

ABSTACT

The condition of a company's financial distress is an event in which a company faces financial problems. The role of the mining sector plays a very dominant role compared to other sectors during the 2014-2018 period. The mining sector has a fairly large export role but mining companies listed on the Indonesia Stock Exchange in the 2014-2018 period suffered losses for 5 years in a row. If this is allowed then the company will go bankrupt.

Financial distress can be predicted in various ways, one of which is by calculating financial ratios. The purpose of this study is to analyze the effect of financial ratios, namely the leverage ratio proxied by debt to equity ratio, inventory turnover ratio, and gender diversity to financial distress by using the calculation of the dummy method (EPS) on mining sector companies listed on the Indonesia Stock Exchange in the 2014 period - 2018.

The population of this study is the mining sector companies listed on the Indonesia Stock Exchange (IDX) for the 2014-2018 period. The sampling method uses a purposive sampling method with a total sample of 12 companies and a study period of 5 years to obtain a total sample of 60 data units. Data analysis techniques used descriptive statistics and hypothesis testing using logistic regression analysis using SPSS software applications.

The results obtained from this study indicate a significant ratio of leverage, inventory turnover, and gender diversity to financial distress. Partially, leverage ratios have no effect on financial distress, inventory turnover has a negative influence on financial difficulties, while gender diversity has no influence on financial distress.

Keywords: Financial difficulties, Leverage Ratios, Inventory Turnover and Gender Diversity