

ABSTRACT

Financial Distress is a situation when a company is unable to fulfill its obligations. One of the company's long-term goals is to maintain business continuity. For management it is very important to know bankruptcy early, so that it can become an alarm called the early warning system for companies to conduct evaluations and anticipate so that financial distress does not occur.

One way to find out the occurrence of financial distress is by knowing the factors that can influence it such as operating cash flow, independent board of commissioners, and capital structure. This study aims to determine how the influence of operating cash flow, independent board of commissioners, and capital structure on financial distress in food and beverage sector companies listed on the Indonesia Stock Exchange (IDX) in 2015-2018.

The sample used in this study was food and beverage subsector companies listed on the Indonesia Stock Exchange in the 2015-2018 period. In this study used purposive sampling sample selection techniques that produce 17 samples in a period of 4 years, as many as 68 units of data samples. The analytical method used is panel data regression analysis which is processed using Eviews 10.

The results of this study indicate that simultaneously Operating cash flow, Independent Board of Commissioners, Capital Structure significantly influences Financial Distress. Partially, Operating Cash Flow, Independent Board of Commissioners, Capital Structure has a positive effect on Financial Distress. Based on the results of this study, it is expected to be a reference for scientific reference and for further research. For company management can be one of the considerations for the company to continue to improve the company's financial performance and can be a useful evaluation material for the company.

Keywords : *Debt to Equity Ratio, Financial Distress, Independent Board of Commissioners, Operating Cash Flow*