

ABSTRACT

Textile and garment industry is one of the industries that is still prospectively developed. However, in its development, especially in 2016, the export value, PMA, and PMDN of this textile sector have decreased significantly. The purpose of this research is to know the potential of financial distress in 13 companies of textile and garment subsector during 2011-2016 period using Zavgren and Altman method.

This study also uses Wilcoxon Test to determine differences in predictions of Zavgren and Altman models in predicting bankruptcy. The number of populations listed on the BEI in 2016 in the textile and garment subsector are 18 companies. By using purposive sampling technique obtained by 13 sample research company.

The result of this research is on Altman 13 model of textile and garment sub sector listed on BEI 2011-2016 on Zavgren model of company predicted to be bankrupt as much as 37,17% or 29 data, predicted to be in gray area 26,9% or 21 data, and diprediski healthy as much as 35.8% or 28 data. While on the Altman model predicted bankruptcies as much as 37% or 48 data, predicted on gray area # 0% or 24 data, and predicted healthy as much as 7.6% or 6 data. Through different test results using Wilcoxon Test can be seen the difference between the two models in predicting the bankruptcy of 13 textile and garment enterprises.

Keywords :financial distress, Zavgren, Altman, Wilcoxon Test