

**CORPORATE FAILURE PREDICTION:
A STUDY OF PUBLIC LISTED COMPANIES
IN INDONESIA STOCK EXCHANGE (IDX)**

THESIS

**Presented as Partial Fulfillment of the Requirements for the Degrees of
SarjanaEkonomi (S1)**

In International Business Management Program (IBMP)

Faculty of Economics Atma Jaya Yogyakarta



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**FACULTY OF ECONOMICS
UNIVERSITAS ATMA JAYA YOGYAKARTA**

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Faculty of Economics

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Thesis Entitled

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**Be accepted in partial fulfillment of the requirements for the Degree of
Sarjana Ekonomi (S1) in International Business Management Program
Faculty of Economics, Universitas Atma Jaya Yogyakarta**

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**CORPORATE FAILURE PREDICTION:
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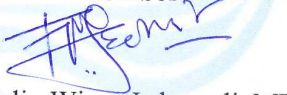
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AUTHENTICITY ACKNOWLEDGEMENT

I, Debby Octavia Boentoro hereby declare that I compiled the thesis with
the following title:

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Is really my own thinking and writing, I fully knowledge that my writings
does not contain others' or part(s) of others' writing, except for those that
have been cited and mentioned in the references.

Yogyakarta, August 13th, 2015



Debby Octavia Boentoro

I'm most proud of the blessings that God has bestowed upon me, in my life. He's given me the vision to truly see that you can fall down, but you can still get back up. Hopefully I'll learn from my mistakes and have the opportunity to strengthen and improve the next thing I do.

Martin Lawrence

This thesis is dedicated to:

The Holy Father and His Son high above the heavens. My family, thank you for all the love, care, push, and motivation to finish this thesis. For all of my friends, thank you for all the motivation and spirit. Whom without, this thesis will not be finished.

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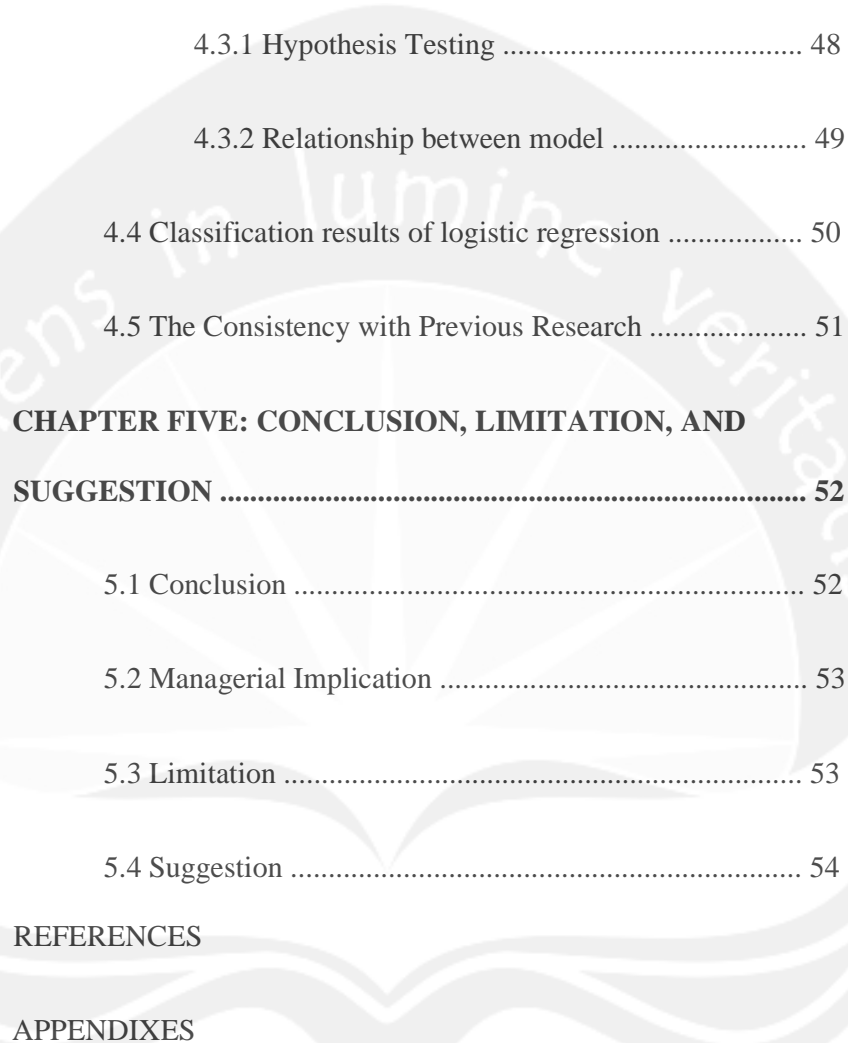
Regards,

Debby Octavia Boentoro

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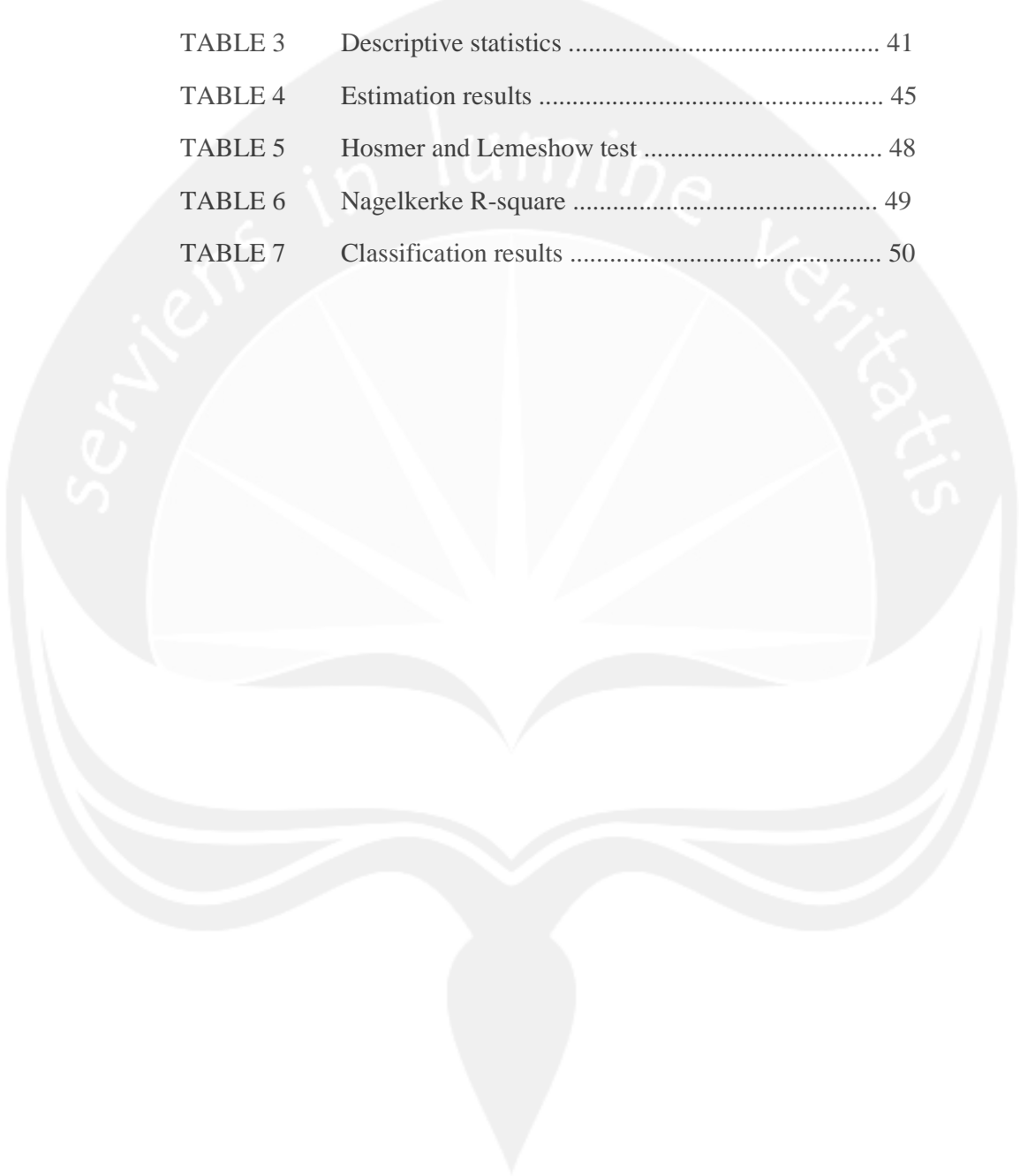
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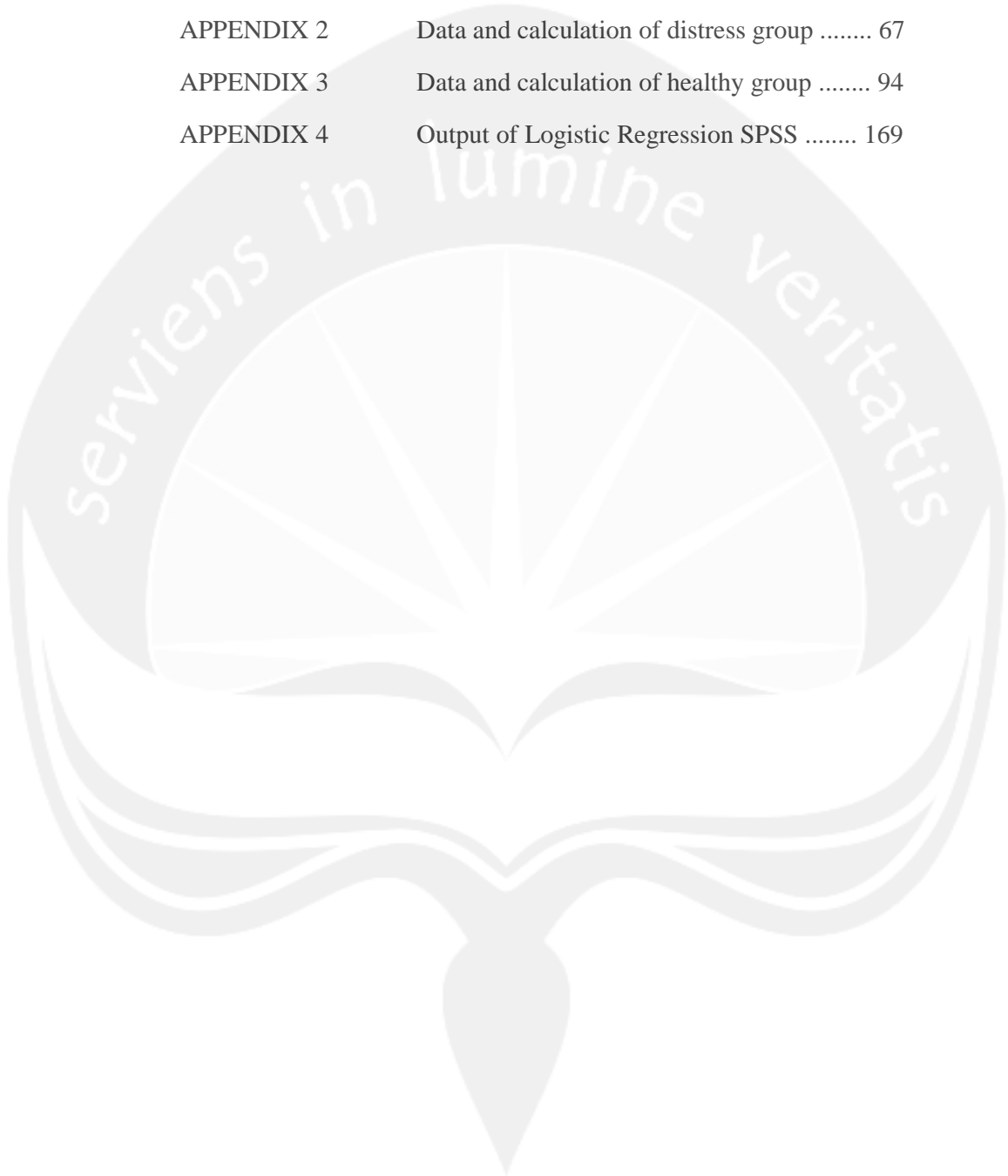
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ABSTACT

The main purpose of this research is to develop a model that can predict financial distress amongst public listed companies in Jakarta Stock Exchange from year 2008 until 2013. Author uses 216 companies as sample where 168 for healthy companies and 48 for distress companies. The methodology that use on this paper is using logistic regression analysis.

The result proves there are four financial ratios namely: Quick Asset Turnover, Cash Flow to Assets, Total Liabilities Total Assets, and Debt Ratio that have been found to be significant and useful for corporate failure prediction in Jakarta Stock Exchange. The results show that logistic regression analysis is a more reliable technique for predict financially healthy companies than distress companies. But, overall classification results of 81 percent prove that the model can describe the financial condition of the companies.

Keywords: Economic forecasting, Financial Modeling, Business failures, failure prediction, Financial Distress Prediction