ANALYSIS OF RETURN ON EQUITY, CURRENT RATIO AND DEBT TO EQUITY RATIO TO CHANGES IN PROFIT IN SHARIA ISSUERS JAKARTA ISLAMIC INDEX

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Abstract
This study aims to examine and analyze Return On Equity, Current Ratio and Debt to Equity Ratio which have a significant effect on changes in earnings. This study uses a quantitative descriptive approach, the data used is panel data, with panel data regression analysis method as a data processing tool. Total population of 45 companies, research samples using purposive sampling obtained as many as 18 samples. The data was first tested by classical assumptions, normality test, multicollinearity test and heteroscedasticity test, panel data regression test and hypothesis testing using simultaneous test and partial test with a significant value of 0.05. The results showed that simultaneously Return On Equity, Current Ratio and Debt to Equity Ratio have a significant effect on earnings changes. partially Return On Equity and Current Ratio have a positive and significant effect on earnings changes, while the Debt to Equity Ratio has no significant effect on earnings changes. The results of the Adjusted R Square test show that the variation in the dependent variable is changes in earnings which can be explained by Return On Equity, Current Ratio and Debt to Equity Ratio of 41% while the remaining 59% can be explained by other variables outside this study.

Keywords**: *Return On Equity, Current Ratio, Debt to Equity Ratio and Profit Changes.*

1. INTRODUCTION

Since 2000, Indonesia has opened sharia investment places for investors who wish to invest in sharia companies, namely the Jakarta Islamic Index (JII). The reason for selecting the Jakarta Islamic Index is that the shares listed on the Jakarta Islamic Index are sharia-based stocks, because issuers listed on the Jakarta Islamic Index will always undergo a screening process based on predetermined criteria. Stocks included in the criteria for the Jakarta Islamic Index are stocks whose operations do not contain elements of usury, the company's capital is not the majority of debt. So the stocks that are incorporated in the Jakarta Islamic Index are stocks whose management and management are in accordance with the concept of sharia. In the Jakarta Islamic Index, there are 30 companies that have been selected with certain criteria, such as companies that must carry out activities according to sharia and have the highest share value among other sharia companies. Among the 30 shares are assessed every 6 months where the shares included in the Jakarta Islamic Index can change in each period. This is because the shares in these companies that do not meet the criteria set by the Indonesia Stock Exchange and the Financial Services Authority will be removed from the list of the Jakarta Islamic Index.

Table 1 Data of Companies Experiencing a Decrease and Increase in Net Income

No	Company Name	ROE	CR	DER	Net Income
1	PT Indocement Tunggal Prakarsa Tbk (INTP)	0,35% (-)	0,014% (-)	0,18%	1,5% (-)
2	PT Semen Indonesia Tbk (SMGR)	0,58% (+)	2,732% (-)	0,18% (-)	16% (+)
3	Smarecon Agung Tbk (SMRA)	5,2% (+)	0,038% (+)	0,21% (-)	30,44% (+)
4	Surya Citra Media Tbk (SCMA)	3,61% (+)	0,249% (+)	0,09% (+)	63% (-)

Source: Kontan.co.id (2019-2020 data)

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In the table above the phenomenon of the top four companies that have experienced the largest decrease and increase in profit in 2020 when compared to 2019, this shows that the company has experienced a decrease in profits due to a decrease in the ratios of ROE, CR and DER. For some companies, if the ROE, CR and DER values decrease, it does not always cause the company's net profit to also decrease, this is what makes this research interesting to do. The ROE value of INTP decreased by 0.35% from 2019, as well as the CR value which decreased by 0.014%, but the DER value did not decrease and increase or remained at 0.18% for 2019 and 2020. Decrease in ROE values and This CR resulted in a decrease in net profit. INTP reported a net profit of Rp. 1.80 trillion throughout 2020. This realization decreased by 1.5% from the 2019 net profit which reached Rp. 1.83 trillion. The ROE value of SMGR increased by 0.58% compared to 2019, but the CR value decreased by 2.732%, and the DER value also decreased by 0.18%. However, the issuer managed to record a 2020 net profit of Rp. 2.79 trillion, or an increase of 16% from the net profit in 2019 which was only Rp. 2.39 trillion. The ROE value of SMRA increased by 5.2%, the CR value also increased by 0.038%, but the DER value decreased by 0.21% compared to 2019. However, this company was able to pocket a net profit of Rp. 650.98 billion, or an increase of 30.44% from the net profit in 2019 which was only Rp. 499.05 billion. The next issuer, SCMA, experienced an increase in the ROE value of 3.61%, the CR value also increased by 0.249% and the DER value also increased by 0.09% compared to 2019. However, this issuer posted a net profit of Rp. 10.98 billion, decreased by 63% from the realization of net profit in 2019 which reached Rp. 30.07 billion.

The phenomenon in this study is the change in company profits caused by various factors. Every company certainly expects profits to always grow, so that profit growth becomes one of the most important factors for internal and external parties of the company. Profit changes have a close relationship with the company's financial performance, profit is an indicator to see whether a company's financial performance has increased or decreased. Changes in the increase or decrease will have an impact on decisions regarding the company's financial policies. To find out changes in profits and company financial performance, financial analysis can be carried out and the most frequently used are financial ratios. Financial ratios are comparisons of figures from estimates contained in the balance sheet and income statement. Comparisons between one estimate and another estimate must be interconnected so that the results can be interpreted to determine the good financial condition and performance of the company, so the results of calculating financial ratios must be compared with the previous year or with industry averages. Financial ratios are predicted to be able to affect profit changes, including profitability, liquidity and solvency ratios. In this study the measuring tool for the profitability ratios used is return on equity which is used to compare the total net income of the company and the total capital of investors or owners in it. Return on equity is one of the important elements to determine the extent to which a business is able to manage the capital of its investors. If the calculation of return on equity is greater, the company's reputation will also increase in the eyes of capital market players.

The current ratio is used as a measure of the liquidity ratio, the current ratio is used to evaluate a company's ability to pay its short-term obligations, the higher the current ratio, the stronger the company's financial position. This ratio is not only intended to assess liquidity problems but also assess the use of working capital of the entity. An entity's liquidity position may implicitly appear healthy if the current ratio is higher than one and unhealthy if the ratio is less than one. The current ratio provides clues to the user or reader as to whether or not an entity may have problems paying off its current liabilities using available cash, and converting other current assets into cash. The measuring tool for the solvency ratio is the debt to equity ratio, which is the ratio of debt to equity. Debt to equity ratio is a financial ratio that compares the amount of debt with equity, equity and the amount of debt used for the company's operations must be in a proportional amount. The occurrence of a high profit change indicates that the profit earned by the company has increased, so that the dividend distribution rate of the company is high. This will

affect the investment decisions of investors who will invest in the company because investors expect that the funds invested in the company will obtain a high rate of return.

2. LITERATURE REVIEW

The development of the Islamic Capital Market has reached a new milestone with the passing of Law Number 19 of 2008 concerning State Sharia Securities (SBSN) on May 7, 2008. This law is used as the legal basis for the issuance of state sharia securities or state sukuk. On June 30 2009, Bapepam-LK has made improvements to Bapepam-LK Regulation Number IX.A.13 concerning Issuance of Sharia Securities and II.K.1 concerning Criteria and Issuance of List of Sharia Securities. The Islamic capital market is an activity related to public offerings and securities trading, public companies related to securities issued and institutions and professions related to securities which carry out their activities in accordance with Islamic sharia principles. Islamic capital market activities are almost the same as conventional capital markets, but there are several special characteristics of the Islamic capital market, namely the use of sharia standards, products and transaction mechanisms that must not conflict with sharia principles. (Firdaus, et.al. 2005).

Regulation of the financial services authority number 17/POJK.04/2015 "Sharia Issuer is an Issuer whose articles of association state the activities and type of business as well as the way of managing its business based on Sharia Principles in the Capital Market", the criteria for sharia issuers are: for issuers or public companies sharia is not conducting business activities such as gambling and games that are classified as gambling, trading that is not accompanied by the delivery of goods or services, trading with fake requests, interest-based banks, interest-based finance companies, buying and selling that contains elements of uncertainty, and gambling such as conventional insurance. Nurlita (2014:8). Financial ratios are activities that are used to compare the numbers in the financial statements by dividing one number by another number. Cashmere (2008:104). Ratio analysis is an activity of comparing the debts of each company with its assets and comparing the expenses to be paid with the profits available for interest payments. (Brigham, 2006: 95). Financial ratios are a way to make comparisons of company financial data to make it more meaningful, this is done by using quantitative ratio calculations presented in the balance sheet and income statement. Financial ratios are also divided into several types, including profitability ratios, liquidity ratios, solvency ratios, activity ratios and valuation ratios. And every financial ratio must be compared with the previous year. Sutrisno (2008:210).

Profit is defined as the excess difference between revenues and expenses incurred in the main or side activities of the company during a period, the value of past profits which is based on costs on historical costs and current values, proves useful in predicting future values. One of the benefits of profit is to predict changes in company profits in the coming year. Hapsari, (2016:47). Changes in profit represent an increase in profit or a decrease in profit per year, the assessment of the level of return on investment by investors is based on the company's financial performance, it can be seen from the rate of change in profit from year to year. In assessing a company, investors do not only look at profits in one period but continue to monitor changes in profits from year to year (Lusiana, 2008).

$$\Delta En = \frac{En - (En - 1)}{En - 1}$$

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Information :

ΔEn   = change in profit

En   = net profit now

En-1   = previous year's net profit

      Profit measurement is not only important for determining company performance but also important as information for profit sharing and investment policy determination. Then profit becomes information that is seen by many people such as the accounting profession, entrepreneurs, financial analysts, shareholders, economists, tax authorities, and so on (Harahap, 2016: 259).

3. RESEARCH METHODS
3.1 Research Scope

      This study uses historical data sources, and the type of data used is secondary data obtained through intermediary media from various sources. The data is in the form of panel data, which is a combination of cross section data and time series data. The data was obtained from reference books, literature and data taken from Sharia Issuers registered on the Jakarta Islamic Index. The object of this research is the financial ratios in the form of return on equity, current ratio, debt to equity ratio and profit.

3.2 Population

      In this study, the population is sharia issuers that have been registered with the Jakarta Islamic Index (JII) during the 2017-2021 period, consisting of 45 companies.

Table 2 Companies Listed on the Jakarta Islamic Index

No	Company Code	Company Name
1	ACES	Ace Hardware Indonesia Tbk
2	ADRO	Adaro Energy Tbk.
3	AKRA	AKR Corporindo Tbk.
4	ANTM	Aneka Tambang Tbk.
5	ASII	Astra Internasional Tbk.
6	BRPT	Barito Pacific Tbk.
7	BSDE	Bumi Serpong Damai Tbk.
8	BTPS	Bank Tabungan Pensiunan Nasional Syariah
9	CPIN	Charoen Pokphand Indonesia Tbk.
10	CTRA	Ciputra Development Tbk.
11	ERAA	Erajaya Swasembada Tbk.
12	EXCL	XL Axiata Tbk.
13	ICBP	Indofood CBP Sukses Makmur Tbk.
14	INCO	Vale Indonesia Tbk.
15	INDF	Indofood Sukses Makmur Tbk.
16	INDY	Indika Energy Tbk.
17	INKP	Indah Kiat Pulp dan Paper Tbk
18	INTP	Indocement Tunggal Prakarsa Tbk.
19	ITMG	Indo Tambangraya Megah Tbk.
20	JPFA	Japfa Comfeed Indonesia Tbk.
21	JSMR	Jasa Marga (Persero) Tbk.
22	KAEF	Kimia Farma Tbk
23	KLBF	Kalbe Farma Tbk.
24	LPKR	Lippo Karawaci Tbk
25	LPPF	Matahari Department Store Tbk.
26	LSIP	Perusahaan Perkebunan London Sumatra Tbk

27	MDKA	Merdeka Copper Gold Tbk
28	MIKA	Mitra Keluarga Karyasehat Tbk
29	MNCN	Media Nusantara Citra Tbk
30	MYRX	Hanson International Tbk
31	PGAS	Perusahaan Gas Negara (Persero) Tbk
32	POWN	Pakuwon Jati Tbk
33	PTBA	Bukit Asam Tbk.
34	PTPP	PP (Persero) Tbk.
35	SCMA	Surya Citra Media Tbk.
36	SMGR	Semen Indonesia (Persero) Tbk.
37	SMRA	Smarecon Agung Tbk.
38	TKIM	Pabrik Kertas Tjiwi Kimia Tbk
39	TLKM	Telekomunikasi Indonesia Tbk.
40	TPIA	Chandra Asri Petrochemical Tbk
41	UNTR	United Tractors Tbk
42	UNVR	Unilever Indonesia Tbk
43	WIKA	Wijaya Karya (Persero) Tbk
44	WSBP	Waskita Beton Precast Tbk.
45	WSKT	Waskita Karya (Persero) Tbk

Source: Indonesia Stock Exchange (2022 data)

3.3 Samples

Sampling is done with the consideration that the existing population is large in number, so a representative population is formed. In this study, sampling was carried out using purposive sampling technique, namely sampling based on certain characteristics. In this study the authors determine the characteristics of the sample in the form of:

1. Issuers whose shares have been registered on the Jakarta Islamic Index (JII) in the 2017-2021 period.
2. The company has never been expelled during the research period, namely from the 2017-2021 period.
3. The company publishes its financial statements on http://www.idx.co.id from 2017 to 2021 in full.

Table 3 Sampling Criteria

No	Sampling Criteria	Total
1		45
2	Issuers whose shares have been registered on the Jakarta Islamic Index (JII) in the 2017-2021 period	27
3	Inconsistent companies entered during the study period	
	Companies that do not consistently publish their financial statements during the study period.	0
	Sampling	18

Source : www.idx.co.id (Research Results, 2022)

Table 4 Details of the Research Sample

No	Company Code	Company Name
1	ACES	Ace Hardware Indonesia Tbk
2	ADRO	Adaro Energy Tbk
3	AKRA	AKR Corporindo Tbk
4	BRPT	Barito Pacific Tbk
5	CPIN	Charoen Pokphand Indonesia Tbk.
6	ERAA	Erajaya Swasembada Tbk
7	ICBP	Indofood CBP Sukses Makmur Tbk

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8	INDF	Indofood Sukses Makmur Tbk
9	INTP	Indocement Tunggal Prakarsa Tbk
10	KAEF	Kimia Farma Tbk
11	KLBF	Kalbe Farma Tbk
12	LPPF	Matahari Department Store Tbk
13	MIKA	Mitra Keluarga Karyasehat Tbk
14	MNCN	Media Nusantara Citra Tbk
15	SCMA	Surya Citra Media Tbk
16	UNTR	United Tractors Tbk
17	UNVR	Unilever Indonesia Tbk
18	WIKA	Wijaya Karya (Persero) Tbk

Source : www.idx.co.id (Research Results, 2022)

3.4 Data Collection Technique

The data used in this study is panel data which is a combination of cross section and time series. The data collection technique is documentation, namely collecting data by recording and copying written data in the form of financial reports for the 2017-2021 period in the form of annual data including return on equity, current ratio, debt to equity ratio and profits of companies registered in Jakarta Islamic Index.

3.5 Methods and Data Analysis

Data grouped by variable, tabulating data based on variables, presenting data for each variable studied, performing calculations to answer the problem formulation and performing calculations to test the hypotheses that have been proposed. The data analysis technique used in this study uses panel data (pool data) so that the regression is called the panel data regression model. The model of panel data regression in this study is as follows:

$$Y_{it} = \beta_{0it} + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \varepsilon_{it}$$
$$PL_{it} = \beta_{0it} + \beta_1 ROE_{1it} + \beta_2 CR_{2it} + \beta_3 DER_{3it} + \varepsilon_{it}$$

3.6 Analysis Regresi

Significance test is a procedure used to test the error or truth of the results of the hypothesis proposed by the researcher. The regression analysis statistical tests include:

- Simultaneous Test (F-statistic)

The F test (F-test) is used to test the significance of the effect of all independent variables simultaneously on the dependent variable, the F test is used to test whether the regression model can be used to predict the dependent variable.

The hypothesis will usually be tested using a significance level of 5% or 0.05. The criteria for accepting or rejecting the hypothesis will be based on the significance probability value.

a) If the significance probability value is <0.05, then the hypothesis is accepted. This means simultaneously the independent variables have a significant influence on the dependent variable.

b) If the significance probability value is > 0.05, then the hypothesis is accepted. This means that simultaneously the independent variables have an influence but not significant on the dependent variable.

- Partial Test (t-statistic)

Testing the hypothesis for each variable financial ratios to changes in earnings using the individual parameter significance test (t test). Partial regression test is a test performed on the dependent variable or dependent variable (Ghozali, 2013: 98). As for the hypotheses carried out in this study are formulated as follows:

a) If the probability < 0.05 or t count > t table then the variable X individually (partially) has a significant influence on variable Y.

b) If the probability > 0.05 or tcount <ttable then the variable X individually (partially) has no significant effect on variable Y.

- Determination Coefficient Test (R-Square)

To measure the goodness of a model (goodness of fir) the coefficient of determination ($R2$) is used. The value of the coefficient of determination is a measure that shows the contribution of the independent variable to the dependent variable.

The value of the coefficient of determination is between 0 and 1. The value of the coefficient of determination which is close to 0 (zero) means that the ability of all independent variables to explain the dependent variable is very weak/limited. The value of the determinant coefficient that is close to 1 (one) means that the independent variables can be said to be stronger in providing the information described to predict the dependent variables. This coefficient is used to determine the percentage effect of the independent variables simultaneously on the dependent variable, namely the adjusted R square.

4. RESULTS AND DISCUSSION
4.1 Research Result Data Analysis

Based on the availability of data from the company's annual report, there are as many as 90 observational data.

Table 5 Analisis Deskriptif Statistik

	ROE	CR	DER	Profit Change
Mean	20.89463	2.539074	1.037963	0.028869
Median	13.81500	1.805000	0.720000	0.058853
Maximum	111.8000	8.070000	8.380000	1.561837
Minimum	0.410000	0.560000	0.160000	-1.638811
Std. Dev.	26.77791	1.804965	1.235491	0.500087
Sum	1128.310	137.1100	56.05000	1.558899
Sum Sq. Dev.	38003.99	172.6687	80.90128	13.25458
Observations	90	90	90	90

Source: Research data, 2022

Based on the table above, it can be seen that the return on equity variable obtained an average of 20.89463, a standard deviation of 26.77791, a minimum value of 0.410000 and a maximum value of 111.8000. The Current Ratio obtained an average of 2.539074, a standard deviation of 1.804965, a minimum value of 0.560000 and a maximum value of 8.070000. Then the Debt to Equity Ratio obtained an average of 1.037963, a standard deviation of 1.235491, a minimum value of 0.160000 and a maximum value of 8.380000. While the profit change obtained

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an average of 0.028869, a standard deviation of 0.500087, a minimum value of -1.638811 and a maximum value of 1.561837.

4.2 Regression Model Estimation Method

The regression model estimation method using panel data can be carried out through three approaches, namely common effect model estimation, fixed effect model estimation, and random effect model estimation as follows:

Table 6 Common Effect Model (CEM)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.262178	0.171547	1.528316	0.1327
X1	0.001832	0.002442	0.750251	0.4566
X2	-0.032004	0.041369	-0.773638	0.4428
X3	-0.183367	0.059722	-3.070341	0.0035

Source: Research data, 2022

Panel data regression results using the fixed effect model.

Table 7 Fixed Effect Model (FEM)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.151098	0.446922	2.575611	0.0147
X1	0.048990	0.010367	4.725467	0.0000
X2	0.061837	0.130994	2.491282	0.0179
X3	-0.301890	0.121179	-0.472059	0.6400

Source: Research data, 2022

The results of panel data regression using the random effect model method
Table 8 Random Effect Model (REM)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.245096	0.155212	1.579105	0.1206
X1	0.002188	0.002217	0.987156	0.3283
X2	-0.029516	0.037519	-0.786706	0.4352
X3	-0.180165	0.052007	-3.464268	0.0011

Source: Research data, 2022

So the decision making from the results of the panel data regression test using the Fixed Effect Model (FEM) is more appropriate than using the Common Effect Model (CEM).

4.3 Panel Data Regression Analysis

Panel data regression analysis in this study was based on the results of the model selection test, namely the Chow test and the Hausman test, the test results indicate that the Fixed Effect Model (FEM) is the most appropriate model for testing panel data in this study.

Table 9: Fixed Effect Model (FEM) Panel Data Regression Test Results

Dependent Variable: Y
Method: Panel Least Squares
Date: 19/07/22   Time: 19:48
Sample: 2017 2021
Periods included: 5
Cross-sections included: 18
Total panel (balanced) observations: 90

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.151098	0.446922	2.575611	0.0147
X1	0.048990	0.010367	4.725467	0.0000
X2	0.061837	0.130994	2.491282	0.0179
X3	-0.301890	0.121179	-0.472059	0.6400

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.619806	Mean dependent var	0.028869
Adjusted R-squared	0.409385	S.D. dependent var	0.500087
S.E. of regression	0.390777	Akaike info criterion	1.243941
Sum squared resid	5.039315	Schwarz criterion	2.017435
Log likelihood	-12.58641	Hannan-Quinn criter.	1.542247
F-statistic	2.919889	Durbin-Watson stat	3.046594
Prob(F-statistic)	0.005711		

Source: Research data, 2022

Based on the table above, the regression equation in this study is as follows:

$$PL = 1{,}151098 + 0{,}048990ROE + 0{,}061837CR - 0{,}301890DER$$

1. The constant variable (α) is 1.151098, meaning that if the variable Return On Equity (ROE), Current Ratio (CR) and Debt to Equity Ratio (DER) is zero, then the profit change has increased by 115%.
2. The regression coefficient for the Return On Equity (ROE) variable is 0.048990, meaning that if the Return On Equity (ROE) value increases by 1%, the profit change will increase by 4.9%.
3. The regression coefficient for the Current Ratio (CR) variable is 0.061837, meaning that if the Current Ratio (CR) increases by 1%, then the profit change will increase by 6.1%.
4. The regression coefficient for the Debt to Equity Ratio (DER) variable is -0.301890, meaning that if the Debt to Equity Ratio (DER) value increases by 1%, the profit change will decrease by 30%.

4.4 Simultaneous Test (F-Test)

Berdasarkan hasil pengujian sebelumnya dapat diiihat pada tabel 9, diperoleh nilai $F_{statistik}$ sebesar 2.919889 dengan *Prob (F-statistic)* sebesar 0.005711. Pada taraf signifikan 5% (0.05) dengan numerator (k-1 = 4-1) = 3 dan denominatornya (n-k = 90-4) = 86 diperoleh F_{tabel} sebesar

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2.71. Sehingga diperoleh nilai $F_{statistik} > F_{tabel}$ (2.919889 > 2.71) dan nilai probabilitasnya lebih kecil dari taraf signifikansi (0.005< 0.05), berarti bahwa Ha diterima dan menolak Ho. Hal ini menunjukkan bahwa variabel *Return On Equity* (ROE), *Current Ratio* (CR) dan *Debt to Equity Ratio* (DER) secara bersama-sama berpengaruh signifikan terhadap perubahan laba emiten syariah yang terdaftar di JII periode 2017-2021.

4.5 Partial Test (t-test)

Partial hypothesis testing in this study uses the t test. This test is conducted to determine whether or not there is influence of the independent variables partially or individually on the dependent variable. By comparing the value of tcount with ttable or a significance level of $\alpha = 5\%$. Criteria for decision making if tcount > ttable at $\alpha = 5\%$ then the hypothesis Ha, is accepted and the hypothesis Ho is rejected while if tcount < ttable at $\alpha = 5\%$ then the hypothesis Ha is rejected and the hypothesis Ho is accepted.

The ttable value in the study, where (df) = n-k-1 (90-3-1 = 86) at $\alpha = 0.05$ obtained a ttable value of 1.66277. From the results of the previous test it can be seen in table 9 shows that:

1. The variable Return On Equity has a tcount value of 4.725467 with a probability value of 0.0000. So it can be concluded that tcount> ttable is 4.725467> 1.66277 with a sign value. < 0.05. So the decision is that the hypothesis Ha is accepted and the hypothesis Ho is rejected, which means that partially Return On Equity has a significant positive effect on changes in profits for sharia issuers listed on the Jakarta Islamic Index for the 2017-2021 period.

2. The Current Ratio variable has a tcount value of 2.491282 with a probability value of 0.0179. So it can be concluded that tcount > ttable, namely 2.491282> 1.66277 with a sign value. < 0.05. So the decision is that the hypothesis Ha is accepted and the hypothesis Ho is rejected, which means that partially the current ratio has a significant positive effect on changes in profits for sharia issuers listed on the Jakarta Islamic Index for the 2017-2021 period.

3. The Debt to Equity Ratio variable has a tcount value of -0.472059 with a probability value of 0.6400. So it can be concluded that tcount<ttable is -0.472059<1.66277 with a sign value. >0.05. So the decision is that the hypothesis Ha is rejected and the hypothesis Ho is accepted, which means that partially the Debt to Equity Ratio has no significant effect on changes in profits for sharia issuers listed on the Jakarta Islamic Index for the 2017-2021 period.

4.6 Uji Koefisien Korelasi (R) dan Determinasi (R²)

Based on the test results in table 4.9, the value of the relationship between the variables Return On Equity, Current Ratio and Debt to Equity Ratio to changes in profit as seen from the value of R or $\sqrt{(R^2)}$, the result is $\sqrt{0.619806} = 0.78727$. When viewed from the interpretation table, these values are in the range > 0.5 – 0.80, so it can be concluded that there is a strong correlation between the variables Return On Equity, Current Ratio and Debt to Equity Ratio to changes in profits in sharia issuers listed on Jakarta Islamic Index for the 2017-2021 period.

Meanwhile, based on table 9, the adjusted R2 value is 0.409385 or 41%. This means that the ability or magnitude of variations in Return On Equity, Current Ratio and Debt to Equity Ratio affect changes in profits for sharia issuers listed on the Jakarta Islamic Index for the 2017-2021 period by

41%. The variable that has the most dominant effect in this study is seen from the magnitude of the tcount, while the variable that has the greatest value is the Return On Equity (ROE) variable with a tcount of 4.725467. So the most dominant variable affecting changes in profit is Return On Equity (ROE), if the value of this variable increases, then changes in earnings will also increase.

4.7 Discussion

From the data analysis, the results show that the effect of return on equity has a significant positive effect on changes in profits for sharia issuers registered on the Jakarta Islamic Index for the 2017-2021 period. This is evidenced by the tcount > ttable, which is 4.725467> 1.66277 and the probability value is 0.0000 <0.05. The regression coefficient value for the return on equity variable is 0.048990, which means that if the return on equity increases by 1 percent, there will be an increase of 4.9% in the change in profits of Islamic issuers listed on the Jakarta Islamic Index for the 2017-2022 period. The results of the study show that return on equity has a unidirectional relationship with changes in earnings, this proves that the higher the return on equity, the higher the change in earnings. The results prove that it is in accordance with the theory which states that return on equity is used to measure profitability from the perspective of ordinary shareholders. The return to common stockholders is the company's net income. This net profit will later be received by investors as a return on the investment made.

This means that an increase in return on equity will lead to an increase in profit changes and vice versa. Significant influence means the company's ability to generate profits by utilizing share capital has an effect on changes in profits. This indicates that the use of the company's share capital is effective in generating profits for companies listed on the Jakarta Islamic Index. The results of the data analysis show that the current ratio has a significant positive effect on profit changes for sharia issuers listed on the Jakarta Islamic Index for the 2017-2021 period. This is evidenced by the tcount > ttable, which is 2.491282 > 1.66277 and the probability value is 0.0179 <0.05. The regression coefficient value for the current ratio variable is -0.061837, which means that if the current ratio increases by 1 percent, there will be an increase of 6.1% in the change in profits of Islamic issuers listed on the Jakarta Islamic Index for the 2017-2021 period.

Data analysis shows that the Debt to Equity Ratio (DER) has no effect on changes in profits for sharia issuers listed on the Jakarta Islamic Index for the 2017-2021 period. This is evidenced by the value of tcount <ttable, which is -0.472059<1.66277 and the probability value is 0.6400> 0.05. The regression coefficient value for the debt to equity ratio variable is -0.301890, which means that if the debt to equity ratio increases by 1 percent, there will be a 30% decrease in the profit change of Islamic issuers listed on the Jakarta Islamic Index for the 2017-2021 period.

5. CONCLUSION

1. Return On Equity (ROE), Current Ratio (CR) and Debt to Equity Ratio (DER) simultaneously have a significant effect on changes in earnings. Judging from the statistical value > Ftable (2.919889 > 2.71) and the probability value is smaller than the significance level (0.005 <0.05), it means that Ha is accepted and Ho is rejected.
2. The variable Return On Equity (ROE) has a significant positive effect on changes in earnings. Judging from the value of tcount > ttable, namely 4.725467 > 1.66277 and the probability value is smaller than the significance level (0.0000 <0.05). Then the decision is that the hypothesis Ha is accepted and the hypothesis Ho is rejected. Significant influence means the company's ability to generate profits by utilizing share capital has an effect on changes in profits.

ANALYSIS OF RETURN ON EQUITY, CURRENT RATIO AND DEBT TO EQUITY RATIO TO CHANGES IN PROFIT IN SHARIA ISSUERS JAKARTA ISLAMIC INDEX

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3. The variable Current Ratio (CR) has a significant positive effect on changes in earnings. Judging from the value of tcount > ttable, namely 2.491282> 1.66277 and the probability value is smaller than the significance level (0.0179 <0.05). Then the decision is that the hypothesis Ha is accepted and the hypothesis Ho is rejected. The greater the current ratio, the easier it is for a company to pay its short-term debts and the higher the current ratio, the higher the profit changes.

4. The Debt to Equity Ratio (DER) variable has no effect on changes in earnings. Judging from the value of tcount < ttable, namely -0.472059 <1.66277 and the probability value is greater than the significance level (0.6400 > 0.05). Then the decision is that the hypothesis Ha is rejected and the hypothesis Ho is accepted. A large return on investment has the possibility to provide funding needs using funds obtained internally.

5. The adjusted R2 value is 0.409385 or 41%. This means that the ability or magnitude of variations in Return On Equity (ROE), Current Ratio (CR) and Debt to Equity Ratio (DER) affect changes in profits for sharia issuers listed on the Jakarta Islamic Index for the 2017-2021 period by 41%.

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