ABSTRACT

A companies in developing countries, one of which is in Indonesia, is always trying to solve problems with financial problems. Therefore, developing companies are expected to be able to fix this problem and improve the company for survival of company. For that the company must improve its finances so that the company does not fix financial difficulties that will lead to bankruptcy. Financial hardship is a situation where a company's finances deteriorate so that it is difficult for the company to finance its expenses. This is caused by poor company performance, ineffective company production, increased company revenue and very high corporate leverage value and not an increase in good performance.

Related to this research, the aim is to make predictions whenever financial difficulties in the industrial and chemical sector companies are listed on the Indonesia Stock Exchange in 2009-2018. Purposive sampling technique is used to take samples by receiving 41 sample companies with a 10-year research period, so as to obtain 410 sample data. Data processing using spss22 with survival analysis method. In this study using data from six independent variables namely liquidity ratios, leverage, activity, sales growth, distribution and company size with the simultaneous results of the six variables that can cause financial difficulties. Partially, the liquidity variable has a positive effect on financial distress and sales have a negative effect on financial distress. While leverage, activity and size of the company cannot influence the effect of financial difficulties..

Key words: *Financial Distresss, Survival Analysis.*