decrease by .598.

4. Effect of Debt Equity Ratio on Price to Book Value

   The magnitude of the sig is 0.046 < 0.05, meaning that the current ratio has a significant negative influence on the net profit margin, so that H0 is rejected and Ha is accepted. The magnitude of the influence of the current ratio on the net profit margin is -.485 which is shown by the magnitude of beta (β), this is considered if the current ratio increases by 1 unit then the net profit margin decreases by .485

5. Influence of Net Profit Margin on Price to Book Value

   The calculated t value is -3.093 < t table of 2.019 with sig 0.004 < 0.05, meaning that the debt to equity ratio has a significant influence on price to book value, so that H0 is rejected and Ha is accepted. The magnitude of the influence of the debt to equity ratio on the net profit margin is -.485 which is shown by the magnitude of beta (β). This is considered if the debt to equity ratio increases by 1 unit then the net profit margin decreases by -.485.

5. Conclusions

Based on the results of the data analysis and discussion described, the following conclusions can be drawn:

1. The results of simultaneous hypothesis testing (F test) show that:
   a. The calculated F value is 6.548 > F table is 2.83 with a significance of 0.004 < 0.05, so that simultaneously (together) there is a significant influence between the CR and DER variables on the NPM variable.
   b. The calculated F value is 2.443 > F table is 2.83 with a significance of 0.000 < 0.05, so that simultaneously (together) there is a significant influence between the CR, DER, NPM variables on the PBV variable.

1. Based on the results of partial hypothesis testing (T test) it can be concluded that:
   a. CR variable against NPM

      The Current Ratio (CR) variable has a positive and significant effect on Net Profit Margin (NPM).

   c. DER variable to NPM

      The Debt to Total Equity Ratio (DER) variable does not have a significant effect on Net Profit Margin (NPM).

   d. CR variable against PBV

      The Current Ratio (CR) variable has a positive and significant effect on Price to Book Value (PBV)

   e. DER variable to PBV

      The Debt to Total Equity Ratio (DER) variable has a positive and significant effect on Price to Book Value (PBV).

   f. NPM variable against PBV

      The Net Profit Margin (NPM) variable has a positive and significant effect on Price to Book Value (PBV).

1. Coefficient of determination test results
   a. The correlation value (R) for substructure 1 is 25.6%, which shows that the Current Ratio and Debt to Equity Asset Ratio have an effect on the Net Profit Margin by 43.6% and have a positive correlation.
   b. The correlation value (R) for substructure 1 is 0.502 or 50.2%, which shows that the Current Ratio and Debt to Total Equity Ratio have an effect on the Net Profit Margin by 49.8% and have a positive correlation.

References

Badan Pusat Statistik. (2019). *Pertumbuhan produksi IBS tahun 2018 naik 4,07 persen dibandingkan tahun 2017*. Badan Pusat Statistik. https://www.bps.go.id/id/pressrelease/2019/02/01/1623/pertumbuhan-produksi-ibs-tahun-2018-naik-4-07-persen-dibandingkan-tahun-2017.html?utm_source=chatgpt.com

Brigham, E. F., & Houston, J. F. (2022). *Fundamentals of Financial Management* (16th ed.). Cengage Learning.

Gujarati, D. (2015). *Econometrics by Example*. Macmillan Education UK.

Harmono. (2009). *Manajemen Keuangan: Berbasis Balanced Scorecard, Pendekatan Teori, Kasus, dan Riset Bisnis*. Bumi Aksara.

Jonathan, K. L., & Purwaningsih, S. (2023). The Effect of Return on Assets, Debt to Equity Ratio and Current Ratio on Firm Value. *Journal of Applied Business, Taxation and Economics Research*, *2*(3), 266–287. https://doi.org/10.54408/jabter.v2i3.168

Kantar Worldpanel. (2017). *Spotlight of Indonesia 2017: Discovering the Hidden Gems*. Kantar Worldpanel.

Kasmir. (2016). *Analisis Laporan Keuangan*. Rajawali Pers.

Latief, Z. (2018). *Daftar Perusahaan Sekuritas yang Terdaftar di OJK & BEI.*

Mandalika, J. (2024). Pengaruh Debt to Equity Ratio, Total Assets Turnover, Return on Assets, dan Firm Size Terhadap Price to Book Value. *COMSERVA : Jurnal Penelitian Dan Pengabdian Masyarakat*, *4*(5), 1188–1198. https://doi.org/10.59141/comserva.v4i5.2226

Rahmi, N. U. (2022). Effect of Current Ratio and Debt to Equity Ratio on Price to Book Value moderating Return on Assets in Food and Beverage sub-sector companies. *International Journal of Social Science Research and Review*, *5*(8), 201–210. https://doi.org/10.47814/ijssrr.v5i8.397

Sarwono, J. (2014). *Path Analysis dengan SPSS*. Elex Media Komputindo.

Sukmayanti, C. P., & Sembiring, F. M. (2022). Pengaruh Current Ratio dan Debt To Equity Ratio Terhadap Price To Book Value Dengan Return on Assets Sebagai Variabel Intervening (Studi pada Perusahaan Non Keuangan Kelompok Indeks LQ45 di Indonesia). *INOBIS: Jurnal Inovasi Bisnis Dan Manajemen Indonesia*, *5*(2), 202–215. https://doi.org/10.31842/jurnalinobis.v5i2.224

Sulistianingsih, F., Siagian, J., & Tobing, E. G. M. (2018). The effects of Return on Asset, Net Profit Margin, and Debt to Equity Ratio towards Price to Book Value. *Fundamental Management Journal*, *2*(2), 39–51. https://doi.org/10.33541/fjm.v2i2.558

Taufiqurrahman, R., & Hidayati, S. (2022). Determinan Nilai Perusahaan pada Perusahaan Sektor Barang Konsumen Primer yang Terdaftar di Bursa Efek Indonesia. *Jurnal Manajemen Dan Organisasi*, *13*(2), 192–202. https://doi.org/10.29244/jmo.v13i2.39947