ABSTRACT

Gross domestic bruto and exports growth of the mining sector in the few years had negative growth. It had negative impact one of wich is the reduce revenue it causing some mining companies have negative earnings thus causing financial distress conditions.

In this study, independent variables are liquidity ratio, leverage ratio, activity ratio, profitability ratio, and firm size. The dependent variables are financial distress. This study aims to exemine the effect of the liquidity ratio, leverage ratio, activity ratio, profitability ratio, and firm size against financial distress conditions of mining companies listed on Indonesian Stock Exchange.

The populations in this study are all various mining companies listed on Indonesian Stock Exchange in period 2012-2015, while the sampel in this study determined by the method of purposive sampling and could be obtained that 13 companies were include to be sample. The methode of analysis used logistic regression analysis.

Based on the result, liquidity ratio, leverage ratio, activity ratio, profitability ratio, and firm size are simultaneously significant affect on financial distress conditions. While partially shows profitability ratio has effect on financial distress conditions. Liquidity ratio, leverage ratio, activity ratio, and firm size has no significant influence on financial distress conditions.

To invest, investors should avoid companies that are experiencing financial distress is to analyze the profitability ratios (return on sales) company, if the company has profitabiitas (return on sales) were higher then the company is protected from financial distress, so that investors can make a profit in investing.

Keyword: Financial Distress, Liquidity, Leverage, Activity, Profitability, Firm Size.