

ABSTRACT

Transportation companies are a service provider company that deals with transportation modes, services provided by company facilities or infrastructure or expeditions. Transportation Sector companies have vulnerability to financial distress problems, one treatment is reflected in the level of debt usage. This study aims to find out the influence of liquidity proxied by current ratio, leverage proxied by debt to total asset ratio, activities proxied by total asset turnover, and ownership structure proxied by institutional ownership, and managerial ownership in the transport sector company to the probability of the company experiencing financial difficulty.

The sample used in this research comes from the transportation sector companies listed on the BEI from 2014 to 2016, which is then selected by using purposive sampling technique. The number of samples obtained is 32, with 3 years time of observation then obtained 96 samples. The samples obtained were processed using logistic regression model, after the previous goodness of fit test was done to test the feasibility of the data.

The results of this study indicate managerial ownership, institutional ownership, and total asset turnover have a significant influence with the negative direction of the probability of the company experiencing financial dsitress. Meanwhile, current ratio and debt to total asset ratio have no significant effect with negative direction for current ratio and positive for debt to total asset ratio to probability of company experiencing financial distress. In this test we get goodness of fit test result of 22.2% for Nagelkerke 'R Square test and 88.7% for Hosmer test and Lameshow's goodness fit model.

Keyword: financial distress, current ratio, debt to total asset ratio, total asset turnover, institutional ownership, managerial ownership