ANALYSIS OF EFFECT MODEL INCOME AND MODEL OF CASH FLOW IN PREDICTING CONDITION FINANCIAL DISTRESS IN THE COMPANY’S TRANSPORTATIONS LISTED IN THE INDONESIAN STOCK EXCHANGE

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ABSTRACT

The purpose of this study was to test imperically and prove what the model of income and model of cash flow using financial ratios measuring devices such as Return On Asset, Current Assets to Current Liabilities, Sales to Total Assets, Shareholder’s Equity to Total Assets, Working Capital to Total Assets, Retain Earning to Total Asset affect the prediction of conditions financial distress on the company’s transportations in Indonesia Stock Exchange in 2011 – 2014. The population in this study is a transportation company listed on the Indonesia Stock Exchange amounted to 33 companies with a total sample of 11 companies. The sampling method used is purpose sampling method. Data used in the study was obtained from published financial statement showing through www.idx.co.id. Analysis of the data used by discriminant analysis.

Based on the conclusions of the analysis show that there is a model of income affect to predicting condition financial distress on the company’s transportations, where the significance of the figures obtained 0.000 less than 0.05 which means a significant profit model influential in predicting financial distress transportation company.

As for the cash flow model not strong is enough to predicting condition financial distress on the company’s transportations, where the significance of the figures obtained 0.0075 greater than 0.05 which means a not significant cash flow model influential in predicting financial distress transportation company.

Keyword: model of income, model of cash flow and financial distress