

ABSTRACT

Financial distress is a condition where the company is unable to pay its short-term obligations and the possibility that the company may experience bankruptcy. There are two factors that can cause a company to experience financial distress, namely internal factors and external factors. This study uses internal factors in the form of liquidity, activity, firm size and capital structure and the external factor is inflation. The research population is in the property, real estate and building construction sectors listed on the Indonesia Stock Exchange for the period 2016-2022. The sampling technique used purposive sampling technique and obtained 52 companies as samples. The analysis technique used is survival analysis technique using SPSS 25. Based on the result of simultan test, liquidity, activity, firm size, capital structure, and inflation has significant effect on financial distress. Based on the results of partial tests, liquidity, activity and capital structure do not have a significant effect on financial distress. Firm size and inflation has a significant negative effect on financial distress.

Keywords: Financial Distress, Financial Ratio, Firm Size, Capital Structure, Inflation