

# The Effect of Financial Ratio on Financial Distress (Study on Company Subsector Transportation that Listed at Indonesia Stock Exchange, 2018-2020)

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**ABSTRACT:** This study aims to determine and analyze the effect of financial ratios measured by profitability ratios, liquidity and leverage on financial distress in transportation companies listed on the Indonesia Stock Exchange as measured by the Altman Z-Score method. This study uses secondary data obtained from the Indonesian Stock Exchange website, namely www.idx.co.id and the website of each company by using a sample of 12 companies listed on the Indonesia Stock Exchange for the period 2018-2020.

This research was analyzed using multiple linear regression analysis. The results showed that profitability ratios, liquidity and leverage simultaneously had a significant effect on financial distress. Partial test results show that the profitability ratios do not affect financial distress. The liquidity ratio has an effect on financial distress. The leverage ratio has an effect on financial distress in transportation companies listed on the Indonesia Stock Exchange for the period 2018-2020.

**KEYWORDS:** Profitability; Liquidity; Leverage; Financial Distress

## I. PRELIMINARY

Growth of the economy shows so far where movement in finance could produce additional government payments or assistance care in a certain period. During time which spent for development monetary effort are areas which experience slow expansion or compression, instruments

for development or transfer asset which started from one area to another must be confirmed, partly through system market so that utilization or use of asset in development finance could be solved by productive. (Jhingan, 2000: 65). In 2018-2019 trade war between America United with China cause part country follow caught impact on growth the economy. War trade Among America Union and China cause concern increase because make drop good on import and export in Indonesia. Where on quarterly II year 2019 in Indonesia total import down 8.0 percent compared to period which same year 2018. Then export on quarterly II in 2019 in Indonesia decreased by 8.95 percent Year over Year (YoY).

Though war trade Among America Union with China aside, uncertainty still occur in development economy in world because of the emergence pandemic in beginning 2020. Appearance virus COVID-19 result in panic to all sectors in the world. Detected virus on end year 2019 this cause the delay activity the economy due to enactment lock down. This policy causes down Request global and impede the flow of goods. So that commodity prices in international markets experience decline. Pandemic COVID 19 even impact more big on economic growth in a number of country. Economy world projected contracted until 3.0 percent where the country's growth country Up predictable will contracted until 6.1 percent and country develop contracted 0.1 percent (Bappenas, 2020).

Correspondingly, the progress of the

field technology also the more develop fast every year. Thing the becomes opportunity for company which move in sector transportation because existence in the field of technology and high needs public in service transportation every year. In fulfill needs public they could cause competition between company transportation, so that company must be more sensitive and innovative than their competitors. By knowing what requirements and needs buyer or target advertise and provide more normal fulfillments successful and effective than competitors is wrong one method for each destination organization (Kotler, 2005). With existence a number of phenomenon the result in drop in income or condition finance, so that company could experience financial distress. Companies that experience financial distress is sign- sign difficulty finance and threatened bankrupt (Atmaja, 2008: 258).

In general, research on difficulty finance, failure and bankruptcy could seen with indicator performance finance company. Indicator is obtained from the ratio finance (profitability, liquidity and solvency) which is proven to work predict bankruptcy 95% before the company went bankrupt (Altman (1968) in Adnandan Taufiq (2001).

According to Altman and McGough (1974), level prediction bankruptcy which using the Altman forecast model Z-Score reach speed bankruptcy 82% and the Altman model Z-Score is proven to have high precision in anticipate state corporate bankruptcy in America. According to Nurcahyanti (2011), Ahmadi et al., (2013), Shahdoust et al., (2015), Saputri et al (2021) have a sensitive value greater in predicting financial distress compared with other methods. Therefore Therefore, the researcher chose this method for see condition company experience financial distress or no.

Results study which conducted by Rahma (2020) disclose that ratio profitability take effect to financial distress. Whereas results study which conducted by Mappadangat et al (2019) shows that ratio profitability no have influence to financial distress.

Then results study from Bakhri (2018) shows the liquidity ratio take effect to financial distress. Whereas Results study which conducted by please et al (2018) showing that liquidity not take effect to financial distress. Next results study by Simanjuntak et al (2017) also showing results ratio leverage take effect to financial distress. Whereas results study which

conducted by Saputra et al (2020) show that the ratio leverage has no effect on financial distress. Based on some of the descriptions above, so writer interested for researching prediction of financial distress condition in transportation company using financial ratios with Altman z-score method. Therefore that, writer take title "Influence Ratio Financial Distress in Sub-sector Companies Exchange Listed Transportation Effect Indonesia Period 2018-2020".

## II. STUDY REFERENCES

According to Mutiahin Dharmawan (2020:1) report finance is an oral written which consists of four components main for give information the entity's activities and financial condition or something business. So that by simple report finance is something information about activity finance on company. To use as a tool to see and assess show condition and performance company in something period certain. According to Septiana, Aldila (2018:29) analysis report finance is activity analyze or researching report asset and explanation payment, as well as relationship for knowing position finance and level the report finance company which has arranged with the method certain, by systematic. According to Syafri in Hantono (2018:9) ratio finance is comparison on data report financial data with other data in the form of number. Where each have connection which relevant and significant for example Among cash and total assets, Among price tree production with total sale, Among debt and capital and etc. According to Hantono (2018:9) there is a number of ratio for analyzed development financial company. Ratio Profitability or profitability, ratio this useful for show inability company in print profit. Whereas ratio Liquidity, is ratio which show ability the company pays all debts or obligation period short company. Then Ratio Leverage or Solvency. This ratio used to calculate leverage company. According to Platt and Platt (2002) difficulty finance or financial distress be marked as phase drop state finance which occur before bankruptcy or liquidation occurs. Altman model analysis Z-score is method investigation discriminant measurable which could used for anticipate bankruptcy company. Model Z-score created by an expert America named Edward I. Altman on year

1968, use ratio- ratio finance. Model this Keep going develop in accordance with needs and its purpose, but in research this model which used is model third that is Model Z" scores, with reason as following:”

1. Transportation company is company non manufacture
  2. Transportation company is company service
  3. Sample companies is company private and public
- Where is the formula from the Altman Z' Model Scores are:

$$Z'' = 6.56X_1 + 3.26X_2 + 6.72X_3 + 1.05X_4$$

Note:

$X_1$  = Working Capital/Total Asset

$X_2$  = Retained Earning/Total Asset

$X_3$  = EBIT/Total Asset

$X_4$  = Book Value of Equity/Book Value of Debt

Based

on formula problem and base theory which already put forward previously, so framework conceptual study which developed in study this is like picture following:

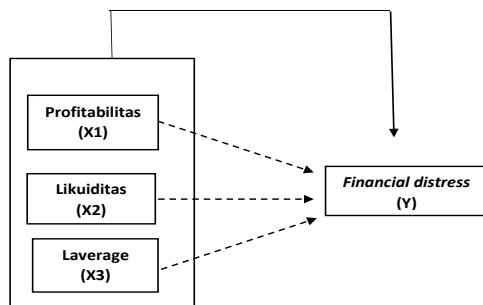


Figure 1. Conceptual Framework

Based on framework conceptual the, so hypothesis which submitted in in this research is:

- a. Profitability ( $X_1$ ) to Financial Distress ( $Y$ )
  - $H_1$  : Allegedly profitability take effect significant to financial distress on company transportation which registered in Exchange Effect Indonesia.
  - $H_0$ : Allegedly profitability no take effect to financial distress on transportation companies which registered in Exchange Effect Indonesia.
- b. Liquidity ( $X_2$ ) to Financial Distress ( $Y$ )
  - $H_2$  : Suspected liquidity take effect significant to financial distress on company transportation which registered in Exchange Effect Indonesia.
  - $H_0$  : Allegedly liquidity no take effect to financial distress on transportation companies which registered in Exchange Effect Indonesia.
- c. Leverage ( $X_3$ ) to Financial Distress ( $Y$ )
  - $H_3$  : Suspected leverage take effect significant to financial distress on company transportation which registered in Exchange Effect Indonesia.

$H_0$  : Allegedly leverage no take effect to financial distress on transportation companies which registered in Exchange Effect Indonesia.

d. Profitability ( $X_1$ ), Liquidity ( $X_2$ ), and Leverage ( $X_3$ ) to Financial Distress ( $Y$ )

$H_4$ : Allegedly profitability, liquidity and leverage take effects significant to financial distress on company transportation which registered in Exchange Effect Indonesia.

$H_0$ : Allegedly profitability, Liquidity and Leverage not take effect to financial distress on transportation companies which registered in Exchange Effect Indonesia.

### III. METHOD

Types of research conducted on study this is study explanatory (Explanatory Research) that is technique inspection which planning to clarify the place of the factors that considered and impact Among one variable with another variable (Sugiyono, 2017: 6).

Research was conducted on company subsector transportation which registered in Exchange Effect Indonesia (BEI). Financial statement data company transportation between year 2018 until 2020 in earn from IDX's official website (www.idx.co.id) and their respective official websites company. And this research conducted start from month November 2021 - March 2022. there is two type variable in study this that is Independent variable and Variable Dependent.

1. Independent Variable (Independent variables)

According to Bahri (2018: 130) independent variable or normal called variable free is type factor which influence or cause change on variable other. Variable independent in study this is Profitability ( $X_1$ ) which proxied with Return On assets (ROA), Liquidity ( $X_2$ ) which proxied with Current Ratio and Leverage ( $X_3$ ) which proxied with Debt to equity Ratio (DER).

2. Bound Variable (Dependent variables)  
 According to Bahri (2018: 130) dependent variable or which normal called variable bound is variable which his presence influenced or be due to the existence of a variable free. Variable dependent in study this is Financial Distress ( $Y$ ) which classified with  $X_1$  (working capital/total assets),  $X_2$  (retained earnings/total assets),  $X_3$  (EBIT/total assets) and  $X_4$  (book value of equity/book value of debt). Financial distress is condition finance company before bankruptcy or liquidated.

Conceptual variables in research There are 4 variables where the definition of and the

measurement is as following:

a. Financial Distress (Y)

Financial Distress is a state of where the company faces performance bad finances. It's shown by company which face misfortune as long as no less than two year consecutive. According to Atmaja (2008: 258) financial distress is state when company threatened with bankruptcy because they found financial difficulties in the company. The estimation scale used is scalar where classified by using the model "Z" Score with the formula:

$$Z = 6.56X_1 + 3.26X_2 + 6.72X_3 + 1.05X_4$$

which where each from score X is as following:

$$X_1 = \frac{\text{Working Capital}}{\text{Total Asset}} \quad (1)$$

$$X_2 = \frac{\text{Retained Earning}}{\text{Total Asset}} \quad (2)$$

$$X_3 = \frac{\text{EBIT}}{\text{Total Asset}} \quad (3)$$

$$X_4 = \frac{\text{Book value of equity}}{\text{Book Value of debt}} \quad (4)$$

b. Profitability (X<sub>1</sub>)

According to Murhadi (2015:63), Ratio profitability could interpret as ratio that describes capacity company for create benefit. Analysis ROA also could used for measure productivity every creation which generated by company (Halim and Supomo, 2001: 151). Therefore, indicator which used for measuring profitability in research this Return On Assets (ROA).

According to Brigham (2014: 148), the formula from ROA is as follows:

$$\text{Return on Assets (ROA)} = \frac{\text{Laba Bersih (Net Income)}}{\text{Total Aset (Total Aktiva)}}$$

c. Liquidity (X<sub>2</sub>)

According to Fahmi (2014:65) ratio liquidity is ability something company for fulfill short term commitment as soon as possible. Ratio of fluent is ratio which normal use from solvency short term, company capacity for resolve problem obligation which fall down tempo (Fahmi, 2014:66).

By because that indicator which used for measure liquidity on study this Ratio Fluent (Current ratio). Formula from Current Ratio (Current Ratio), is as following (Ross, 2016:64):

$$\text{Rasio Lancar} = \frac{\text{Aset Lancar (Current Assets)}}{\text{Liabilitas Lancar (Current Liabilitas)}}$$

d. Leverage (X<sub>3</sub>)

According to Sartono in Fahmi (2014:72) ratio leverage mean for measure how much many company financed with obligation. Debt to

equity ratio as an action used in detailing reports budget for show how much big guarantee which could accessed by creditors (Siegel and Shimin Fahmi, 2014:73).

By because that indicator which used for measure leverage on study this Debt to Equity Ratio (DER). Formula of DER are as follows (Kasmir, 2014:158):

$$\text{Debt to Equity Ratio (DER)} = \frac{\text{Total Hutang (Debt Ratio)}}{\text{Ekuitas (Equity)}}$$

The population in this study is transportation company that listed on the Indonesia Stock Exchange during the period 2018 to 2020. Number of samples to be used in this study is 12 transportation company, this amount determined by technique purposive sampling.

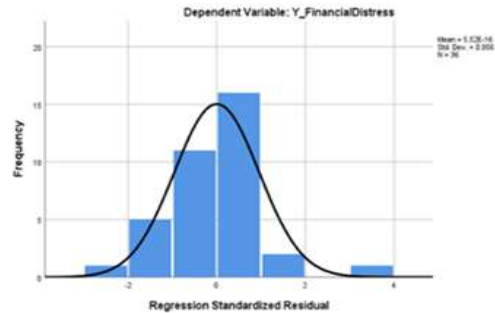
According to Sugiyono (2017: 85) is procedure inspection sample based on certain criteria. As for sample criteria specified in study this is as following:

- Company transportation which registered in BEI period 2018-2020.
- Company transportation which report report finance in BEI period 2018-2020.
- Company transportation which registered in BEI which have report data finance which complete as part study

Study this used data secondary with method technique documentation that is see report report which has occur for help study, that is report finance company transportation period 2018-2020 in Exchange Effect Indonesia which obtained from site www.idx.co.id and website official each company which researched. Method analysis which used in study this is use technique regression linear data panel. According to Ghozali (2018:296), panel data regression is a technique regression which combine data time series with cross section data. With utilize time series and cross section can give data which more variative, informative, level collinearity between variable low, degree of freedom (degrees free) more big and more efficient. In this research to process data helped with program Software Statistical Packages for the Social Science (SPSS software) version 25. Method analysis data which will used is test statistics descriptive, test assumption classic (test normality, test multicollinearity, test heteroscedasticity, and test autocorrelation), test regression linear multiple and hypothesis testing (partial test and test simultaneously). Where obtained sample as following:

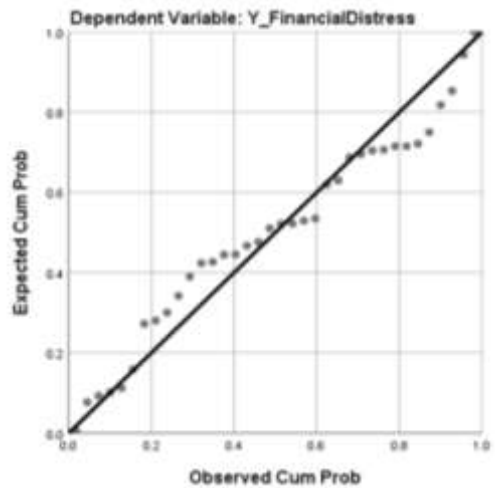
**Table 1. SampleStudy**

No	Kode Perusahaan	Nama Perusahaan
1	ASSA	Adi Sarana Armada Tbk
2	BBRM	Pelayaran Nasional Bina Buana Baja Tbk
3	BIRD	Blue Bird Tbk
4	CANI	Capitol Nusantara Indonesia Tbk
5	CASS	Cardig Aero Services Tbk
6	DEAL	Dewata Freight International Tbk
7	LEAD	Logindo Samudera Makmur Tbk
8	SAPX	Satria Antarana Prima Tbk
9	SHIP	Sillo Maritime Perdana Tbk
10	SOCI	Soechi Lines Tbk
11	TMAS	Pelayaran Tempuran Emas Tbk
12	WINS	Wintermar Offshore Marine Tbk



**Picture 3. Results Charthistogram**

Source:Secondary data processed, 2022



**Picture4.ResultsChartNormalProbabilityplot**

Source:Secondary data processed, 2022

#### IV. RESULTS AND DISCUSSION

##### A. Analisis Descriptive

Statistics descriptive give data depiction or description seen from minimum, maximum, mean ( mean ) , standard deviation, variant, sum, ranges, kurtosis and skewnwss (crazy distribution) (Ghozali, 2018: 19).

	N	Minimum	Maximum	Mean	Std. Deviation
Y_FinancialDistress	36	-4.82	12.41	2.3534	3.30513
X1_Profitabilitas	36	.00	.32	.0883	.08844
X2_Likuiditas	36	.05	4.00	1.3493	1.13233
X3_Leverage	36	.09	6.64	1.6097	1.25695
Valid N (listwise)	36				

**Picture2:ResultsAnalysisDescriptive**

Source:Secondary data processed, 2022

Results testing statistics descriptive showing amount observation as much 36 data. Where financial distress has a minimum value of -4.82 score maximum 12.41 score average (means) 2.3534 and standard deviation 3.30513. Then profitability have score minimum 0.00 score maximum 0.33 average value (mean) 0.0883 and standard deviation 0.0884. Next liquidity have score minimum 0.05 score maximum 4.00 score average (means) 1.3493 and standard deviation 1.3233. And last leverage has a minimum value of 0.09 score maximum 6.64 score average (means) 1.6097 and score standard deviation 1.25695.

##### B. Test results Assumption Classic

###### 1. TEST NORMALITY

According to Imam Ghozali(2011:160) this test meant for test is in model regression, variabel resesi dual have distribution normal.

###### a. Histogram and Normal Probability Plot

Test results from the histogram graph and chart normal plots showing that the distribution is normal. On the chart normal p-plot, the end dots follow the diagonal line.

###### b. One Sample Kolmogorov-Smirnov (KS)

The one sample Kolmogorov-Smirnov test is a normality test that also could be used for researching distributed data with normal or no. If the score test Kolmogorov-Smirnov worth  $> 0.05$  shows distributed data normal. However, if the score test Kolmogorov-Smirnov worth  $< 0.05$  means that the data is declared not distributed with normal.

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		36
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	1.50861583
Most Extreme Differences	Absolute	.131
	Positive	.131
	Negative	-.114
Test Statistic		.131
Asymp. Sig. (2-tailed)		.124 <sup>c</sup>
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: Secondary data processed, 2022

Kolmogorov-Smirnov .statistical test results on table 15. showing that score have funsig > 0.05 that is 0.124. With there by data said distributed normal and requirements normality in model regression already fulfilled.

### 2. Test Multicollinearity

Test multicollinearity expected for test is model regression found existence correlation between variable independent. The regression model that good should no occur correlation between variable independent

Table: Result Test Analysis Test Multicollinearity

Coefficients <sup>a</sup>		
Model	Collinearity Statistics	
	Tolerance	VIF
X1_Profitabilitas	.989	1.011
X2_Likuiditas	.759	1.318
X3_Leverage	.766	1.306

a. Dependent Variable: Y\_Financial Distress

Source: Secondary data processed, 2022'

### 3. Test Heteroscedasticity

#### a. Scatterplot

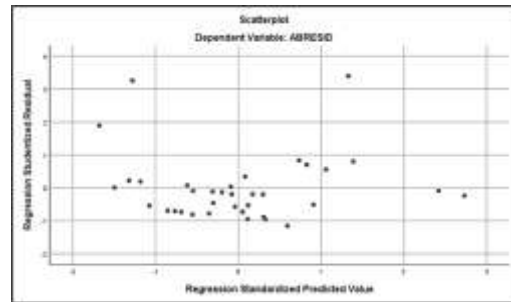


Figure 5: Results of Heteroscedasticity Test Analysis

Source: Secondary data processed, 2022

The results show certain patterns such as the dots spread above are not mutually close together and away from the Y axis diagonal. So no occur heteroscedasticity.

#### b. Glacier

Table results Test Glacier

Model	Coefficients <sup>a</sup>				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.581	.503		1.154	.257
X1_Profitabilitas	-1.513	2.075	-.125	-.729	.471
X2_Likuiditas	.240	.185	.255	1.299	.203
X3_Leverage	.173	.166	.203	1.042	.305

a. Dependent Variable: ABRESID

Source: Secondary data processed, 2022

Based on table on, all independent variable shows the value of significant > 0.05. Where is the variable value profitability (X<sub>1</sub>) is 0.257, liquidity (X<sub>2</sub>) 0.471 and leverage (X<sub>3</sub>) 0.203. So that could concluded all variable free from problem heteroscedasticity.

#### 4. Autocorrelation

Model regression which good should no occur autocorrelation. Method test durbin-watson (test DW) this with provision or base retrieval decision (Syaifulbahri, 2018: 177):

- If Score  $-2 \leq DW \leq 2$  so not occur autocorrelation.
- If score  $DW < -2$  then, occur autocorrelation positive.
- If score  $DW > +2$  so, occur autocorrelation negative

**Table. Results Test Autocorrelation**

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.890 <sup>a</sup>	.792	.772	1.57775	1.211
a. Predictors: (Constant), X3_Leverage, X1_Profitabilitas, X2_Likuiditas					
b. Dependent Variable: Y_FinancialDistress					

Source: Secondary data processed, 2022

Results autocorrelation test on the table on showing that score Durbin Watson (DW) as big as 1,211, score is greater than -2 and more small from 2. So that from results test autocorrelation data study could concluded no occur autocorrelation.

**C. Multiple Linear Regression Test (R2)**

**Table. Results Test Coefficient Regression linear multiple**

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.977	.735		2.689	.011
X1_Profitabilitas	4.495	3.032	.120	1.483	.148
X2_Likuiditas	1.523	.270	.522	5.633	.000
X3_Leverage	-1.290	.242	-.490	-5.319	.000
a. Dependent Variable: Y_FinancialDistress					

Source: Secondary data processed, 2022

Result regression show there is influence positive variables independent (free) namely profitability (X<sub>1</sub>), liquidity (X<sub>2</sub>), leverage (X<sub>3</sub>) to financial distress (Y) good partially nor simultaneous

**D. Test Hypothesis**

**1. Test T (Partial)**

**Table. Results Test T (Partial)**

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.977	.735		2.689	.011
X1_Profitabilitas	4.495	3.032	.120	1.483	.148
X2_Likuiditas	1.523	.270	.522	5.633	.000
X3_Leverage	-1.290	.242	-.490	-5.319	.000
a. Dependent Variable: Y_FinancialDistress					

Source: Secondary data processed, 2022

Based on table on, so could is known that scores sig for variable profitability (X<sub>1</sub>) 0.148 > 0.05, it means that X<sub>1</sub> has no significant effect partial to financial distress (Y). Whereas for scores sig variable liquidity (X<sub>2</sub>) and leverage (X<sub>3</sub>) are You're welcome as big as 0.000 < 0.5, it means by Partial X<sub>2</sub> and X<sub>3</sub> partially affect Y.

**2. Test F (simultaneous)**

**Table. Results Test F (simultaneous)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	mean Square	F	Sig.
1	Regression	302,678	3	100,893	40,531	.000 <sup>b</sup>
	Residual	79,657	32	2,489		
	Total	382,335	35			
a. Dependent Variables: Y_FinancialDistress						
b. Predictors: (Constant), X3_Leverage, X1_Profitabilitas, X2_Likuiditas						

Source: Secondary data processed, 2022

From the table above shows the value of significance for influence profitability (X<sub>1</sub>), liquidity (X<sub>2</sub>) and leverage (X<sub>3</sub>) simultaneously to financial distress (Y) is as big as 0.000 < 0.05, so that could concluded that profitability (X<sub>1</sub>), liquidity (X<sub>2</sub>) and leverage (X<sub>3</sub>) take effects simultaneously to financial distress.

**E. Test Coefficient Determination**

**Table. Results Test Coefficient Determination**

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.890 <sup>a</sup>	.792	.772	1.57775	1.211
a. Predictors: (Constant), X3_Leverage, X1_Profitabilitas, X2_Likuiditas					
b. Dependent Variable: Y_FinancialDistress					

Source: Secondary data processed, 2022

Based on the results of processing SPSS data on table on model summary is known score  $R^2$  as big as 0.772.  $R^2$  value lies between 0  $R^2$  1. Thus it is having meaning that influence variable profitability, liquidity and leverage by simultaneous variable financial distress as big as 77.2%. Whereas the rest 100% - 77.2% = 22.8% influenced by variable other which is not in this research.

## F. Discussion Research result

**1. Influence Profitability ( $X_1$ ) against Financial Distress (Y)** Based on test Partial (test t) could be known score significance for variable profitability to financial distress of 0.148 > 0.05 and the value of  $t_{count}$  1,483 < 2.03452 ( $t_{count}$  < from t table). This shows that ( $H_1$ ) is rejected, then it can be concluded that profitability which is proxied with ROA use altman z-score partially has no effect to financial distress on company transportation which listed on the Indonesia Stock Exchange period 2018-2020.

**2. Influence Liquidity ( $X_2$ ) against Financial Distress (Y)**

Based on test Partial (test t) could be known score significance for variable profitability to financial distress of 0.000 < 0.05 and the value of  $t_{count}$  5,633 > 2.03452 ( $t_{count}$  > from t table). This shows that ( $H_2$ ) is received, so it could be concluded that liquidity which is proxied by current ratio use altman z-score by Partial take effect to financial distress on company transportation which listed on the Indonesia Stock Exchange period 2018-2020.

**3. Influence Leverage ( $X_3$ ) against Financial Distress (Y)** Based on test Partial (test t) could be known score significance for the leverage variable against financial distress as big as 0.000 < 0.05 and the value of  $t_{count}$  (-5.319) < 2.03452 ( $t_{count}$  < from t table). This shows that ( $H_3$ ) is received, so it could be concluded that leverage which is proxied with DER using the altman z-method score by Partial take effect to financial distress on company transportation which listed on the Indonesia Stock Exchange period 2018-2020.

**4. Influence Profitability ( $X_1$ ), Liquidity ( $X_2$ ), and Leverage ( $X_3$ ) to Financial Distress (Y)**

Based on test simultaneous (test F) it can be seen that the value of  $F_{count}$  as big as 40,531 and obtained  $F_{table}$  as big

as 2.03452 which means  $F_{count} > F_{table}$  ( $F_{count}$  is greater than  $F_{table}$ ). Then score significance for influence profitability ( $X_1$ ), liquidity ( $X_2$ ) and leverage ( $X_3$ ) by simultaneous to financial distress (Y) is of 0.000 < 0.05, so that could be concluded that profitability ( $X_1$ ), liquidity ( $X_2$ ) and leverage ( $X_3$ ) take effect by simultaneous to financial distress.

## V. CLOSING

### A. Conclusion

1. Test Results showing that Ratio Profitability ( $X_1$ ) by Partial Inotake effect to Financial Distress (Y) on company subsector transportation which registered in Exchange Effect Indonesia period 2018 - 2020. Whereas Ratio Liquidity ( $X_2$ ) and Leverage ( $X_3$ ) by partially influential Partial.
2. Test results showing that ratio profitability ( $X_1$ ), liquidity ( $X_2$ ) and leverage ( $X_3$ ) simultaneously take effect to financial distress (Y)

### B. Suggestion

For study next who will use the topic which is recommended expand object study not only on the company transportation which registered in exchange effect Indonesia and expand the research period as well as expected add variable independent in study this so that could get results study related variables which effect on policy debt company by more deep. For company must more focus on factors which take effect big against financial distress so that avoid from loss so that company can walk with optimal and get profit which maximum.

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