

THE PREDICTION OF FINANCIAL DISTRESS BY USING ALTMAN'S MODEL

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ABSTRACT

The purpose of this research to identify the prediction of financial distress companies listed in the PN17 for eight years from 2010 till 2018. This study compare the capability of the three different of Altman's Model which were the Original Altman's Model (1968), Revised Model (1983) and Three Revised Model (1993) in predicting five year prior the bankruptcy. The result of this research show that the Original Altman's Model was the best and more accurate model than other two model in predicting the financial distress for the corporate sector (PN17).

Keywords: Financial Distress, Bankruptcy, PN17, Altman's Z- Score Model, Multiple Discriminant Analysis.