

## ABSTRACT

*The deceleration of Indonesian economics growth seen by the slowdown of GDP's growth has brought a lot of impact in various sector of Industry. One of them are manufacturing Industry, particularly in Textile and Garment company. It can be seen from the decline of manufacturing company's growth which reached -1,98% in the second quarter of 2015. Another impact of economic deceleration can also be seen by the decline of the textile products export trend, as well as a number of textile and garment companies which went bankrupt as a result of demand declining. Those events leads to the number of employess got fired in this industry.*

*Those condition which affect textile and garment companies are the symptoms of impending Financial Distress which is the beginning of Bankruptcy. Bankruptcy which is an unwanted event in any firm can be early predicted by various methods, one of them is Ohlson Score (1980). Like others predictor, Ohlson uses the information (financial ratio) from firm's financial statement, such as Size, TLTA, WCTA, CLCA, NITA, FUTL, CHIN, and two dummy variables, OENEG and INTWO. Besides that, Ohlson also uses one information from external environment of the firm, that is GNP Price Level Index.*

*Besides bankruptcy prediction, another important thing which should be known and calculated is investor welfare, which is reflected from stock return. This is the main question of the research, that is how far could Ohlson Score influences stock return, and also the difference between stock return in failed and non failed companies. The statistical analysis techniques used are panel data regression method, and Mann Whitney test. This study consists of 7 sample of companies, which selected by using purposive sampling.*

*The result of this reserach show that there is no difference between ohlson score in failed company or non failed company, and also there is no significant influence between ohlson score towards stock return, that could be seen from a small Ohlson coefficient in data panel regression, which is -0,03504. And also a small R-Square, which is 1,773%. This result is in line with the theory, that if the smaller the Ohlson Score (<0.038) the more far indicated the likelihood of a company failed, and shows that the company's financial condition is in good condition.*

*Depending on the smale influence between Ohlson Score towards stock return, surely there are another variables which could influence stock return more than the variables Ohlson Score has. These variables should be add in the next reserach.*

*Keywords: Bankruptcy, Financial Distress, Ohlson Score, Stock Return*