

ABSTRACT

Financial Distress is a phase of decline before the bankruptcy of a company. This financial distress information can be used as an early warning before bankruptcy so that company management can make quick decisions to prevent problems before the company reaches the bankruptcy phase. Therefore, it is necessary to analyze the Financial Distress. The dependent variable in this study is financial distress, while the independent variables in this study are capital structure, Likuidity, inflation and company size. This study aims to determine the effect of capital structure, Likuidity, inflation and company size on financial distress in the property and real estate sub-sector companies listed on the Indonesia stock exchange for the 2016-2019 period.

The sample used in this study is the property and real estate sub-sector companies listed on the Indonesia stock exchange for the 2016-2019 period. This research used purposive sampling technique to select samples and obtained 33 companies with a research period of 4 years, then obtained 132 samples. The data analysis technique in this research is quantitative analysis using descriptive statistics and logistic regression analysis methods using the SPSS IBM 25 application.

The results of the study show that the variables of Capital Structure, Liquidity, Inflation and Firm Size simultaneously have an effect on Financial Distress. Partially, the Capital Structure and Liquidity variables have an effect on Financial Distress, while the Inflation and Firm Size variables have no effect on Financial Distress.

Based on the results of this study, it is hoped that future researchers will develop other independent variables. Investors are advised to invest in companies that have a DER level below the safe limit of 50% and companies whose total assets are much higher than their total debt.

Keywords: Capital Structure, Company Size, Financial Distress, Inflation, Likuidity