ABSTRACT

Financial distress models need to be developed as a model of an early warning system. Such an effort is intended to anticipate the conditions that can lead to the bankruptcy of the company. This study aims to analyze the accuracy of the model of Altman Z-Score, Springate and Ohlson O-Score as the best predictor of financial distress. This research is a quantitative study in which the data were collected by means of a data pool. The sample consists of 7 crude petroleum & natural gas production companies which are listed on the Indonesia Stock Exchange (IDX) in 2013-2017. It shows that the model of Altman Z-Score, Springate, and Ohlson O-Score can be used for prediction of financial distress.

The result is there are differences in the results of bankruptcy analysis between the Altman Z-Score, Springate, and Ohlson O-Score methods in seven crude petroleum and natural gas production companies for the 2013-2017 period. And among the three methods used, the Ohlson O-Score method is the most accurate method with an accuracy rate of 82.86% and a type error of 17.14%. Then followed by the Springate method with an accuracy rate of 34.29% and type error of 65.71%. Then the Altman Z-Score method with an accuracy rate of 31.43% and type error of 68.57%.

Keyword: Financial Distress, Bankruptcy, Altman Z-Score, Springate, Ohlson O-Score