ABSTRACT

Financial distress is financial difficulty experienced by the company prior to the bankruptcy or liquidation. Identification of financial distress is important, because the company will experienced financial distress before they go to bankruptcy or liquidation.

In this study, the independent variable is liquidity ratio, leverage ratio, activity ratio, profitability ratios and growth ratio. The dependent variable in this study is financial distress. This study is aimed to analyze the effect of liquidity ratio, leverage ratio, activity ratio, profitability ratios and growth ratio through financial distress prediction of transportation companies that listed in IDX (Indonesia Stock Exchange) in 2011 – 2015. The hypothesis of this study is figured that there is an influence between the variables toward liquidity ratio, leverage ratio, activity ratio, profitability ratios and growth ratio of the financial distress prediction either simultaneously or partially.

The population in this study is the transportation companies that listed in IDX (Indonesia Stock Exchange) in 2011 - 2015. The sampling method used in this study is Purposive Sampling method, in which the population sample are the companies that publishing its financial reports and annual reports for 5 periods started from 2011 to 2015. In the result it obtained a sample of 17 companies with 85 units of observation data analysis. The analysis method of data analysis used logistic regression analysis by using SPSS 24 software.

Based on the result, liquidity ratio, leverage ratio, activity ratio, profitability ratio, and growth ratio are simultaneously significant affect on financial distress prediction. While partially shows leverage ratio has positive effect on financial distress prediction and activity ratio has negative effect on financial distress prediction. Liquidity ratio, profitability ratio, and growth ratio has no significant influence on financial distress prediction.

The management should pay more attention to matters relating to the leverage ratio and the activity because it has an influence on the ratio of financial distress. Such as minimizing the use of debt to keep the company's leverage ratio resulting low and maximize asset turnover to increase sales in order activity ratio is high so that the company can avoid financial distress.

Keyword: Financial Distress, Liquidity, Leverage, Activity, Profitability, Growth Ratio