

TABLE OF CONTENT

COVER PAGE	
TITLE PAGE	
DECLARATION OF AUTHENTICITY OF FINAL PAPER AND UPLOAD AGREEMENT	ii
APPROVAL PAGE BY FINAL PAPER ADVISOR.....	iv
APPROVAL PAGE BY FINAL PAPER DEFENSE COMMITTEE.....	v
ABSTRACT	vii
ABSTRAK	vii
PREFACE.....	viii
TABLE OF CONTENT	x
LIST OF FIGURES	xiv
LIST OF TABLES	xv
LIST OF APPENDICES	xvi
CHAPTER I INTRODUCTION	
1.1 Background of the Study.....	1
1.2 Problem Limitation	5
1.3 Problem Formulation	6
1.4 Objective of the Research	7
1.5 Benefit of the Research	7
1.5.1 Theoretical Benefit	7
1.5.2 Practical Benefit.....	8

CHAPTER II LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1	Theoretical Background	9
2.1.1	Financial Distress	9
2.1.2	The Cost of Bankruptcy.....	10
2.1.3	Altman Z-Score Model Bankruptcy Analysis	11
2.1.4	The Benefit of Predicting Financial Distress	14
2.1.5	The Working Capital Ratio of Liquidity's Ratio	16
2.1.6	Debt-Equity Ratio of Leverage's Ratio	17
2.1.7	Return on Equity Ratio of Profitability's Ratio.....	18
2.2	Previous Research.....	19
2.3	Hypothesis Development	21
2.3.1	The Influence of Working Capital Ratio towards Financial Distress 21	
2.3.2	The influence of Debt-Equity Ratio towards Financial Distress	21
2.3.3	The Influence of Return on Equity Ratio towards Financial Distress 22	
2.3.4	The Influence of Working Capital Ratio, Debt-Equity Ratio, and Return on Equity Ratio toward Financial Distress	23
2.4	Research Model.....	24
2.5	Framework of Thinking	25

CHAPTER III RESEARCH METHODOLOGY

3.1	Research Design.....	26
3.2	Population and Sample.....	26
3.2.1	Population.....	26

3.2.2	Sample	27
3.3	Data Collection Method	29
3.4	Operational Variable Definition and Variable Measurement	29
3.4.1	Dependent Variable.....	30
3.4.2	Independent Variable	30
3.4.2.1	The Working Capital Ratio	30
3.4.2.2	Debt-Equity Ratio (DER)	31
3.4.2.3	Return on Equity Ratio (ROE)	31
3.5	Data Analysis Method	32
3.5.1	Descriptive Statistics.....	32
3.5.2	Classical Assumption Test	33
3.5.2.1	Normality Test.....	33
3.5.2.2	Multicollinearity Test	34
3.5.2.3	Autocorrelation Test.....	35
3.5.2.4	Heteroscedasticity Test.....	36
3.5.3	Hypothesis Testing.....	37
3.5.3.1	Partial Hypothesis Testing (T-Test)	37
3.5.3.2	Simultaneous Hypothesis Testing (F-Test)	38
3.5.3.3	Coefficient of Determination (Adjusted R ²).....	38
3.5.3.4	Multiple Linear Regression Model.....	39

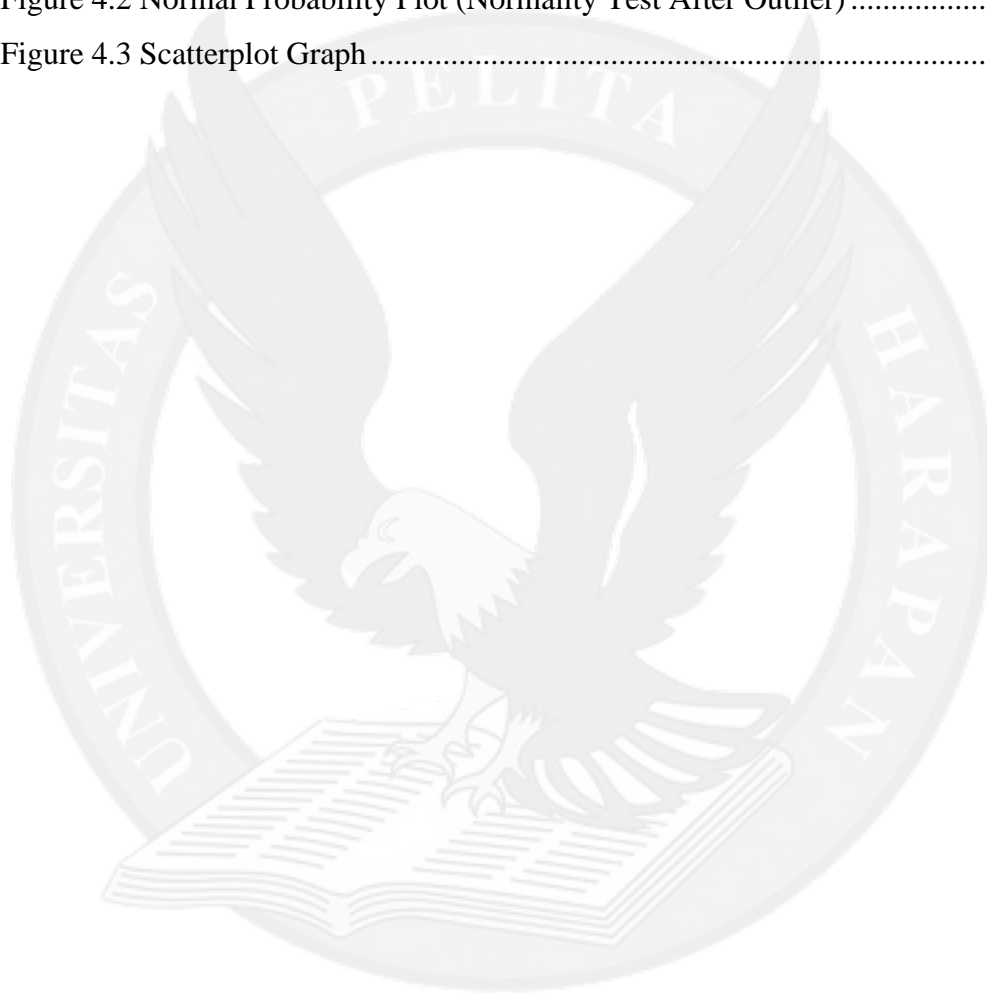
CHAPTER IV RESEARCH RESULT AND DISCUSSION

4.1	General View of Property and Real Estate Companies	41
4.2	Research Result	46
4.2.1	Descriptive Statistic	46

4.2.2	Result of Data Quality Testing	48
4.2.2.1	Normality Test.....	48
4.2.2.2	Multicollinearity Test	51
4.2.2.3	Autocorrelation Test.....	52
4.2.2.4	Heteroscedasticity Test.....	54
4.2.3	Result of Hypothesis Testing	56
4.2.3.1	Partial Hypothesis Testing (T-Test)	56
4.2.3.2	Simultaneous Hypothesis Testing (F-Test)	57
4.2.3.3	Coefficient of Determination (Adjusted R ²).....	58
4.2.3.4	Multiple Linear Regression Analysis	58
4.3	Discussion	60
4.3.1	The Effect of The Working Capital Ratio Towards Financial Distress	60
4.3.2	The Effect of Debt-Equity Ratio towards Financial	60
4.3.3	The Effect of Return on Equity Ratio towards Financial Distress...	61
4.3.4	The Effect of The Working Capital Ratio, Debt-Equity Ratio, and Return on Equity Ratio toward Financial	62
 CHAPTER V CONCLUSION		
5.1	Conclusion	63
5.2	Recommendation.....	65
 REFERENCES		 67

LIST OF FIGURES

Figure 2.1 The Research Model	24
Figure 2.2 Framework of Thinking	25
Figure 4.1 Histogram Graph (Normality Test After Outlier).....	50
Figure 4.2 Normal Probability Plot (Normality Test After Outlier)	50
Figure 4.3 Scatterplot Graph.....	55



LIST OF TABLES

Table 1.1 The Data of Inventories Percentage of Property and Real Estate Companies on Indonesia Stock Exchange in 2017	4
Table 2.1 Altman Z-Score Classification Table.....	12
Table 2.2 Altman Z'Score Private Firm Model Classification Table.....	13
Table 2.3 Altman Z''-Score Private Firm Model Classification Table	13
Table 2.4 The Summary of Previous Research.....	19
Table 3.1 Determination of Samples.....	28
Table 3.2 The List of the Research Sample of Property and Real Estate Companies Listed on Indonesia Stock Exchange in the Period 2017 - 2020.....	28
Table 3.3 Variable Measurement	31
Table 3.4 Autocorrelation Durbin-Watson Test Decision	35
Table 4.1 Descriptive Statistic	46
Table 4.2 Normality Test (One-Sample Kolmogorov-Smirnov Test before outlier)	48
Table 4.3 Normality Test (One-Sample Kolmogorov-Smirnov Test after outlier)	49
Table 4.4 Multicollinearity Test.....	51
Table 4.5 Durbin-Watson Test.....	52
Table 4.6 Run Test for Autocorrelation Test	53
Table 4.7 Run Test (after Cochrane-Orcutt method)	54
Table 4.8 Spearman's Rho Test	55
Table 4.9 Partial Hypothesis Testing (T-Test).....	56
Table 4.10 Simultaneous Hypothesis Test (F-Test).....	57
Table 4.11 Coefficient of Determination (Adjusted R2)	58
Table 4.12 Multiple Linear Regression Analysis.....	58

LIST OF APPENDICES

APPENDIX A: LIST OF POPULATION AND SAMPLE OF PROPERTY AND REAL ESTATE COMPANIES LISTED ON INDONESIA STOCK EXCHANGE	A-1
APPENDIX B: THE COMPUTATION OF EACH VARIABLES.....	B-1
APPENDIX C: DURBIN WATSON TABLE.....	C-1
APPENDIX D: T-TEST TABLE.....	D-1
APPENDIX E: F-TEST TABLE	E-1

