ABSTRACT

This research was conducted to analyze the financial distress impact on bankruptcy prediction at PT. Bakrie & Brothers Tbk by analyzing consolidated financial statement using 2003 to 2010 financial periods as the sample.

Correlation of X variable to Y variable is shown using multi collinear test. The logistic regression analysis method and Altman's Z-score ratio analysis is used to know the impact of financial distress to bankruptcy prediction. Hypothesis test on this research is using statistical partial test with α = 0.05. The result of the analysis is processed by using SPSS Version 17 for Windows.

The result of Altman's Z-Score ratio analysis on 2003 to 2010 financial periods is the company get the lower grade and more of it is below 1,81, so the company is placed on category of bankrupt-predicted company. The company gets the highest value of Altman's Z-Score at 2005 and 2006 on 1,992 and 1,972, but the company still placed on category of grey area. The result of logistic regression analysis can be summarized that financial distress has significant impact to bankruptcy prediction.

Keywords: Financial distress, bankruptcy prediction, Altman's Z-Score

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