

ABSTRACT

Companies are required to be able to maintain their survival so that the company's goals can be achieved properly. In miscellaneous industry companies and basic chemical industry sectors in 2009-2018 there is a fluctuating EPS movement that tends to decrease, if this continues it will cause the possibility of companies experiencing financial distress. The independent variables in this study are leverage, liquidity, activity, firm size, agency costs managerial and inflation while the dependent variable in this study is financial distress.

This study aims to determine how the influence of leverage, liquidity, activity, firm size, agency costs managerial and inflation on financial distress conditions in miscellaneous industry companies and basic chemical industry sectors listed on the Indonesia Stock Exchange in 2009-2018.

The research method used is a quantitative method, where the data taken is secondary data. The population in this study are companies in miscellaneous industry and basic chemical industry sectors in 2009-2018. The sampling technique in this study used purposive sampling so that 81 samples were obtained. The analytical method used is survival analysis and uses a cox proportional hazard regression model using SPSS 23 as a statistical and hypothesis testing tool.

The results showed that leverage, liquidity, activity, firm size, agency costs managerial do not have a significant effect on financial distress, while inflation has a significant positive effect on financial distress.

Suggestions for further researchers are expected to add other independent variables such as good corporate governance mechanisms, exchange rates, and interest rates as well as using research objects other than the manufacturing industry.

Keywords: *Agency Cost Managerial, Financial Distress, Financial Ratios, Firm Size, Inflation*