ABSTRACT

Going concern is very important for the company as a reason for investors to invest in these companies. Going concern always linked to a manager's ability to manage the company in order to survive. When a company experiencing a problem of finance (financial distress). This will impact on the high risk in maintaining the viability of the company (going concern) business in the future. Ross et al., (2002) states that the financial distress will lead the company in the financial crash as: negative cash flow, financial ratios are bad, and defaulted on its debt agreements.

This type of research is descriptive method and varikatif method nature of causality. Object research that telecommunication companies in Indonesia were selected through purposive sampling phase or in accordance with the criteria of the telecommunications company that go public and was listed on the Indonesia Stock Exchange and have the financial statements are available as secondary data.

The variables used financial distress as the independent variable with the ratio indicators is current ratio, debt to equity ratio, total asset turnover, return on assets and going concern which represented earnings per share as the dependent variable. The results showed that the current ratio and debt to equity ratio at the level of significance (0.132%) and (0.525%) did not affect the going concern which represented earnings per share, while the total assets turnover and return on assets shows the influence significance level (0.00%) and (0.01%)

Keywords: *Financial Distress, Going Concern, Telecommunications Company, Purposive Sampling*