

ABSTRACT

Gross domestic growth and export growth in the mining sector in the last few years have experienced negative growth these things give negative impact. One of the negative impact is the reduced revenue generated by the mining sector causing some mining companies have a negative profit that can trigger the occurrence of financial distress condition.

In this research the independent variables are , liquidity, activity, growth board of directors, and audit committee the independent variables in this research is financial distress. this research goal is knowing the effect of liquidity, activity, growth, board of directors, and audit committee on the condition of financial distress in the mining companies that listed on Indonesia Stock Exchange.

The population in this research are all the mining companies that listed on Indonesia stock exchange period 2011-2016. While the sample of this research is set by the method of purposive sampling so that obtain 24 companies as a sample. The method of analysis that we use is logistic regression analysis. Based on the result of liquidity, activity, growth, board of directors, and audit committee simultaneously have a significant effect of the condition of financial distress. Partially only liquidity and activities that affected the condition of financial distress.

For doing investment investor should be able to consider companies that are experiencing financial distress which is by analyzing the company's current assets and activities. If the company has a liquidity and high activity then the company spared from financial distress condition, so that expected investor can gain an advantage in investing.

Keywords: Financial Distress, Liquidity, Activity, Growth, Board of Directors, and Audit Committee.