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The Effect of Current Ratio and Return on Assets on Stock Returns for Telecommunications Companies Listed on the Indonesian Stock Exchange (IDX) from 2019 To 2024

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ABSTRACT
This study aims to analyze the effect of the Current Ratio (CR) and Return on Assets (ROA) on stock returns in telecommunications sector companies listed on the Indonesia Stock Exchange during the 2019–2024 period. The study uses a quantitative method with secondary data obtained from company financial statements and stock prices. The research sample was determined using purposive sampling techniques and analyzed through multiple linear regression. The results of the study indicate that the Current Ratio has a negative and significant effect on stock returns, while Return on Assets has a positive and significant effect on stock returns. Simultaneously, both variables have a significant effect on stock returns. This study shows that liquidity and profitability are important factors in investor considerations.

Keywords: Current Ratio; Return on Assets; Stock Return; Telecommunications; Indonesia Stock Exchange

ABSTRAK
Penelitian ini bertujuan untuk menganalisis pengaruh Current Ratio (CR) dan Return on Assets (ROA) terhadap return saham pada perusahaan sektor telekomunikasi yang terdaftar di Bursa Efek Indonesia periode 2019–2024. Penelitian menggunakan metode kuantitatif dengan data sekunder yang diperoleh dari laporan keuangan dan harga saham perusahaan. Sampel penelitian ditentukan menggunakan teknik purposive sampling dan dianalisis melalui regresi linear berganda. Hasil penelitian menunjukkan bahwa Current Ratio berpengaruh negatif dan signifikan terhadap return saham, sedangkan Return on Assets berpengaruh positif dan signifikan terhadap return saham. Secara simultan, kedua variabel berpengaruh signifikan terhadap return saham. Penelitian ini menunjukkan bahwa likuiditas dan profitabilitas menjadi faktor penting dalam pertimbangan investor.

Kata kunci: Current Ratio; Return on Assets; Return Saham; Telekomunikasi; Bursa Efek Indonesia

INTRODUCTION

Stock return fluctuations are influenced not only by a company's fundamental performance but also by market sentiment, macroeconomic conditions, and investor expectations (Angraini, 2022). In the telecommunications sector, technological advancements, government policies, and the increasing use of digital services also influence company performance and stock returns. It is crucial to understand the mechanisms that drive or hinder stock growth in this industry, especially given the critical role of telecommunications in driving Indonesia's digital economic growth.

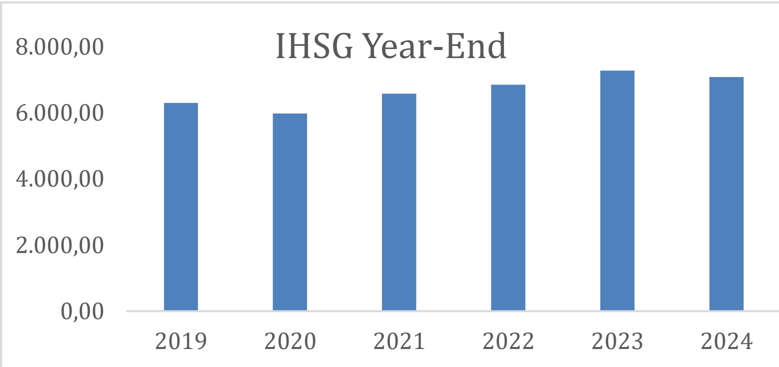

Figure 1. Year-End Stock Price Index

Source: Indonesian Stock Exchange(IDX) processed by the author (2026)

The IHSG fluctuated during the 2019-2024 period but exhibited an upward trend over the long term. A decline occurred in 2020 due to market pressures, followed by a recovery that peaked in 2023, although it weakened slightly in 2024. This reflects the market's recovery process following the crisis.

Table 1. Stock Returns of Telecommunications Companies Listed on the BEI

NO	Code	Stock Return					
		2019	2020	2021	2022	2023	2024
1	BALI	-0,30128	-0,26606	0,09375	-0,03429	-0,02367	1,11515
2	CENT	-0,15116	0,94521	0,63380	-0,51724	-0,50893	-0,18182
3	EXCL	0,26263	0,09200	0,16117	-0,32492	-0,06542	0,12500
4	GHON	0,25000	0,06364	0,36182	-0,19665	-0,00521	-0,17277
5	GOLD	-0,99151	0,03604	0,73913	-0,20000	-0,10625	-0,00699
6	IBST	-0,21386	0,11111	-0,19655	-0,00858	-0,03030	-0,10268
7	ISAT	0,72700	0,73540	0,22772	-0,00403	-0,62040	0,05802
8	JAST	9,00813	-0,89764	-0,12698	-0,61818	447,68500	-0,99817
9	KBLV	-0,60857	0,59124	0,30734	-0,82632	-0,27273	0,25000
10	KETR	0,00000	-0,21667	-0,14894	137,00000	-0,15217	-0,24786
11	LCKM	-0,05755	0,39695	-0,19672	0,05442	-0,07742	-0,02098
12	LINK	-0,19184	-0,39141	0,65975	-0,34500	-0,49427	-0,11698
13	MORA	-0,12955	0,16279	0,13000	-0,00885	-0,19286	0,03982
14	MTEL	0,25000	-0,06667	0,18571	-0,03614	-0,11875	-0,08511
15	OASA	0,18634	-0,12378	1,29617	-0,17748	0,00958	0,02920
16	SUPR	-0,41176	0,02500	-0,99623	1,19709	0,17353	0,09962
17	TBIG	0,70833	0,32520	0,80982	-0,22034	-0,09130	0,00478
18	TLKM	0,05867	-0,16625	0,22054	-0,07178	0,05333	-0,31392
19	TOWR	0,16667	0,19255	0,17188	-0,02222	-0,10000	-0,33838

Source: Indonesian Stock Exchange(IDX) processed by the author (2026)

Stock returns during the 2019-2024 period tended to fluctuate, marked by increases and decreases each year. This indicates that stock returns are unstable and influenced by various factors, including both a company's internal performance and external conditions such as the economic and market situations. In recent years, stock returns in the Indonesian capital market have been quite volatile. This volatility is not unrelated to various global economic conditions that have impacted market performance. One significant event was the COVID-19 pandemic, which caused economic uncertainty and a decline in business activity across various industries. Stock prices fell at the start of the pandemic, but then began to recover as the economy rebounded.

The Indonesian capital market during the 2019-2024 period was marked by turbulence and transformation, primarily due to the global disruption caused by the COVID-19 pandemic, which began spreading in early 2020. This health crisis led to extremely high volatility in the Composite Stock Price Index (IHSG) and had a significant impact on stock returns across many industries. There is an interesting correlation between a company's fundamental performance and stock price movements in the market. Often, companies with stable financial performance face pressure on their stock prices due to pessimistic market sentiment, while companies with strong financial performance continue to attract investors due to expectations of a bright future outlook.

The situation in the telecommunications sector presents a somewhat different picture. On the one hand, the growing need for digital services such as the internet and online communication during the pandemic has driven an increase in industry demand. Conversely, the stock returns of telecommunications companies continue to fluctuate due to financial performance and market sentiment. This suggests that increased demand does not always correlate with higher returns for investors. Stock prices of telecommunications companies on the Indonesia Stock Exchange have shown a significant decline from 2019 to 2024, indicating unstable stock returns in the industry.

Previous research has shown inconsistent results regarding the impact of Return on Assets (ROA) and Current Ratio (CR) on stock returns. Empirically, conflicting results were found regarding the effect of Return on Assets (ROA), where (Khodijah Nurfajria, Endang Purwaningrum, 2025) found a positive and significant effect, while (Hadri et al., 2021) found that ROA did not have a significant effect on stock returns. Similar inconsistencies were also found regarding the Current Ratio (CR) variable, where a study (Hasanudin, 2022) in the telecommunications sector indicated a significant effect, but this was refuted by the findings of (Khodijah Nurfajria, Endang Purwaningrum, 2025), which showed that liquidity is not a primary consideration for investors in predicting stock returns. Furthermore, most studies still focus on sectors other than telecommunications and use periods prior to 2019, resulting in research gaps in terms of empirical, sectoral, and temporal aspects. Based on this, this study aims to examine the effect of the current ratio (CR) and return on assets (ROA) on stock returns in telecommunications companies for the period 2019–2024, both partially and simultaneously. This study is expected to contribute to investors and to the development of the literature in the field of financial management.

THEORETICAL BACKGROUND

Liquidity

According to (Kasmir, 2012, p. 134) as cited in (Dewi, Endiana, and Arizona, 2019), liquidity ratios indicate a company's ability to meet its short-term obligations. One type of liquidity ratio frequently used in practice to measure a company's ability to meet its short-term obligations is the Current Ratio (CR). According to (Auria, Setyaningsih, and Islami, 2025), the Current Ratio is a financial ratio used to assess a company's ability to pay its short-term liabilities using its current assets.
The formula used is:

$$CR = \frac{Total\ Current\ Assets}{Current\ Liabilities} \times 100\% \qquad (1)$$

Profitability

According to Maria Yanita Sanjaya (2023), profitability is a measure used to assess a company's ability to generate profits at a given level of sales, assets, and capital. One type of profitability ratio frequently used in practice to measure a company's ability to generate profit is Return on Assets (ROA). Return on Assets is a financial ratio used to assess the extent to which a company is able to generate profit from its total assets (Simangunsong, Kusmawati, and Karmiyati, 2025).
The formula used is:

$$ROA = \frac{Net\ Income\ for\ the\ Current\ Year}{Total\ Asset} \times 100\% \qquad (2)$$

Stock Returns

According to Putra (2021), stock return is the rate of return an investor earns from a stock investment over a specific period, derived from increases in stock prices (capital gains) and dividends received.
The formula used is:

$$R = \frac{P_t - P_{t-1}}{P_{t-1}} \times 100\% \qquad (3)$$

Conceptual Framework

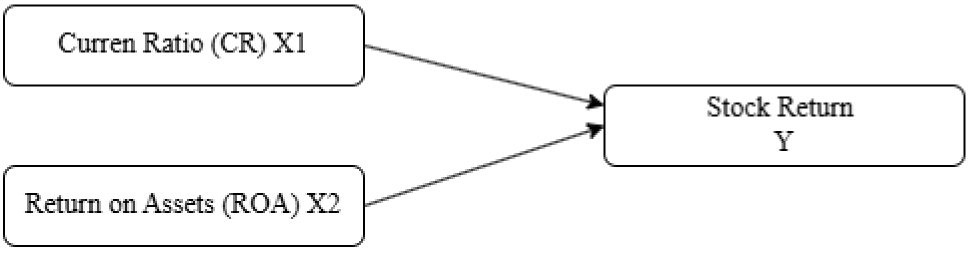

Figure 2. Conceptual Framework
Source : Data Processed by Author (2026)

H1: There is a relationship between the Current Ratio (CR) and stock returns
H2: There is a relationship between the Return on Assets (ROA) and stock returns

RESEARCH METHODS

This study employs a quantitative approach with the aim of testing the influence of the Current Ratio (CR) and Return on Assets (ROA) on stock returns. The data used consists of secondary data in the form of financial statements and stock prices of companies listed on the Indonesia Stock Exchange (IDX) for the period 2019-2024, obtained through the official IDX website. The research sample was determined using purposive sampling based on specific criteria. The analysis began with descriptive statistics to characterize the data, and data analysis was conducted using multiple linear regression. Prior to hypothesis testing, the data was tested using classical assumption tests, including normality, multicollinearity, heteroscedasticity, autocorrelation, and linearity. Subsequently, the hypotheses were tested using the t-test and the coefficient of determination (R^2) to determine the influence of independent variables on stock returns.

RESULT AND DISCUSSION

4.1. Descriptive Statistical Test

Tabel 2. Descriptive Statistical Test

Descriptive Statistics

	N	Range	Minimum	Maximum	Mean		Std. Deviation	Variance
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic
Current Ratio	114	17705	-4359	13346	4057.79	348.644	3722.499	13856998.56
Return on Asset	114	12811	-2872	9939	4014.66	243.269	2597.400	6746488.139
Return Saham	114	9274	-4529	4746	-290.87	198.945	2124.149	4512010.237
Valid N (listwise)	114							

Source: Processed SPSS 25 data (2026)

The dataset consists of 114 data points. The Current Ratio has a minimum value of -4,359 and a maximum value of 13,346, with an average of 4,057.79. Return on Assets has a minimum value of -2,872 and a maximum of 9,939, with an average of 4,014.66. Meanwhile, Return on Equity has a minimum value of -4,529 and a maximum of 4,746, with an average of -290.87, indicating a downward trend in return on equity during the study period. The standard deviation for all variables indicates that the data is quite variable.

4.2. Classical Assumption Test

Normality Test

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test	
	Unstandardized Residual
N	114

Normal Parameters[a,b]	Mean	0.0000000
	Std. Deviation	1366.91207088
Most Extreme Differences	Absolute	0.046
	Positive	0.046
	Negative	-0.033
Test Statistic		0.046
Asymp. Sig. (2-tailed)		0.200[c,d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: Processed SPSS 25 data (2026)

The normality test using the One-Sample Kolmogorov-Smirnov Test yielded an Asymp. Sig. (2-tailed) value of 0.200 was obtained. Since the significance value of 0.200 is greater than 0.05, the residual data in this study are normally distributed. Thus, it can be concluded that the regression model satisfies the normality assumption and the results are valid, making it suitable for further testing.

Multicollinearity Test

Table 4. Multicollinearity Test

Coefficients[a]

Model		Collinearity Statistics Tolerance	VIF
1	Current Ratio	0.996	1.004
	Return on Asset	0.996	1.004

a. Dependent Variable: Stock Returns

Source: Processed using SPSS 25 by the author (2026)

The multicollinearity test for the Current Ratio and Return on Assets variables showed a Tolerance value of 0.996 (> 0.10) and a VIF value of 1.004 (< 10). It can therefore be concluded that there is no multicollinearity among the independent variables in the regression model. Thus, the regression model satisfies the multicollinearity assumption and is suitable for further analysis.

Heteroskedasticity Test

Tabel 5. Heteroskedasticity Test

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	1082.332	163.165		6.633	0.000
	Current Ratio	0.039	0.020	0.179	1.931	0.056
	Return on Assets	-0.035	0.029	-0.112	-1.201	0.232

a. Dependent Variable: ABS_RES

Source: Processed using SPSS 25 by the author (2026)

The heteroscedasticity test using the Glejser Test was found that the Current Ratio variable had a significance value of 0.056 and the Return on Assets variable had a value of 0.232. Both significance values are greater than 0.05, indicating that neither independent variable has a significant effect on the absolute residual value (ABS_RES). This indicates that the residual variance in the regression model tends to be constant and that there is no evidence of heteroscedasticity. Thus, the regression model satisfies the assumption of homoscedasticity and is suitable for hypothesis testing and further analysis.

Autocorrelation Test

Tabel 6. Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.765[a]	0.586	0.578	1379.234	1.660

a. Predictors: (Constant), Return on Asset, Current Ratio

b. Dependent Variable: Stock Returns

Source: Processed using SPSS 25 by the author (2026)

The Durbin-Watson statistic is 1.660. This value falls between the DU and (4-DU) values, so it can be concluded that the regression model does not exhibit autocorrelation. Thus, the regression model satisfies the assumption of no autocorrelation and is suitable for further analysis.

Linearity Test

Table 7. Linearity Test

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Return Saham * Return on Asset	Between Groups	(Combined)	487652849.3	109	4473879.351	0.806	0.702
		Linearity	45477493.02	1	45477493.02	8.193	0.046
		Deviation from Linearity	442175356.2	108	4094216.261	0.738	0.746
	Within Groups		22204307.48	4	5551076.870		
	Total		509857156.7	113			

Source: Processed using SPSS 25 by the author (2026)

The linearity test in the ANOVA table showed a significance value for Deviation from Linearity of 0.702 (> 0.05). This indicates that there is no deviation from a linear relationship between the Return on Assets variable and Stock Return. Thus, it can be concluded that the relationship between the independent and dependent variables is linear, thereby satisfying the assumption of linearity.

Multiple Linear Regression Analysis

Table 8. Multiple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	513.301	284.305		1.805	0.074
	Current Ratio	-0.403	0.035	-0.706	-11.538	0.000
	Return on Asset	0.207	0.050	0.253	4.136	0.000

a. Dependent Variable: Stock Returns

Source: Processed using SPSS 25 by the author (2026)

The following regression equation was obtained:

$$\mathbf{Y = 513{,}301 - 0{,}403X_1 + 0{,}207X_2 + e} \tag{4}$$

The regression model in this study employs Stock Return (Y) as the dependent variable. The independent variables consist of Current Ratio (X1) and Return on Assets (X2), while accounting for potential error and disturbance terms, denoted as Errors and Interruptions (e).

Conclusions from the multiple linear regression analysis:

1. The constant term of 513.301 indicates that if the Current Ratio and Return on Assets are both 0, the Stock Return is 513.301.
2. The Current Ratio variable has a regression coefficient of -0.403 with a significance level of 0.000 < 0.05. This indicates that the Current Ratio has a negative and significant effect on Stock Return. This means that a 1-unit increase in the Current Ratio will decrease the Stock Return by 0.403, assuming all other variables remain constant.
3. The Return on Assets variable has a regression coefficient of 0.207 with a significance level of 0.000 < 0.05. This indicates that Return on Assets has a positive and significant effect on Stock Return. This means that a 1-unit increase in Return on Assets will increase Stock Return by 0.207, assuming all other variables remain constant.
4. Based on these results, it can be concluded that Current Ratio and Return on Assets have a significant partial effect on Stock Return, with Current Ratio having a negative effect and Return on Assets having a positive effect.

4.3. Hypothesis Testing

T-Test

Table 9. T-Test

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	513.301	284.305		1.805	0.074
	Current Ratio	-0.403	0.035	-0.706	-11.538	0.000
	Return on Asset	0.207	0.050	0.253	4.136	0.000

a. Dependent Variable: Stock Returns

Source: Processed using SPSS 25 by the author (2026)

Based on the results of the t-test in the table above, the Current Ratio variable has a significance value of 0.000 (< 0.05) with a negative coefficient, indicating that the Current Ratio has a negative and significant effect on Stock Return. The Return on Assets (ROA) variable has a significance value of 0.000 (< 0.05) with a positive coefficient, indicating that Return on Assets (ROA) has a positive and significant effect on Stock Return.

F-test (Model Feasibility)

Table 10. F-Test (Model Feasibility)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	298721025.1	2	149360512.5	78.516	0.000[b]
	Residual	211153828.0	111	1902286.738		
	Total	509874853.0	113			

a. Dependent Variable: Stock Returns

b. Predictors: (Constant), Return on Asset, Current Ratio

Source: Processed using SPSS 25 by the author (2026)

The calculated F-value was 78.516 with a significance level of 0.000 < 0.05. This indicates that the Current Ratio and Return on Assets variables simultaneously or collectively have a significant effect on Stock Return. Thus, the multiple linear regression model used in this study is suitable for predicting Stock Return, so the hypothesis stating that Current Ratio and Return on Assets simultaneously influence Stock Return is accepted. In addition, based on the results of the t-test, the following conclusions were drawn:

The current ratio has a negative and significant effect on stock returns, with a coefficient of -0.403 and a significance level of 0.000. Return on assets has a positive and significant effect on stock returns, with a coefficient of 0.207 and a significance level of 0.000.

Coefficient of Determination (R^2)

Table 11. Coefficient of Determination (R^2)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.765[a]	0.586	0.578	1379.172

a. Predictors: (Constant), Return on Asset, Current Ratio

b. Dependent Variable: Return Saham

Source: Processed using SPSS 25 by the author (2026)

The coefficient of determination test in the Model Summary table showed a value of 0.765 was obtained, indicating that there is a strong relationship between the Current Ratio and Return on Assets variables and Stock Return. A coefficient of determination of 0.586 indicates that the Current Ratio and Return on Assets variables explain 58.6% of the Stock Return variable, while the remaining 41.4% is explained by other variables outside this research model.

Meanwhile, the adjusted value of 0.578 indicates that after adjusting for the number of independent variables used, the contribution of the Current Ratio and Return on Assets to Stock Return is 57.8%. Thus, it can be concluded that the Current Ratio and Return on Assets have a fairly strong influence in explaining changes in Stock Return.

The Effect of the Current Ratio (CR) on Stock Returns in Telecommunications Companies

Based on the research results, a significance value of 0.000—which is less than 0.05—was obtained, with a regression coefficient of -0.403. This indicates that the Current Ratio has a negative and significant effect on stock returns for telecommunications companies listed on the Indonesia Stock Exchange during the 2019–2024 period. The higher the Current Ratio, the more stock returns tend to decline. This condition suggests that a company’s high ability to meet short-term obligations does not necessarily signal a positive outcome for investors. A high level of current assets held by a company may indicate the presence of idle funds, meaning they are not being optimally utilized to generate corporate profits. Investors are more interested in companies that can effectively utilize their assets rather than those that merely possess high liquidity levels.

In addition, an excessively high current ratio may also indicate that the company is inefficient in managing its working capital. The company tends to hold too much cash or other current assets, thereby limiting opportunities for business expansion and profit growth. In the telecommunications sector, investors generally place greater emphasis on a company’s ability to innovate technologically, improve service quality, and generate stable profits rather than focusing solely on the company’s liquidity levels.

A study on the effect of the current ratio on stock returns by Hasanudin (2022) shows that the current ratio has a significant effect on stock returns. This suggests that a company’s ability to meet its short-term obligations can influence investors' investment decisions. However, this study contradicts the research by (Khodijah Nurfajria, Endang Purwaningrum, 2025), which states that the Current Ratio does not affect Stock Returns because investors prioritize a company's ability to generate profits over its liquidity levels. Thus, the results of this study reinforce the notion that excessively high liquidity levels can have a negative impact on stock returns if not balanced by effective asset management.

The Effect of Return on Assets (ROA) on Stock Returns

Based on the research results, a significance value of 0.000 was obtained, which is smaller than 0.05, with a regression coefficient value of 0.207. This indicates that Return on Assets has a positive and significant effect on Stock Returns in telecommunication sector companies listed on the Indonesia Stock Exchange during the 2019–2024 period. The higher the Return on Assets value, the higher the Stock Returns will be. This condition shows that the company is capable of managing its assets effectively to generate profits, thereby giving investors confidence to invest their capital. The company's high profitability becomes a positive signal for investors because the company is considered to have good prospects in the future.

A high Return on Assets reflects that the company has good financial performance in utilizing all of its assets to generate profits. In the telecommunications sector, a company's ability to earn profits is very important because this industry requires large asset investments, such as building network infrastructure and developing digital technology. Therefore, companies that are able to generate high profits from the assets they own will be more attractive to investors because they are considered capable of providing a better rate of return on investment.
Research related to the effect of Return on Assets on Stock Returns by (Khodijah Nurfajria, Endang Purwaningrum, 2025), shows that Return on Assets has a positive and significant effect on Stock Returns. These results indicate that a company's ability to generate profits is one of the main considerations for investors in making stock investments. However, this study contradicts the research by (Hadri et al., 2021), which states that Return on Assets does not have a significant effect on Stock Returns. Thus, the results of this study prove that company profitability plays an important role in increasing investor interest, thereby impacting the increase in the Company's Stock Returns.

The Influence of Current Ratio (CR) and Return on Assets (ROA) on Stock Returns

Based on the research results, the significance value of the simultaneous test (F-test) obtained was less than 0.05, so it can be concluded that the Current Ratio and Return on Assets simultaneously have a significant effect on Stock Returns in telecommunications sector companies listed on the Indonesia Stock Exchange during the 2019–2024 period. This indicates that the company's level of liquidity and profitability are factors considered by investors in assessing company performance and making investment decisions.The Current Ratio reflects a company's ability to meet its short-term obligations, while Return on Assets indicates the company's ability to generate profit from all the assets it owns. Both ratios can provide an overview of the company's overall financial condition. Investors tend to consider companies that have stable financial conditions and are able to generate profits optimally because they are considered to have good prospects in the future.

In the telecommunications sector, a company's ability to maintain liquidity and improve profitability is very important because this industry requires substantial capital and asset investment for the development of technology and network infrastructure. Companies that are able to manage their assets and liabilities effectively will gain greater investor trust, thereby increasing demand for the company's shares and ultimately leading to higher stock returns. The results of this study also indicate that the combination of liquidity and profitability levels can influence the level of investor confidence in a company. If a company has good liquidity levels accompanied by a strong ability to generate profits, this condition will serve as a positive signal for investors. On the other hand, if a company only has high liquidity levels but is unable to generate profits optimally, investors tend to be less interested in investing. Thus, the results of this study prove that the Current Ratio and Return on Assets simultaneously influence Stock Returns. Therefore, companies need to maintain a balance between the ability to meet short-term obligations and the ability to generate profits in order to increase investor confidence and provide optimal Stock Returns.

CONCLUSION

This study shows that the Current Ratio (CR) and Return on Assets (ROA) influence stock returns in telecommunication sector companies listed on the Indonesia Stock Exchange during the 2019–2024 period. Partially, the Current Ratio has a negative and significant effect on stock returns, indicating that excessively high liquidity levels may reflect suboptimal utilization of the company's current assets, making them less attractive to investors. Meanwhile, Return on Assets has a positive and significant effect on stock returns, meaning that the higher the company's ability to generate profit from its assets, the higher the stock returns obtained by investors. Simultaneously, the Current Ratio and Return on Assets are proven to have a significant effect on stock returns. The results of this study indicate that investors not only pay attention to the company's ability to meet short-term obligations, but also to the company's ability to generate profits effectively. Therefore, companies need to maintain a balance between liquidity and profitability in order to increase investor confidence and provide optimal stock returns.

Future research is recommended to include additional variables that may influence stock returns, such as leverage, firm size, dividend policy, inflation, interest rates, or other macroeconomic factors. Future studies may also expand the observation period and include companies from other industrial sectors to provide more comprehensive findings and improve the generalizability of the results.

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