



**A STUDY ON THE BANKRUPTCY PREDICTION  
USING ALTMAN MODEL AND ABBAS&RASHID MODEL**

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## **ABSTRACT**

This study aims to give the evidence of whether both Modal Altman and Abbas&Rashid Model have strong ability to predict bankruptcy among PN17 and Non Pn17 companies . Five variables are used of Altman Model which are the Working Capital over Total asset (WC/TA), Retained Earning over total asset(RE/TA), Earning before interest tax over total asset (EBIT/TA), Market value per Share over total asset (MVC/TA) and Sales to Total asset (SALES/TA). On the other Model, which is Abbas&Rashid Model , financial ratio used is Sales to total asset, cashflow and earning before interest tax to total liabilities. This study covers the period of 2011 until 2015 using quarterly data of 6 listed companies in Bursa Malaysia Stock Exchange from PN17 and Non-PN17 companies. Results from the finding shows that Abbas&Rashi have strong ability to predict bankruptcy on Non-PN17 companies in Malaysia.