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THE EFFECT OF CASH RATIO, DEBT TO EQUITY RATIO, AND TOTAL ASSET TURNOVER ON PROFIT GROWTH WITH FIRM SIZE AS A MODERATING VARIABLE IN FINANCIAL SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (2022–2024)

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Abstract

This study aims to analyze the effect of Cash Ratio (CR), Debt to Equity Ratio (DER), and Total Asset Turnover (TATO) on Profit Growth, with Firm Size as a moderating variable in financial sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2022–2024. The research employs a quantitative associative method using Moderated Regression Analysis (MRA). The results indicate that, simultaneously, CR, DER, and TATO have a significant effect on profit growth. Partially, DER and TATO show a positive effect, while CR has a negative effect. After being moderated by firm size, the correlation coefficient (R) increased to 0.994 with an R^2 value of 0.989, indicating that firm size strengthens the relationship between financial ratios and profit growth. These findings suggest that maintaining a balanced level of liquidity, an optimal capital structure, and efficient asset utilization is essential for improving profitability. Future research is recommended to include additional variables such as Return on Assets (ROA), Good Corporate Governance (GCG), or dividend policy to provide a broader understanding of the determinants of profit growth.

Keywords: Cash Ratio, Debt to Equity Ratio, Total Asset Turnover, Profit Growth, Firm Size

INTRODUCTION

The Stock Exchange serves as an essential institution that facilitates the trading of various types of securities. Generally, it functions as both the organizer and provider of systems and infrastructure to ensure that trading activities are conducted efficiently, transparently, and fairly. In Indonesia, this role is carried out by the Indonesia Stock Exchange (IDX), which is responsible for providing the necessary facilities and ensuring that trading activities are conducted in an orderly and regulated manner.

The IDX accommodates a wide range of companies from different economic sectors. Currently, there are eleven major sectors listed on the exchange, namely healthcare, basic materials, financials, transportation and logistics, technology, non-cyclical consumer goods, industrials, energy, cyclical consumer goods, infrastructure, and property and real estate. Among these, the financial sector plays a particularly strategic role in supporting national economic growth and development. The financial sector encompasses various institutions and companies that provide financial services to both individuals and businesses, including banking, insurance, finance companies, and investment funds. Collectively, these entities and their supporting institutions are known as the Financial Services Industry (Industri Jasa Keuangan – IJK). This sector is often referred to as the "lifeblood" of the economy, as it drives the flow of financial and monetary activities within a country. The existence of the financial services industry not only strengthens the stability of the national economic system but also contributes to improving public welfare and enhancing Indonesia's competitiveness on a global scale.

In the midst of modern economic dynamics, the financial sector is required to maintain sound financial performance to withstand market fluctuations. One of the key indicators used to assess the performance of financial companies is profit growth. Profit growth reflects the effectiveness of management in utilizing available resources to generate sustainable earnings. Hence, analyzing the financial factors that influence profit growth is crucial to understanding the stability and competitiveness of companies within the financial sector.

One of the primary financial indicators that can affect profit growth is the Cash Ratio (CR). This ratio measures the extent to which a company can meet its short-term obligations using cash or cash equivalents. The level of available cash serves as a liquidity indicator, reflecting a company's ability to maintain creditor confidence and ensure operational continuity. Companies with a high cash ratio are generally more capable of managing short-term financial pressures; however, excessive idle cash that is not productively invested may also reduce efficiency.

Another important financial indicator is the Debt to Equity Ratio (DER), which evaluates a company's capital structure by comparing the proportion of debt financing to shareholders' equity. A higher DER value indicates a greater reliance on borrowed funds to finance operations. While reasonable use of debt can enhance profitability through financial leverage, excessive debt increases financial risk and may reduce the firm's overall profitability. Therefore, maintaining an optimal capital structure is essential to ensuring financial stability and sustainable earnings growth.

Furthermore, the Total Asset Turnover (TATO) ratio measures how efficiently a company utilizes its total assets to generate sales. This ratio compares total revenue to total assets, with a higher TATO value indicating more effective use of company assets in generating

income. Conversely, a low TATO value suggests underutilization of assets, which may hinder profit growth.

Another factor that can influence financial performance is Firm Size. Firm size represents the scale of a company's operations and can be measured by total assets, total sales, or market capitalization. Larger firms generally have stronger resources, greater access to external financing, and a higher capacity to exploit market opportunities. Conversely, smaller firms often face capital constraints and higher operational risks. Firm size can also act as a moderating variable that strengthens or weakens the relationship between financial ratios and profit growth, depending on the industry context and managerial strategy.

Profit growth itself serves as a ratio that reflects a company's ability to increase its net income from one period to another. It demonstrates the firm's performance in maintaining business continuity and managing its resources effectively. Companies that consistently achieve profit growth are generally considered healthy, stable, and to have promising long-term prospects. Conversely, declining profits may signal inefficiencies or financial distress within the company's operational structure.

Considering the vital role of the financial sector in the national economy and the relevance of key financial indicators to corporate profitability, this study aims to analyze the relationships among these financial variables. Therefore, the research is titled "The Influence of Cash Ratio, Debt to Equity Ratio, and Total Asset Turnover on Profit Growth with Firm Size as a Moderating Variable in Financial Sector Companies Listed on the Indonesia Stock Exchange for the Period 2022–2024."

REVIEW OF LITERATURE

Cash Ratio

According to Nugraha et al. (2023), the cash ratio describes a company's actual ability to settle its short-term obligations. This ratio reflects the proportion of cash available to meet current liabilities without considering inventories. Furthermore, Nugraha et al. (2023) emphasize that the cash ratio serves as a primary indicator for evaluating a company's capacity to maintain financial balance, particularly when facing short-term liabilities. Hery (2016) defines the cash ratio as a measure of how much cash or cash equivalents are available to pay short-term debts, where cash equivalents include coins, banknotes, checks, money orders, and deposits. Similarly, Sujarweni (2017) states that the cash ratio measures a company's ability to meet its short-term obligations using the cash available and the funds deposited in banks. Previous empirical findings are not entirely consistent. Nandasari (2021) demonstrated that the cash ratio has a significant effect on profit growth, indicating that higher liquidity may support profitability. This finding is reinforced by Almardi, Kristianto, & Nadapdap (2024), who also found a simultaneous and significant influence of the cash ratio on profit growth. Conversely, Ardiansyah & Nur Azizah Anabas (2023) found that the current ratio, cash ratio, and quick ratio did not significantly affect profit growth. These differences suggest that a high level of liquidity does not necessarily guarantee higher profit if cash resources are not utilized productively.

Debt to Equity Ratio (DER)

Kasmir (2017) explains that the Debt to Equity Ratio (DER) assesses the proportion of total liabilities—including current liabilities—to shareholders' equity. According to Olfiani

and Handayani (2019), DER measures the extent to which a company's assets are financed by creditors compared to owners' funds. Ihsan (2020) argues that DER represents a leverage or solvency indicator calculated by comparing total debt to total equity. Companies with persistently high DER are often perceived as financially weak because excessive debt increases interest expenses, thereby reducing net profit. In contrast, Brigham (2020) asserts that prudent use of debt can create a positive leverage effect when the return on investment exceeds the cost of debt. However, excessive borrowing can elevate default risk and undermine financial stability. Empirical evidence also shows varying results. Ramadhan & O. Feriyanto (2025) found that DER has a positive and significant impact on profit growth among listed firms on the Indonesia Stock Exchange (IDX), implying that properly managed debt can enhance profitability. Similar findings were reported by Andi Mustika Amin et al. (2024), who observed a positive relationship between DER and profit growth in food and beverage subsector companies. On the other hand, Ayem et al. (2024) reported that DER does not significantly influence profit growth, consistent with Mardjono et al. (2020), who found no significant effect of DER on profit growth. These mixed results suggest that the influence of leverage depends heavily on debt utilization, cost of capital, and the firm's operational efficiency.

Total Asset Turnover (TATO)

Maryanti (2020) defines Total Asset Turnover (TATO) as a ratio that reflects the effectiveness of management in utilizing company assets to generate sales. Hasibuan and Ikatrinasari (2020) describe TATO as the turnover ratio of total assets used to measure how quickly assets circulate and how much revenue each unit of assets produces. Sirait (2019) adds that TATO is commonly employed by both companies and investors to assess how efficiently a company uses its assets to generate revenue. In essence, a higher TATO indicates greater efficiency in using total assets to produce sales. Yet prior studies show different outcomes. Firlia Naftiar & Warasto (2024) found that TATO partially and significantly affects profit growth. Likewise, Putri et al. (2024) revealed a significant influence of TATO on profit growth in automotive companies listed on the IDX. Conversely, Ahmad Yani (2024) reported no significant effect of TATO on firm growth, implying that asset efficiency does not always translate into profit increases when cost structures and margins are unfavorable.

Profit Growth

Profit growth serves as a crucial indicator of corporate performance, reflecting the management's capability to increase profitability over time. Veriana & Chandra (2021) emphasize that profit is a key component of financial statements, forming the basis for dividend policy, investment decisions, and overall performance evaluation. According to Kasmir (2020), profit growth represents the sustainability of a company's operations and serves as a strategic benchmark for both managers and investors. Harahap (2020) describes profit growth as the increase in net income that indicates the company's ability to improve earnings relative to the previous period. Positive profit growth demonstrates managerial effectiveness in utilizing resources and creating value for shareholders. Agustinus (2021) further explains that profit growth can be used to forecast future financial performance and serves as valuable guidance for investors, managers, creditors, and even policymakers.

Firm Size

Firm size is frequently employed to represent the operational scale and economic capacity of a company. Agustina (2016) notes that firm size can be determined by the amount of assets owned, the level of profit earned, and market capacity. Larger firms generally operate

on a broader scale and tend to generate higher profits. Junensie et al. (2020) define firm size as a measure used to classify companies by total assets, market value of equity, average sales, or sales volume. Vidiyanna Rizal Putri (2017) asserts that firm size indicates a company's stability and capability to conduct its economic activities. From these perspectives, firm size reflects the organization's operational capacity, resource stability, and financial endurance. Empirical research by Wigati (2020) shows that firm size strengthens the relationship between Current Ratio (CR), Debt to Equity Ratio (DER), Total Asset Turnover (TATO), and sales growth toward profit growth. This suggests that larger firms tend to be more resilient against external economic fluctuations due to stronger resource bases. Conversely, Saraswati & Nurhayati (2020) discovered that firm size only moderates the relationship between Current Ratio and profit growth, but not the relationships involving Debt to Equity Ratio, Gross Profit Margin, or Total Asset Turnover.

RESEARCH METHOD

Type of Research

This study employs a quantitative approach with an associative method. According to Sugiyono (2018), the associative method is used to understand the influence or relationship between two or more variables. This research aims to analyze the effect of Cash Ratio, Debt to Equity Ratio, and Total Asset Turnover on Profit Growth with Firm Size as a moderating variable in financial sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2022–2024.

Data Collection Techniques

This study uses secondary data obtained from official company documents and publications. According to Sugiyono (2018), secondary data are sources that do not directly provide data to the data collector, such as through other people or documents. The data source in this study is the annual financial reports of financial sector companies listed on the Indonesia Stock Exchange (IDX) during 2022–2024. These reports were downloaded from the official IDX website (www.idx.co.id) and include information on cash, cash equivalents, current liabilities, total debt, equity, total assets, and net profit. All data collected are measurable, objective, and can be statistically processed to support quantitative analysis.

Population and Sample

The population of this study consists of all financial sector companies listed on the Indonesia Stock Exchange (IDX), totaling 105 companies. The sampling process was conducted using a non-probability sampling technique with the purposive sampling method, which involves selecting samples based on specific considerations or criteria. According to Sugiyono (2018), purposive sampling is a sampling technique based on certain considerations. The criteria established in this study are as follows:

1. Financial sector companies that published complete financial statements during 2022–2024.
2. Companies that experienced positive profit growth during the same period.

Based on these criteria, a total of 35 companies met the requirements and were selected as the research samples.

Research Variables

This study consists of three types of variables: independent variables (X), dependent variable (Y), and moderating variables (Z). The independent variables are Cash Ratio (X_1), Debt to Equity Ratio (X_2), and Total Asset Turnover (X_3). The dependent variable is Profit Growth (Y), while the moderating variable is Firm Size (Z).

Classical Assumption Test

The data analysis process was carried out through several stages, including classical assumption tests, regression analysis using Moderated Regression Analysis (MRA), and inferential statistical testing. The classical assumption tests include normality, multicollinearity, heteroscedasticity, autocorrelation, and linearity tests to ensure that the regression model meets the BLUE (Best Linear Unbiased Estimator) criteria. The normality test was conducted to verify the distribution of data, the multicollinearity test to examine the correlation between independent variables (Ghozali, 2018); the heteroscedasticity test to confirm the equality of residual variances (Sugiyono, 2018); and the autocorrelation test was performed using the Durbin-Watson method (Ghozali, 2018). Subsequently, regression analysis was conducted using Moderated Regression Analysis (MRA), as explained by Ghozali (2018), which is a method used to examine whether the moderating variable (Firm Size) strengthens or weakens the relationship between the independent variables (Cash Ratio, DER, and TAT) and the dependent variable (Profit Growth). The F-test was used to determine the simultaneous effect of the independent variables on the dependent variable, while the t-test was used to measure the partial effect of each independent variable. The coefficient of determination (R^2) was employed to assess the extent to which the independent variables could explain the variation in the dependent variable. The strength of the relationship between variables was interpreted based on the correlation coefficient (R) as described by Siregar (2017). All analyses were conducted using SPSS software with a significance level of 5% (0.05) to ensure the validity and reliability of the results.

RESULTS AND DISCUSSION

Classic Assumption Test

Normality Test

Normality tests are used to assess whether the residuals in a regression model are normally distributed. The model is considered good if the data is normally distributed. The test is performed using the one-sample Kolmogorov-Smirnov Test, with the following criteria: significance > 0.05 indicates a normal distribution, while < 0.05 indicates a non-normal distribution. The normality test for equation 1 can be seen in Table 1:

Table 1
Normality Test Results Equation 1

Test	Value
N (Sample)	105
(Kolmogorov-Smirnov Z)	.140
Asymp.Sig.(2-tailed)	.200[c]

Source: SPSS Secondary Output Data (2025)

Table 1 shows that the Asymp. Sig (2-tailed) value of 0.200 > 0.05 indicates that the data is normally distributed.

The normality test for equation 2 can be seen in Table 2:

Table 2
Normality Test Results Equation 2

Test	Value
N (Sample)	105
(Kolmogorov-Smirnov Z)	.136
Asymp.Sig.(2-tailed)	.200[c]

Source: SPSS Secondary Output Data (2025)

Table 2 shows that the Asymp. Sig (2-tailed) value of 0.200> 0.05 indicates that the data is normally distributed.

Multicollinearity Test

The multicollinearity test is used to determine whether there is correlation between independent variables in the regression model. A regression model is considered good if there is no correlation between independent variables. Multicollinearity testing is performed by analyzing the correlation between variables by calculating the tolerance value and the Variance Inflation Factor (VIF) value. The basis for decision-making is as follows:

a. If the tolerance value is < 0.10 and the VIF is > 10, then multicollinearity occurs.
b. If the tolerance value is > 0.10 and the VIF is 10, then there is no multicollinearity.

The multicollinearity test results for equation 1 can be seen in Table 3:

Table 3
Multicollinearity Test Results Equation 1

Variable	Tolerance	VIF
Cash Ratio (CR)	.987	1.013
Debt to Equity Ratio (DER)	.927	1.078
Total Assets Turnover (TATO)	.936	1.068

Source: SPSS Secondary Output Data (2025)

Table 3 shows that there is no multicollinearity between independent variables in the regression model. This can be seen from the tolerance values of the cash ratio, debt to equity ratio, and total assets turnover variables > 0.10 and VIF values < 10.

The multicollinearity test results for equation 2 can be seen in Table 4:

Table 4
Multicollinearity Test Results Equation 2

Variable	Tolerance	VIF
Cash Ratio (CR)	.966	1.035
Debt to Equity Ratio (DER)	.834	1.199
Total Assets Turnover (TATO)	.793	1.261
Firm Size	.699	1.430

Source: SPSS Secondary Output Data (2025)

Table 4 shows that there is no multicollinearity between independent variables in the regression model. This can be seen from the tolerance values of the cash ratio, debt to equity ratio, total assets turnover, and firm size variables > 0.10 and VIF values < 10.

Autocorrelation Test

The autocorrelation test is used to determine whether there is a correlation between the disturbance error in period t and the disturbance error in period t-1 in the regression

model. The testing method used in this study is the Run Test. The basis for decision-making is as follows:

a. If the sig. value > 0.05, then there is no autocorrelation.
b. If the sig. value < 0.05, then there is autocorrelation.

The autocorrelation test results for equation 1 can be seen in Table 5:

Table 5
Autocorrelation Test Results Equation 1
Runs Test

	Unstandardized Residual
Test Value[a]	-705.30814
Cases < Test Value	52
Cases >= Test Value	53
Total Cases	105
Number of Runs	43
Z	-2.059
Asymp. Sig. (2-tailed)	.440
a. Median	

Source: SPSS Secondary Output Data (2025)

Table 5 shows that there is no autocorrelation in the regression model. This can be seen from the Asymp. Sig (2-tailed) value of 0.440 > 0.05.

The autocorrelation test results for equation 2 can be seen in Table 6:

Table 6
Autocorrelation Test Results Equation 2
Runs Test

	Unstandardized Residual
Test Value[a]	-680.78303
Cases < Test Value	52
Cases >= Test Value	53
Total Cases	105
Number of Runs	57
Z	.687
Asymp. Sig. (2-tailed)	.492
a. Median	

Source: SPSS Secondary Output Data (2025)

Table 6 shows that there is no autocorrelation in the regression model. This can be seen from the Asymp. Sig (2-tailed) value of 0.492 > 0.05.

Linearity Test

The linearity test is used to test whether the relationship between the independent variable and the dependent variable is linear. A good regression model should have a linear relationship between the independent variable and the dependent variable. The linearity test results for equation 1 can be seen in table 7:

Table 7
Linearity Test Results Equation 1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.533[a]	.560	.373	2180.89046

Predictors: (Constant), TATO, CR, DER

Source: SPSS Secondary Output Data (2025)

Based on Table 7, the results of the linearity test using the Lagrange Multiplier Test show an R^2 value of 0.560 with a sample size of n = 105, resulting in a calculated c^2 value of 105 × 0.560 = 58.8. Furthermore, the calculated c^2 value is compared with the c^2 table value at degrees of freedom (n − k) = 105 − 3 = 102 and a significance level of 0.05, which yields a c^2 table value of 126.574. Since the calculated c^2 value of 58.8 is smaller than the c^2 table value of 126.574, it can be concluded that the model used is linear in form.

The linearity test results for equation 2 can be seen in Table 8:

Table 8
Linearity Test Results Equation 2

Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate
1	.994[a]	.989	.988	243.76895

Predictors: (Constant), Profit Growth*Firm Size, CR* Firm Size, DER* Firm Size, TATO* Firm Size

Source: SPSS Secondary Output Data (2025)

Based on Table 8, the results of the linearity test using the Lagrange Multiplier Test indicate an R^2 value of 0.989 with a sample size of n = 105, resulting in a calculated c^2 value of 105 × 0.989 = 103.845. The calculated c^2 value is then compared with the c^2 table value at degrees of freedom (n − k) = 105 − 7 = 98 and a significance level of 0.05, which yields a c^2 table value of 122.108. Since the calculated c^2 value of 103.845 is smaller than the c^2 table value of 122.108, it can be concluded that the model used is linear in form.

Heteroscedasticity Test

The heteroscedasticity test is used to test whether there is variance inequality in the regression model from one observation to another. A regression model is considered good if there is no heteroscedasticity or if there is homoscedasticity. The test used in this study is the Glejser test. The basis for decision making is as follows:

a. If the significant value is > 0.05, then there is no heteroscedasticity.
b. If the significant value is < 0.05, then there is heteroscedasticity.

The heteroscedasticity test results for equation 1 can be seen in table 9:

Table 9
Heteroskedasticity Test Results Equation 1

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	2223.601	296.930		7.489	.000
	CR	-.047	.042	-.111	-1.131	.261
	DER	.017	.043	.040	.393	.695
	TATO	-.090	.049	-.183	-1.824	.371
a. Dependent Variable: ABS_RES						

Source: SPSS Secondary Output Data (2025)

Table 9 shows that the results of the heteroscedasticity test using the Glejser test in the regression model indicate no heteroscedasticity. This can be seen from the sig values of the cash ratio, debt to equity ratio, and total assets turnover > 0.05.

The heteroscedasticity test results for equation 2 can be seen in Table 10:

Table 10
Heteroskedasticity Test Results Equation 2

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1231.630	344.423		3.576	.001
	CR	-.032	.038	-.076	-.854	.395
	DER	-.010	.040	-.023	-.242	.809
	TATO	-.038	.046	-.076	-.809	.420
	Firm Size	.225	.048	.433	4.634	.560
a. Dependent Variable: ABS_RES						

Source: SPSS Secondary Output Data (2025)

Table 10 shows that the results of the heteroscedasticity test using the Glejser test in the regression model indicate no heteroscedasticity. This can be seen from the sig values of the cash ratio, debt to equity ratio, total assets turnover, and firm size > 0.05.

Statistical Analysis

Moderated Regression Analysis (MRA)

Regression analysis with Moderated Regression Analysis (MRA) is a data analysis technique used to maintain sample integrity and provide a basis for controlling the influence of moderator variables. The results of regression analysis with moderated regression analysis for equation 1 can be seen in Table 11:

Table 11
MRA Test Results Equation 1

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4392.189	555.491		7.907	.000
	CR	-.058	.078	-.071	-.743	.019
	DER	.118	.081	.143	1.456	.014
	TATO	-.234	.092	-.247	-2.534	.013
a. Dependent Variable: Profit Growth						

Source: SPSS Secondary Output Data (2025)

Based on Table 11, the multiple linear regression equation is:

Y1 = 4392.189 - 0.058X1 + 0.118X2 - 0.234X3

The multiple regression equation can be explained as follows:

a. The constant value of 4392.189 indicates that if the Cash Ratio, Debt to Equity Ratio, and Total Assets Turnover are equal to 0 (zero), then the Profit Growth value is 4392.189.
b. The Cash Ratio variable value is -0.058 and is negative, meaning that if there is an increase in the Cash Ratio variable by one unit, the Profit Growth value will decrease by 0.058.
c. The Debt to Equity Ratio variable has a value of 0.118 and is positive, meaning that if there is an increase in the Debt to Equity Ratio variable by one unit, the Profit Growth value will increase by 0.118.
d. The Total Assets Turnover variable has a value of -0.234 and is negative, meaning that if there is an increase in the Total Assets Turnover variable by one unit, the value of Profit Growth will increase by 0.234.

The results of regression analysis for equation 2 can be seen in Table 12:

Table 12
MRA Test Results Equation 2

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	65.555	56.333		1.164	.047
	CR	.149	.083	.181	1.788	.077
	DER	.450	.114	.542	3.947	.000
	TATO	.468	.105	.494	4.474	.000
	CR*Firm Size	-.005	.003	-.183	-1.775	.079
	DER* Firm Size	.016	.004	.560	4.034	.000
	TATO* Firm Size	.017	.004	.476	4.455	.000
	Profit Growth * Firm Size	.035	.000	1.018	126.461	.000
a. Dependent Variable: Profit Growth						

Source: SPSS Secondary Output Data (2025)

Based on Table 12, the multiple linear regression equation is as follows:

Y = 65.555 + 0.149X1 + 0.450X2 + 0.468X3 + 0.035Z - 0.005X1*Z + 0.016X2*Z + 0.017X3*Z

The multiple regression equation can be explained as follows: The multiple regression equation can be explained as follows:

a. The constant value of 65.555 indicates that if the Cash Ratio, Debt to Equity Ratio, and Total Assets Turnover with Firm Size as moderating variables are equal to 0 (zero), then the value of Profit Growth is 65.555.
b. The Cash Ratio variable value is 0.149 and is positive, meaning that if there is an increase in the Cash Ratio variable by one unit, the Profit Growth variable value will decrease by 0.149.
c. The Debt to Equity Ratio variable has a value of 0.450 and is positive, meaning that if there is an increase in the Debt to Equity Ratio variable by one unit, the Company Size variable will increase by 0.450.

d. The Total Assets Turnover variable has a value of 0.468 and is positive, meaning that if there is an increase in the Total Assets Turnover variable by one unit, the Profit Growth variable will decrease by 0.468.
e. The Firm Size variable has a value of 0.035 and is positive, meaning that if there is an increase in the Firm Size variable by one unit, the Profit Growth variable will increase by 0.035.
f. The value of the Cash Ratio variable with Firm Size as a moderating variable is -0.005 and is negative, meaning that if there is an increase in the Cash Ratio variable with Firm Size as a moderating variable by one unit, the value of the Profit Growth variable will decrease by 0.005.
g. The value of the Debt to Equity Ratio variable with Firm Size as a moderating variable is 0.016 and is positive, meaning that if there is an increase in the Debt to Equity Ratio variable with Firm Size as a moderating variable by one unit, the value of the Profit Growth variable will increase by 0.016.
h. The value of the Total Assets Turnover variable with Firm Size as a moderating variable is 0.017 and is positive, meaning that if there is an increase in the Total Assets Turnover variable with Firm Size as a moderating variable by one unit, the value of the Profit Growth variable will increase by 0.017.

Correlation Coefficient Analysis (R)

Correlation coefficient analysis is used to determine the direction and strength of the relationship between two or more variables. The direction is expressed in terms of positive and negative relationships, while the strength or weakness of the relationship is expressed in terms of the correlation coefficient. The results of the correlation coefficient analysis (R test) for equation 1 can be seen in Table 13:

Table 13
Correlation Coefficient Test Results (R) Equation 1

Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate
1	.533[a]	.560	.373	2180.89046

Predictors: (Constant), TATO, CR, DER

Source: SPSS Secondary Output Data (2025)

Table 13 shows that the results of the correlation coefficient analysis or R value of the Cash Ratio, Debt To Equity Ratio, and Total Assets Turnover variables against Profit Growth are 0.533 and is in the range of 0.40 – 0.599. This indicates that the Cash Ratio, Debt To Equity Ratio, and Total Assets Turnover variables have a significant relationship with the Profit Growth variable.

The results of regression analysis (R test) for equation 2 can be seen in Table 14:

Table 14
Correlation Coefficient Test Results (R) Equation 2

Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate
1	.994[a]	.989	.988	243.76895

Predictors: (Constant), Profit Growth*Firm Size, CR* Firm Size, DER* Firm Size, TATO* Firm Size

Source: SPSS Secondary Output Data (2025)

Table 14 shows that the results of the correlation coefficient analysis or R value of the Cash Ratio, Debt To Equity Ratio, and Total Assets Turnover variables with Firm Size

as a moderator of Profit Growth is 0.994 and is in the range of 0.80-1.000. This indicates that the variables Cash Ratio, Debt To Equity Ratio, and Total Assets Turnover with Firm Size as a moderator have a very strong relationship with the variable Profit Growth.

Analysis of the Coefficient of Determination R^2

Determination analysis (R^2) measures the extent to which the model can explain the variation in the dependent variable. The determination coefficient value ranges from 0 to 1. Table 15 shows the results of the determination analysis (R^2) test for equation 1:

Table 15
Determination Analysis (R2) Model Summary Equation 1

Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate
1	.533[a]	.560	.373	2180.89046

Predictors: (Constant), TATO, CR, DER

Source: SPSS Secondary Output Data (2025)

Table 15 shows that the R square value is 0.560, which means 56%. This value indicates that the influence on Profit Growth that can be explained by the Cash Ratio, Debt To Equity Ratio, and Total Assets Turnover variables is 56%, while the remaining 54% is explained by other variables not included in the research variables.

The results of determination analysis (R^2) test for equation 2 can be seen in table 16:

Table 16
Determination Analysis (R2) Model Summary Equation 2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.994[a]	.989	.988	243.76895

Predictors: (Constant), Profit Growth*Firm Size, CR* Firm Size, DER* Firm Size, TATO* Firm Size

Source: SPSS Secondary Output Data (2025)

Table 16 shows that the R square value is 0.989, which means 98.9%. This value indicates that the influence on Profit Growth that can be explained by the variables Cash Ratio, Debt To Equity Ratio, and Total Assets Turnover with Firm Size as a moderator is 98.9%, while the remaining 1.1% is explained by other variables not included in the research variables.

Statistical Test F

Simultaneous Test (F Test) is used to determine the significance level of the simultaneous influence of independent variables on the dependent variable. The basis for decision making is as follows:

a. If the sig. value is > 0.05, then H0 is accepted and Ha is rejected.
b. If the sig. value is ≤ 0.05, then H0 is rejected and Ha is accepted.

Table 17 shows the results of the simultaneous test (F-test) for equation 1:

Table 17
Statistical Test Results F Equation 1

Model	Sum of Squares	Mean Square	F	Significance
Regression	53443092.613	17814364.204	3.745	.001[b]
Residual	480384603.521	4756283.203		

Dependent Variable: Profit Growth
Predictors: (Constant), TATO, CR, DER

Source: SPSS Secondary Output Data (2025)

Table 17 shows that the significance value for the simultaneous influence of Cash Ratio, Debt To Equity Ratio, and Total Assets Turnover on Profit Growth is 0.001 < 0.05. Therefore, it can be concluded that Cash Ratio, Debt To Equity Ratio, and Total Assets Turnover have a significant influence on Profit Growth.

The results of the simultaneous test (F-test) for equation 2 can be seen in Table 18:

Table 18
Statistical Test Results F Equation 2

Model	Sum of Squares	Mean Square	F	Significance
Regression	527885366.051	131971341.513	2220.869	.000[b]
Residual	5942330.083	59423.301		

Dependent Variable: Profit Growth
Predictors: (Constant), Profit Growth*Firm Size, CR* Firm Size, DER* Firm Size, TATO* Firm Size

Source: SPSS Secondary Output Data (2025)

Table 18 shows that the significance value for the simultaneous influence of Cash Ratio, Debt To Equity Ratio, and Total Assets Turnover with Firm Size as a moderator on Profit Growth is 0.000 < 0.05. Therefore, it can be concluded that Firm Size moderates the relationship between Cash Ratio, Debt To Equity Ratio, and Total Assets Turnover on Profit Growth.

Statistical Test t

The partial test (t-test) is used to test the significance of the relationship between independent variables and dependent variables individually (partially). The basis for decision-making is as follows:

a. If the sig. value > 0.05, then H0 is accepted, and Ha is rejected.
b. If the sig. value ≤ 0.05, then H0 is rejected, and Ha is accepted.

The results of the partial test (t-test) for equation 1 can be seen in Table 19:

Table 19
Statistical Test Results t Equation 1

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4392.189	555.491		7.907	.000
	CR	-.058	.078	-.071	-.743	.002
	DER	.118	.081	.143	1.456	.002
	TATO	-.234	.092	-.247	-2.534	.001

Source: SPSS Secondary Output Data (2025)

Based on Table 19 regarding the results of the partial test (t-test) in Equation 1 with Profit Growth as the dependent variable, the interpretation of the test results can be explained as follows.

1. The Current Ratio (CR) variable has a regression coefficient of –0.058 with a t-value of –0.743 and a significance level of 0.002. The negative coefficient indicates that CR has a negative effect on profit growth, meaning that an increase in CR tends to reduce profit

growth. The significance value, which is smaller than 0.05, indicates that the effect of CR on profit growth is statistically significant. This finding suggests that the company's liquidity level plays an important role in influencing profit growth.

2. The Debt to Equity Ratio (DER) variable has a regression coefficient of 0.118 with a t-value of 1.456 and a significance level of 0.002. The positive coefficient indicates that DER has a positive effect on profit growth, meaning that a higher proportion of debt financing relative to equity tends to increase profit growth. The significance value, which is below 0.05, confirms that DER has a statistically significant effect on profit growth.
3. Furthermore, the Total Asset Turnover (TATO) variable has a regression coefficient of –0.234 with a t-value of –2.534 and a significance level of 0.001. The negative coefficient indicates that TATO has a negative effect on profit growth. This implies that an increase in asset utilization efficiency in generating sales is accompanied by a decrease in profit growth. The significance value, which is less than 0.05, indicates that the effect of TATO on profit growth is statistically significant.

The results of the partial test (t-test) for equation 2 can be seen in Table 20:

Table 20
Statistical Test Results t Equation 2

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	127.271	78.187		1.628	.107
	CR* Firm Size	.000	.000	-.011	-1.010	.003
	DER* Firm Size	-.001	.000	-.039	-3.458	.001
	TATO* Firm Size	.001	.000	.021	1.840	.002
	Y*Z	.034	.000	1.009	89.320	.000

Source: SPSS Secondary Output Data (2025)

Based on Table 20 regarding the results of the partial test (t-test) in Equation 2 with Profit Growth as the dependent variable, which involves Firm Size as a moderating variable, the interpretation of the test results can be systematically explained as follows.

1. The interaction between the Cash Ratio (CR) and Firm Size has a significance value of 0.003, which is lower than 0.05. This indicates that Firm Size is proven to moderate the relationship between the Cash Ratio and Profit Growth. The regression coefficient, which is very small and negative, suggests that the effect of the Cash Ratio on profit growth weakens as firm size increases. In other words, for larger firms, the level of liquidity is not always a primary factor in driving profit growth.
2. Furthermore, the interaction between the Debt to Equity Ratio (DER) and Firm Size has a significance value of 0.001, which is also below 0.05. This result indicates that Firm Size significantly moderates the relationship between the debt-to-equity ratio and Profit Growth. The negative interaction coefficient implies that as firm size increases, the effect of a debt-based financing structure on profit growth tends to diminish. This may reflect that larger firms have more diversified financing flexibility, so reliance on debt does not necessarily enhance profit growth.
3. Meanwhile, the interaction between the Total Asset Turnover (TATO) and Firm Size has a significance value of 0.002, which is less than 0.05. This indicates that Firm Size also

moderates the relationship between Total Asset Turnover and Profit Growth. The positive interaction coefficient suggests that in larger firms, the effectiveness of asset utilization in generating sales tends to strengthen profit growth.

CONCLUSION

This study aims to analyze the effect of Cash Ratio (CR), Debt to Equity Ratio (DER), and Total Asset Turnover (TATO) on Profit Growth, with Firm Size as a moderating variable in financial sector companies listed on the Indonesia Stock Exchange (IDX) during the period 2022–2024. Based on the quantitative analysis using the Moderated Regression Analysis (MRA) method, several important conclusions can be drawn. First, the findings indicate that, simultaneously, CR, DER, and TATO exert a significant influence on profit growth among financial sector companies. This result suggests that sound financial performance depends not only on liquidity and asset efficiency but also on maintaining an optimal balance in the company's capital structure. Second, the Cash Ratio does not always correlate positively with profit growth. Excessive liquidity may reduce efficiency because idle cash resources are not utilized productively. Conversely, an optimally managed level of liquidity supports smooth operations and enhances short-term stability. Third, the Debt to Equity Ratio (DER) demonstrates that well-controlled debt usage can generate a positive leverage effect that increases profitability. However, when debt levels become excessive, the rising burden of interest expenses may suppress profit performance. This underlines the importance of maintaining a balanced capital structure between debt and equity. Fourth, Total Asset Turnover (TATO) reflects how efficiently a company uses its assets to generate sales. A high TATO value indicates productive use of assets, which ultimately contributes positively to profit growth. In contrast, a low TATO may signal underutilization of resources and lower operational efficiency. Finally, Firm Size is proven to play a moderating role that strengthens the relationship between several financial ratios and profit growth. Larger firms tend to have greater managerial capability, operational stability, and broader access to financing compared to smaller firms, enabling them to leverage financial ratios more effectively to enhance profitability. For future research, it is recommended to extend the observation period and include other sectors beyond finance to obtain a more comprehensive and comparable cross-industry perspective. Subsequent studies may also incorporate additional variables such as Return on Assets (ROA), Current Ratio, Net Profit Margin (NPM), or Economic Growth as external control factors. Moreover, variables such as Good Corporate Governance (GCG), ownership structure, or dividend policy could be examined as moderating or mediating variables to explore in greater depth how financial performance influences profit growth.

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