

ABSTRACT

Financial distress is one of the causes of a company's bankruptcy which is characterized by negative net income or the company's inability to pay its obligations in a row. If the condition of financial distress is known from the beginning, surely remedial actions can be taken so that the company will avoid bankruptcy. The decline in coal exports, the decline in the price of benchmark coal (HBA), the number of termination of employment by coal sub-sector companies attracted researcher to make the coal sub-sector as the object of this research.

The purpose of this study is to determine the prediction analysis of financial distress using the Springate, Ohlson and Grover models, and to find out which model is the best by showing the highest level of accuracy.

This research uses quantitative method using descriptive analysis. The object of this research is the coal mining sub-sector company listed on the Indonesia Stock Exchange in the period 2013-2017. The sampling technique using is purposive sampling technique and obtained a sample of 18 from 25 companies. Data analysis uses financial distress prediction analysis models of Springate, Ohlson, and Grover.

The results of this study are the Springate model predicts 7 companies declared healthy and 11 companies predicted to experience financial distress. Ohlson and Grover's model predicts 16 companies are declared healthy and 2 companies are predicted to experience financial distress. Ohlson and Grover are the models with the highest accuracy in predicting financial distress of the coal sub-sector companies with an accuracy rate of 89%, Type Error I and Type Error II of 5.5%. While Springate has an accuracy rate of 28%.

The results of this study are expected for further research to add to the research period, other industrial sectors, and other financial distress models such as Altman, Fulmer, Zmijewski. The company is expected to be able to consider the financial ratios in the Ohlson and Grover models as a warning to improve its performance. Investors are expected to make consideration in making the right decision in investing through the stock exchange.

Keywords: *Financial Distress, Springate, Ohlson, Grover, Accuracy Level*