

ABSTRACT

Financial Distress is a condition where the company is experiencing financial pressures or difficulties. Financial distress that continues continuously gradually can cause the company to experience bankruptcy. Management must be able to anticipate changes in economic conditions that can affect the company's financial condition.

Gross domestic growth in agricultural sector companies in recent years has experienced a decline in growth. This has an impact as an indication that companies in the agricultural sector are experiencing financial difficulties or financial distress.

This study aims to examine the effect of Inflation, Liquidity, and Leverage on Financial Distress in Agricultural Sector Companies contained in the Indonesia Stock Exchange in 2014-2018. The data used in this study was obtained from financial report data and inflation data from the official website of Bank Indonesia.

The population in this study is the Agriculture listed company in sector listed on Indonesia Stock Exchange. The sample selection technique used was purposive sampling and obtained 14 companies with the 2014-2018 research period. The method of data analysis in this study is multiple linear regression analysis using the help of software SPSS version 25.

The results showed that simultaneously inflation, liquidity and leverage have a significant effect on financial distress. While partially, inflation and liquidity have a positive and significant effect on financial distress, while leverage has a negative and significant effect on financial distress.

Keywords: *Financial Distress, Inflation, Leverage, Liquidity*