

ABSTRACT

MEILYAOKTAFIANI/2000861201107/MANAGEMENT/2023/THE EFFECT OF DEBT TO EQUITY RATIO AND CURRENT RATIO ON NET PROFIT WITH WORKING CAPITAL AS AN INTERVENING VARIABLE IN THE PLANTATION SUBSECTOR LISTED ON THE INDONESIAN STOCK EXCHANGE PERIOD 2018-2022/1St R.Adisetiawan,SE.MM/ 2Nd Hana Tamara Putri,SE.MM

This research aims to determine the effect of *Debt to Equity Ratio* (DER) and *Current Ratio* (CR) on Working Capital. *Debt to Equity Ratio* (DER) and *Current Ratio* (CR) to Net Profit. Working capital to Net Profit. *Debt to Equity Ratio* (DER) and *Current Ratio* to Net Profit through Working Capital as Intervening Variables.

The type of data used in this research is quantitative secondary data regarding annual financial reports. The dates in this research were obtained from the financial reports of companies on the Indonesia Stock Exchange which are included in the plantation subsector for the 2018-2022 period.

The sample for this research is companies that have positive profits in the plantation subsector for the 2018-2022 period using the purposive sampling method. There are 6 companies that meet the criteria as research samples. This research uses an analytical tool, namely path analysis.

The research results show that: *Debt to Equity Ratio* and *Current Ratio* do not have a significant effect on Working Capital, *Debt to Equity Ratio* and *Current Ratio* do not have a significant effect on net profit, Working Capital has a significant effect on net profit.

Based on the research results, it can be concluded that the *Debt to Equity Ratio* partially has no significant effect on working capital. *Debt to Equity Ratio* has a direct effect on working capital, the magnitude of the effect is 5.92%. Partially, the *Debt to Equity Ratio* on net profit has no significant effect, the magnitude of the effect is 9.48%. Based on the research results, it can be concluded that the *Current Ratio* partially has no significant effect on working capital, the *Current Ratio* has a direct effect on working capital with a magnitude of 8.52%. Partially, the *Current Ratio* on net profit has no significant effect, the *Current Ratio* has a direct effect on Net Profit, the magnitude of the influence is 11.90%. Partially, working capital has a significant influence on net profit. Working capital has a direct effect on net profit, the magnitude of the influence is 54.16%. *Debt to Equity Ratio* on net profit through working capital has a direct influence of 9.48%, an indirect influence of 56.67%, and a total influence of 66.15%. The *Current Ratio* on net profit through working capital has a direct influence of 11.90%, an indirect influence of 12.73%, and a total influence of 24.63%.