

## **ABSTRACT**

*Indonesia's economic condition, especially in the mining sector, has decreased dramatically over the past five years. The implementation of various regulations regarding the export ban of raw minerals, has an impact on the rate of growth of gross domestic product (GDP) which continues to decline, and the erosion of corporate profits from the metal and mineral mining subsector so that companies can experience financial distress, which can result in bankruptcy .*

*The purpose of this study was to determine the potential bankruptcy of eight companies in the metal and mineral mining subsector for the period 2013-2017 using the prediction of the bankruptcy of the Altman's Z"-score model and the Zavgren's model. This study also uses the Wilcoxon signed rank test to determine the differences in the results of the predictions. The total population listed on the Indonesia Stock Exchange (IDX) in 2018 in the metal and mineral mining subsector was 10 companies. By using purposive sampling technique obtained a sample of 8 companies.*

*The prediction of bankruptcy using Altman's model and Zavgren's model fluctuates and unstable every year. Overall, from 40 research data the Altman Z"-score model predicts 17.5% in the gray zone or critical condition, then 27.5% experiences financial distress or bankruptcy, and 55% in a non-bankruptcy or healthy condition. While the Zavgren model predicts 55% in gray zone conditions or critical, then 25% experience financial distress or bankruptcy, and 20% are in a non-bankruptcy or healthy condition. The accuracy of the Altman Z"-score model is 60% and the accuracy of the Zavgren model is 50%, so the highest level of accuracy for the metals and minerals subsector on the Indonesia Stock Exchange for the period 2013-2017 is the Altman Z" -score model. Through a different test using the Wilcoxon signed rank test, it is known that there are differences in bankruptcy predictions between the Altman model and the Zavgren model in the metal and mineral mining subsector companies listed on the Indonesia Stock Exchange in the period 2013-2017.*

**Keywords:** *Bankruptcy, financial distress, Altman, Zavgren, metals and minerals subsector.*