ABSTRACT

The global economic crisis resulting in an increase in transportation costs is predicted to complicate the logistics industry in Indonesia in running its business, in the midst of market demand will decrease service tariffs. This can result in reduced profits generated, which may lead to sub-sector transportation companies have a financial distress.

In this study the independent variables are the ratio of liquidity, leverage ratio, activity ratio, profitability ratio and firm size. Dependent variable in this study is financial distress. This study aims to determine the effect of liquidity ratios, leverage ratios, activity ratios, profitability ratios and firm size to financial distress conditions in sub-sector transportation companies listed on the Indonesia Stock Exchange (IDX).

Population in this research is all sub-sector of transportation company listed in IDX period 2013-2016, while sample of this research is determined by purposive sampling method so get 20 (twenty) company as sample. The method of analysis in this study is used logistic regression analysis.

Based on the results of this study variables leverage ratio, profitability ratio and size of the company simultaneously have a negative effect on financial distress. And variable of activity ratio partially have positive effect to financial distress, while variable of liquidity ratio partially have no effect to financial distress.

In order to avoid the condition of financial distress, transportation sub-sector company should improve company profitability ratio and company size scale. And to prevent investors from making a mistake in investing, the investors should be able to choose a company that has a high profitability ratio and has a large company size scale.

Keywords: *Financial Distress, Liquidity Ratio, Leverage Ratio, Activity Ratio, Profitability Ratio, And Firm Size.*