ABSTRACT

The development of technology and information is driving growth and competition in the industrial world is getting stronger. Companies that want to survive and get ahead need to develop new strategies. Companies that want to survive and get ahead need to develop new strategies. Liquidity, Leverage, Profitability variables assessed by Current Ratio, Debt Ratio, and Return On Assets in predicting Financial Distress in Property Sub Sector Companies Listed on the Indonesia Stock Exchange Period 2013-2017.

The research method used is descriptive and verification methods. In this study, of the 48 companies included in the Property Sector Sub-company, 31 companies were taken using non-probability sampling using purposive sampling. The type of data used in this study is secondary data using data from 2013-2017 financial statements. The research data were processed using SPSS Version 25 software to collect the classical assumption test, Multinomial Regression regression analysis, the model suitability test, and the hypothesis test (Wald Test).

Liquidity, Leverage, Activity, Profitability simultaneously contributed 42.9% in Predicting Financial Distress, while 57.1% surpassed variables that did not support research. Partially, Liquidity has a positive and not significant effect in predicting Financial Distress. Partially means Leverage has a negative and significant effect in predicting Financial Distress. Partially, Profitability has a positive and significant role in predicting Financial Distress Liquidity which only has an effect of 5.3%, Leverage affects 15.4%, and the required Profitability of 32.7%.

Keywords: Liquidity, Leverage, Profitability, and Financial Distress