

ABSTRACT

***VERANIKA. Using Financial Accounting Information For Measuring Distress.
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This study aimed to examine the effect of accounting information obtained through the income statement and balance sheet, to predict the company's financial distress. The population in this study is a manufacturing company listed on the Indonesia Stock Exchange. The selection of the sample using purposive sampling method and obtained by 52 companies. Hypothesis testing using logistic regression analysis with SPSS ver. 17.0. The test results indicate that the first hypothesis (H1) which states that the ratio of profitability significantly influence the condition of financial distress prediction of a firm, accepted. The second hypothesis (H2) stated that the ratio of activities significantly influence the condition of financial distress prediction of a company, declined. The third hypothesis (H3) which states that the leverage ratio significantly influence the prediction of financial distress of a company's condition, accepted. The fourth hypothesis (H4) stating that the liquidity ratio significantly influence the prediction of financial distress of a company's condition, accepted.

Keywords: Financial distress, profitability, activity, leverage and liquidity.