ABSTRACT

Financial distress is a reduction step of financial condition before bankruptcy or liquidation. A company is build to get maximum earning in order that company can survive in a long period of time and will not be bankrupt. Agriculture sector is a sector that has an important role in contributing to help indonesian and malaysian economy condition.

The purpose of this research is to know the impact of liquidity ratios, leverage, operating capacity, growth, size, institutional ownership, and board of directors on financial distress in agriculture sector company in Indonesia and Malaysia for 2014-2018 period both of simultaneously and partialy.

This research used quantitative method. Sampling Techinque in this research used non probabilty sampling with purposive sampling method. Thus, the sample are 60 samples from 12 companies from indonesian agriculture company and 195 samples from 39 companies from malaysian agriculture company. Analysis technique that used in this research is logistic regression analysis.

The result of this research show that on agriculture companies in Indonesia, operating capacity partially has a negative significant effect on financial distress. While, liquidity, leverage, growth, firm size, institutional ownership, and board of directors partially has no significant effect on financial distress. Then, the result from agricultural malaysian companies partially show that liquidity and leverage has a positive significant on financial distress. Operating capacity and institutional ownership has a negative significant on financial distress. Growth, firm size, and board of directors has no significant effect on financial distress.

Keywords*: Liquidity, Leverage, Operating Capacity, Growth, Firm Size, Institutional Ownership, Board Of Directors, Financial Distress, Logistic Regression Analysis*