ABSTRACT

Earnings growth is a presentation of the increase in profits obtained by the company. The higher the profit growth the better the financial and financial performance of a company. Users of financial statements will need information on the company's profit growth to find out its financial performance. Financial ratios are tools that can be used to see earnings growth.

This study aims to determine the effect of variable current ratio, debt to equity ratio, total asset turnover, and dividend payout ratio partially and simultaneously on profit growth. The sample in this study is the manufacturing sector family companies listed on the Indonesia Stock Exchange in the 2014-2017 period.

The sample selection technique uses purposive sampling to obtain 72 data over four years consisting of 18 companies. The analytical method used is panel data analysis using Eviews 9 software.

The results of the study stated that the independent variable current ratio, debt to equity ratio, total asset turnover, and dividend payout ratio simultaneously have a significant effect on earnings growth. Partially dividend payout ratio has a significant negative effect on earnings growth, for the current ratio variable, debt to equity ratio, and total asset turnover has no significant effect on earnings growth.

Based on the results of this study, profit growth can be determined by using the dividend payout ratio. Companies that have a low DPR ratio will tend to have high profit growth. Because when a company decides to distribute dividends annually, the retained earnings that will be used in capital for further activities will be reduced, thereby reducing the company's profit growth.

Keywords*: Current Ratio, Debt to Equity Ratio, Total Asset Turnover, Dividend Payout Ratio and Profit Growth.*