



**PREDICTING OF FINANCIAL DISTRESS
USING LOGISTIC REGRESSION
APPROACH**

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SEGAMAT, JOHOR**

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LOGISTIC REGRESSION APPROACH**

NORYANA ABD LATIP

**Submitted in Partial Fulfillment
Of the Requirement for the
Bachelor of Business Administration
(Hons) Finance**

**FACULTY OF BUSINESS MANAGEMENT
UNIVERSITI TEKNOLOGI MARA
JOHOR**

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SEGAMAT**

“DECLARATION OF ORIGINAL WORK”

I, NORAYANA ABD LATIP, (I/C NUMBER: 831228-01-5872)

Hereby, declare that:

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: _____

Date: _____

8 NOV 2006

LETTER OF SUBMISSION

8 November 2006

En. Muhamad Sukor Bin Jaafar
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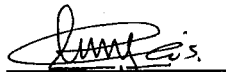
Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled "**PREDICTING OF FINANCIAL DISTRESS USING LOGISTIC REGRESSION APPROACH**" to fulfill the requirement as needed by the Faculty of Business Management, University Technology MARA.

Thank you.

Yours sincerely,



NORYANA ABD LATIP

2004116030

Bachelor of Business Administration (Hons) Finance

ABSTRACT

This project paper is done in order to determine the financial ratio that can be used as a predictor of financial distress for firms listed under Syariah Stock. In order to find and prove that the selected firms are in financial distress, the analysis and review of financial position of the firms has been done. In this project paper, populations are selected from Main board which have 126 companies and second board have 115 companies. The sample only consist 28 companies in Main board and 6 companies in Second board. This project paper used the income statement and balance sheet for the three years from 1998 to 2001 in order to select which the companies as a distress or health company. From the sample we used the data from 1993 to 1996 to predict the financial distress. The data collected will be conducted and analyze using Logistic Regression Approach. The financial distress has significant relationship with activity ratio. Observation and recommendations are presented at the end of the project to be used to all people who interested in this area.