Financial Distress Of Companies Listed On Indonesian Stock Exchange During Covid-19 Pandemic

Diota Prameswari Vijaya, M. Rudi Irwansyah, Ni Wayan Yulianita Dewi
Universitas Pendidikan Ganesha, Jl. Udayana, Singaraja-Bali
diota.pv@undiksha.ac.id

Abstrak

Tujuan penelitian adalah untuk menguji dan menganalisis pengaruh kinerja keuangan perusahaan yang terdaftar di Bursa Efek Indonesia terhadap financial distress pada masa pandemi Covid-19. Kinerja keuangan menggunakan rasio likuiditas, rasio solvabilitas, rasio profitabilitas dan pertumbuhan penjualan. Sampel dalam penelitian ini adalah sektor perdagangan, jasa dan investasi emiten tahun 2020 dan 2021 sebanyak 158 perusahaan. Hasil penelitian ini menunjukkan bahwa kinerja perusahaan berpengaruh secara simultan terhadap financial distress perusahaan dan rasio profitabilitas berpengaruh negatif dan signifikan terhadap financial distress. Sedangkan rasio likuiditas, rasio solvabilitas dan pertumbuhan penjualan tidak berpengaruh signifikan terhadap financial distress.

Kata kunci: rasio likuiditas, rasio solvabilitas, rasio profitabilitas, pertumbuhan penjualan, financial distress

Abstract

The aim of the study is to examine and analyze the effect of the financial performance of companies listed on Indonesian Stock Exchange on financial distress during the Covid-19 pandemic. The financial performance used liquidity ratio, solvency ratio, profitability ratio and sales growth. The sample in this study are trade, services and investment sector of listed companies in 2020 and 2021 that are 158 companies. The results of this study showed that the company's performance had a simultaneous effect on the company's financial distress and the profitability ratio had a negative and significant effect on financial distress. Meanwhile, the liquidity ratio, solvency ratio and sales growth have no significant effect on financial distress.

Keywords: liquidity ratio, solvency ratio, profitability ratio, sales growth, financial distress

INTRODUCTION

The Covid-19 Pandemic in Indonesia, began in March 2020 until now. The Institute of Chartered Accountants of England and Wales (Wales-ICAEW, 2020) reports that Covid-19 is not only a global healthy emergency, it is also having an impact on the economy. c.

One way to see the company's performance is to use financial ratios. The research of Rababah et al. (2020) conducted in China showed that the Covid-19 pandemic had a negative impact on the company's performance of various industrial sectors. The impact of the Covid-19 has also affected the financial performance of companies listed on the Indonesia Stock Exchange. Research by Devi et al. (2021) found that there was an increase in leverage and short-term activity ratio and decrease in liquidity ratios and profitability ratios. The decline in liquidity and profitability ratios occured in the real property, plantation and building construction, finance, trade, services, and investment. The trend of profitability ratios

at Islamic banks in Indonesia by using Return On Assets (ROA) also decreased from 2019 to 2021, and Return On Equity (ROE) decreased too (Pradesyah & Putri, 2021). Rosdiana (2021) founds that the activity ratio and solvency ratio of property and real estate companies listed on IDX have significant differences before and after national announcement of the first case of Covid-19 in Indonesia. The result study of Armadani et al. (2021) founds that 13 out of 25 tourism companies in hospitality service sub-sector in Indonesia occurred financial distress in the first and second quarters of 2020.

Previous research has proven that the Covid-19 pandemic has a negative effect on the financial performance of companies in various sectors. If that situation cannot be handled properly, will lead to financial distress and will occure bankruptcy. Therefore, analysis of the symptoms of bankruptcy must be carried out, in order to anticipate the occurance of bankruptcy in the future. This is because there are a lot of bankrupcty phenomena occurred in Indonesia's companies (Adriana, 2012).

Financial ratios are useful in assessing the financial health of company and even useful for predicting company bankrupcty (Altman, 1984). Financial ratios are useful in predicting business bankruptcy in the one to five year period before the business actually goes bankrupt (Nasser & Aryati, 2000). According to Rodoni & Herni (2014), companies that occurred financial distress early can have a lot of time to make improvements. Analysis of financial distress is also useful for describing the financial condition of companies affected by the pandemic, being able to mitigate and predict the company's going concern and useful for company to make their policies (Armadani et al., 2021).

Research of financial distress is mostly studied in normal economic conditions, while in the Covid-19 pandemic condition which has resulted in a decline in the performance of companies listed on Indonesia Stock Exchange (based on previous research) has not yet analyzed. Therefore, this study aims to examine and analyze the effect of company's financial performance on the financial distress of companies listed on Indonesia Stock Exchange.

The financial performance in this research using liquidity ratio, solvency ratio, profitability ratio, and sales growth. The sample of this research are companies on the Indonesia Stock Exchange in the trade, services, and investment sectors in 2020 and 2021. The trade, services, and investment sectors are divided into several sub-sectors, there are wholesale trade (production and consumption goods) sub-sector, retail trade sub-sector, hotel, restaurant and tourism sub-sector, advertising sub-sector, health sub-sector, computer sub-sector, investment sub-

sector, and other trading sub-sectors. This sampling is based on research conducted by John (2020) which show that the economic impact has a significant effect on financial markets and industries, such as manufacturing, tourism, hospitality and travel. Travel and tourism gived 10% of global GDP and 50 million jobs are at risk worldwide. If global tourism, travel, and hspitality companies close, it will affect SMEs globally. In China, the sectors hardest hit by the Covid-19 are tourism, film, and TV entertainmenmt, catering retail, and the transportation sector (Shen et al., 2020)

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Theoretically, the definition of company performance is dependent on the economic view of maximizing the profits of an organization and stakeholders regarding the satisfaction of the needs of groups or individuals who are affected by the activities of the same organization (Aifuwa et al., 2020). Menurut Gitman & Zutter (2013), company performance is a company's ability to gain profit at a certain level of sales, assets and capital stock. Investors will certainly invest their funds in companies with good profit in order to benefit from the funds that have been invested. Financial performance is a subjective indicators of how a company effectively and efficiently uses its assets to obtain resources (Nnamani, N. et al., 2017).

According to Munawir (2012:31), the objectives of measuring the company's financial performance are:

1. Knowing the level of liquidity. Liquidity is shows the ability of a company to fulfill their liability that must be paid immediately whem billed.
2. Knowing the level of solvency. Solvency shows the company's ability to fulfill their liability if the company is liquidated, both short-term and long-term.
3. Knowing the level of profitability. Profitability or often called profitability shows the company's ability to obtain profits during a certain period.
4. Knowing the level of stability. Stability shows the company's ability to carry out its business in a stable condition., which is measured by considering the company's ability to pay its debt and pay interest on its debts on time.

Financial distress is a condition where the company's finances are in an unhealthy or crisis condition or decreased prior to bankruptcy or liquidation. According to Brigham & Houston (2006), financial distress begin when a company is unable to meet payment schedules or when cash flow indicates that it will soon be unable to pay their liabilities. Whitaker (1999) defines financial distress as a change in the price of equity. Many factors can cause companies to face financial

distress, including increased operating costs, excessive expansion, technological lag, competitive conditions, economic conditions, weakness of company management and decreased industrial trading activities (Wruck, 1990).

Bankrupcty was first proposed by Beaver in 1996 and then Altman in 1968 and Ohlson in 1980 came up with the results of research on statistical formulas that can be used to predict bankruptcy (Platt & Platt, 2002). There are two types of bankruptcy:

a) Economic distress, means the company loses money or income, so it is unable to cover its own costs because the profit rate is smaller than the cost of capital or present value and the company's cash flow is smaller than liabilities. Failure occurs when the company's actual cash flow is far below the expected cash flow or the level of income on historical costs and investment is less than the company's cost of capital spent on an investment.
b) Financial distress, means difficulty in funds to cover the company's liabilities or liquidation which begins with low difficulties to more serious difficulties, what debt is greater than assets.

The liquidity ratio shows the company's ability to fulfill their short-term liabilities. The company's liquidity is very influential on the possibility of the company facing financial distress (Wahyuningtias & Muharam, 2012). When a company occure many obstacles and suffers losses that cannot be overcome, then gradually the company will be in a condition of financial distress, namely a condition where the company does not have the capacity to fulfill its liabilities to all parties, both banks, suppliers and other third parties (Andrade & Kaplan, 1998). The current ratio is one of the liquidity ratios that can be used to predict financial distress (Platt & Platt, 2002). The smaller current ratio, the more likely the company is to occure financial distress. Research conducted by Hanifah & Purwanto (2013) and Widhiari & Merkusiwati (2015) that the current ratio has a negative and significant effect on predicting financial distress. Based on this description, the first hypothesis in this study is:

H1 : There is an effect of the current ratio on financial difficulties in trading, service and investment sector companies listed on Indonesia Stock Exchange during the Covid-19 pandemic.

Companies that have high debt levels have a greater risk during the Covid-19 pandemic compared to periods of economics recession. According to Lestari (2020), the gowth of companies with higher debt levels was 3% slower during the great recession than similar companies with less debt. Meanwhile, the difference in company growth is only 2% under normal conditions and became sharper during the

Covid-19 crisis due to an increase in corporate debt at the beginning of the pandemic and a sharp decline in revenue during 2020. If this is allowed to continue without a preventive strategy, it is possible that the company will experience financial difficulties and end up with the company's going concern. This is supported by the result of research by Gunawan et al. (2020) who found that the leverage ratio of BUMN companies in Indonesia had an effect on financial distress. The research results of Yap (2012) also explain that financial ratios proxied by the debt to asset ratio can be used to predict financial distress cnditions where the higher the debt to asset ratio, the more it shows that most of the company's assets are financed by debt. Based on this description, the second hypothesis in this study is:

H2: There is an effect of the debt to asset ratio on financial distress in trading, service and investment sector companies listed on Indonesia Stock Exchange during the Covid-19 pandemic.

The Chairperson of Kamar Dagang dan Industri Indonesia (KADIN) revealed that during the Covid-19 pandemic there was a decline in income which led to other problems, such as employment, limited employment opportunities, and unemployment (Fauzia, 2020). This is also supported by the results of a survey conducted by the Badan Pusat Statistic (BPS) which stated that there was a decline in the income of business by 82,55%. Harahap et al. (2021) also found that conditions were not good at the beginning of the pandemic period occurred by PT.Easparc Hotel, tbk. The low profitability ratio occurred by the company indicates that the company's revenue and profits have decreased. The research of Curry & Banjarnahor (2018), and Nurhidayah & Rizqiyah (2017) reveal that the profitability ratio has a negative and significant effect on financial distress. Platt & Platt (2002) also found that return on assets is a financial ratio that dominates in predicting financial distress. The higher ROA, the less company possible occurred financial distress. According to Almilia (2003), a company will occure financial distress if it earns a negative net profit for two years. If this condition have not effort to improvement, it will lead to bankruptcy. Based on this description, the third hypthesis in this studt is:

H3: There is an effect of return on assets on financial distress in trading, service and investment sector companies listed on Indonesia Stock Exchange during the Covid-19 pandemic.

Financial distres is a condition when a company is unable to manage and maintain stable financial performance that begins with the company's failure to promote their product, so resulting in a decrease in sales value (Platt & Platt, 2002). Sales growth reflects the company's ability to increase its sales over time. The

higher of sales growth rate of a company, the company is successful in carrying out its strategy in marketing and sales the product. This means the greater of profit that will be obtained by the company from sales. High sales growth indicates that the company is successful in carrying out its activities, then reducing the possibility of the company occuring financial distress. Loman & Malelak (2015) show that the sales growth ratio has a significant influence on the company's financial distress. Widhiari & Merkusiwati (2015) also show that sales growth has a negative and significant influence in predictinf financial distress. Based on the description above, the fourth hypothesis in this study is:

H4: There is an effect of sales growth on financial distress in trading, service and investment sector companies listed on Indonesia Stock Exchange during the Covid-19 pandemic.

METHOD

The population in this study are all companies listed on Indonesia Stock Exchange in 2020 and 2021. The sample of this study is the trading, service, and investment sector companies listed on Indonesia Stock Exchange in 2020 and 2021.

The sample was taken on purposive sampling method with criteria: (1) trading, service, and investment sector companies listed on Indonesia Stock Exchange in 2020 and 2021, (2) companies that publish their financial statement for 2020 and 2021 on the official website of Indonesia Stock Exchange or the companys's official website, and (3) companies that have the data needed in this research.

The analytical model used in this study is logistic regression analysis. This analysis is used if the dependent variable data is in dichotomy data. Because the dependent variable (Y) in this study has a nominal scale, the logistic regression model formulation can be used as follows:

$$Ln\frac{P}{(1-P)} = \beta_0 + \beta_1 CR + \beta_2 DAR + \beta_3 ROA + \beta_4 SG + e$$

Keterangan:

P/(1-P) : Probability of company occure financial distress

β0 : Constanta

CR : Current ratio

DAR : Debt To Assets Ratio

ROA : Return On Assets

SG : Sales growth ratio

β1, β2, β3, β4 : Coefisien regression of variabel current ratio, debt to assets ratio, return on assets, dan sales growth ratio

e : Error

RESULTS AND DISCUSSION

The following is a descriptive statistical display of the sample in this study:

Table 1. Descriptive Statistic

	Total	Minimum	Maximum	Average
Current Ratio	316	0,00	368,54	6,5110
Debt To Assets Ratio	316	0,00	75,94	1,2730
Return On Asset Ratio	316	-4,77	150,33	0,5409
Sales Growth Ratio	316	-12,14	98,04	0,5541
Interest Coverage Ratio	316	0,00	1,00	0,3703

Source: Analyzed data SPSS (2022)

Based on the results of descriptive analysis, it is known that there are 316 observations from 158 samples of companies. The current ratio of companies in the trade, service, and investment sectors during the Covid-19 pandemic in 2020 and 2021 had an average of 6,51. This means the company is able to fulfill their short-term liabilities of 6,51 and the company's highest ability is 368,54. The solvency ratio which is measured using the debt to asset ratio has an average of 1,27. This means that the company's ability to fulfill all of its liabilities with all of its assets is 1,27. Although there are companies that have the highest ability of 75,94. Then, the profitability ratio measured using ROA is known that the average ability of companies in the trade, service, and investment sectors during the Covid-19 pandemic in 2020 and 2021 is 0,5409. This means that average company ability to produce profit is low during the pandemic caused some companies even sufferes losses as low as -4,77. The company's sales growrth ratio has an average of 0,5541. The average sales growth of 0,5541 is said to be low because it did not change significantly with the previous year even some companies occurred a decline in sales of up to -12,14. Meanwhile, the condition of companies occurred financial distress and health companies can be seen in the following table:

Table 2. Total Companies Occurred Financial Distress

Financial Distress	199
No Financial Distress	117

Source: Analyzed data SPSS (2022)

From 316 observations, it is known that 199 have financial distress and the remaining 117 do not occure financial distress. This means that most of them 63% during the Covid-19 pabndemic, companies occurred financial distress.

Based on the Iteration History Table (attachment). It is known that the value of -2 likelihood is 316,545 with the number of observations in this study is 316, the degree of freedom (DF) with a significance of 0.05 is 394,626. In other words, -2 Log Likelihood (316,545) < DF value 394,626. It indicates that the model after including the independent variables is fit with the data.

In the Omnibus Test of Models Coefficients table below, the following results are obtained:

Table 3. Omnibus Test of Models Coefficients

	Chi-Square	df	Sig.
Step	53,340	4	0,000
Block	53,340	4	0,000
Model	53,340	4	0,000

Source: Analyzed data SPSS (2022)

Simultaneous testing of independent variables in logistic regression using Chi-Square from a difference of -2 Log Likelihood before the independent variable entered the model and -2 Log Likelihood after independent variable entered the model. From the table above, it shows that there is a simultaneous influence between the independent variable and the dependent variable seen from the significance level of 0,000 (below 0,05). X value 53,340 > X table in DF4 (the numer of independent variable 4) is 9,488 or wirh a significance 0f 0,000 (<0,05), so it can be concluded rejecting H0, which indicates that the addition of independent variables can have a significant effect on the model, or in other words the model is fit

Table 4. Model Summary

-2 *Log Likelihood*	Cox & Snell R Square	Nagelkerke R Square
363,205	0,155	0,212

Source: Analyzed data SPSS (2022)

The model summary table aims to see the ability of the independent variables in explaining the dependent variable by looking at the values of Cox and Snell R Square and Nagelkerke R Square. Based on the table, it can be concluded that in this study, the independent variable was able to explain the dependent variable of 0,212 or 21,2%. In other words, 78,8% of the dependent variable is influenced by other factors other than the independent variables in this study.

Table 5. Hosmer and Lameshow Test

Chi-square	df	Sig.
5,309	8	0,115

Source: Analyzed data SPSS (2022)

Hosmer and Lameshow Test Table to determine whether the model formed is correct or not. The model is right if there is no significant difference between the mdel and the observed value. The value of Chi Square table for DF 3 (number of independent variables -1) at a significance level of 0,05 is 7,814728. Because the value of Chi Square Hosmer and Lemeshow cpunt 5,309 < Chi Square table . 7,814728 or a significance value of 0,115 (>0,05) so that it accepts H0, which indicates that there is no significant difference between the model and the observed value. In other words, the model can be accepted and hypothesis testing can be done because there is a significant difference between the model and the observed values

Table 6. Classification Table

	Predicted		
	Interest Coverage Ratio		**Percentage Correct**
Observation	**Financial Distress**	**No Financial Distress**	
Financial Distress	198	1	79,1
No Financial Distress	65	52	

Source: Analyzed data SPSS (2022)

Based on the Classification Table above, the number of samples that did not occurred financial distress was 117 companies. Meanwhile, there were 52

companies that actually did not occurred financial distress and should not have had financial distress but occurred financial distress were 18 companies. The number of samples occurred financial distress is 199 companies. The number of samples occuring financial distress is 199 companies. Meanwhile, there were 198 companies that actually occurred financial distress and should have occurred but did not occur 1 company. The table above gives an verall percentage value of 79,1% which means the accuracy of this research model is 79,1%.

Table 7. Variables In The Equation

	B	Sig	Exp (B)
X1	-0,001	0,917	0,999
X2	0,017	0,619	1,017
X3	-7,670	0,000	0,010
X4	-0,093	0,269	0,911
Constanta	-0,192	0,187	0,825

Source: Analyzed data SPSS (2022)

Based on the table above, it is known that the X1 variable or liquidity ratio has a sig Wald Value of 0,917 > 0,05, so it can be concluded that it accepts H0 or which means that the liquidity ratio does not have a significant effect on the company's financial distress. The variable X2 or the solvency ratio has a Wald significance value of 0,619 > 0,05, so it can be concluded that it accepts H0 or which means the solvency ratio does not have a significant effect on the company's financial distress. The X3 variable or profitability ratio has a significant Wald value 0,000 < 0,05 so it can be concluded that it rejects H0 or which means that the profitability ratio has a significant influence on financial distress conditions. The X4 variable or sales growth ratio has a significant value of Wald 0,269 > 0,05, so it can be concluded that it accept H0 or which means that sales growth does not have a significant effect on the company's financial distress.

The company will be in financial distress condition when the company occurred many obstacles and suffers losses that cannot be overcome. This condition is caused the company does not have the capacity to fulfill its liabilities to all parties, both bank, suppliers, and other third parties (Andrade & Kaplan, 1998). In this study, the current ratio is used to calculate the company's liquidity ratio. The

current ratio is one of the liquidity ratios that can be used to predict financial distress (Platt & Platt, 2002). The smaller current ratio, the more likely company is to occure financial distress. This is accordance with the results of data analysis which also shows a negative relationship between the current ratio and financial distress. Meanwhile, based on the results of the data analysis above, it is known that the liquidity ratio has no significant effect on the company's financial distress during the Covid-19 pandemic. Companies in the trade, service and investment sectors during 2020 and 2021 have the ability to pay off their short-term liabilities or debts that are due soon. This can be seen from the majority of companies having company's current ratio above 1. This means that, even in conditions of the Covid-19 pandemic, the company is still able to fulfill their short-term liabilities with its current assets, so that financial distress can be avoided.

The solvency ratio aims to measure the ability to spend by debt compared to capital, and the ability to pay interest and other fixed expenses (Sugiono et al., 2016:57). In this study, the solvency ratio was calculated using the debt to asset ratio. The higher this ratio, it indicates that the amount of debt owned by the company exceeds the total assets. This will trigger the occurrence of financial distress in a company because greater the company's expense to cover liablities and interest charged. This study also shows the direction of a positive relationship between the debt to asset ratio and financial distress. This means the greater company's liabilities, the greater occurrence of financial distress. Based on the results of data analysis above, it is known that the solvency ratio has no significant effect on the company's financial distress during the Covid-19 pandemic. The pandemic conditions occurred by companies in the trade, services and investment sectors are still in conductive conditions. This can be seen form the average company has a debt to asset ratio about 1, so it has a small opportunity to occurred financial distress.

Profitability ratio aims to assess the company's ability to seek profit and measure the level of effectiveness and efficiency of the company. This study uses the ratio of return on assets (ROA) to calculate the ratio of profitability. This study shows a negative effect between ROA and financial distress. That means, the greater company's ability to produce profits from the assets it owns, the lower chance of financial distress. Based on the results of data analysis above, it is known that the profitability ratio has a negative and significant effect on company's financial distress during the Covid-19 pandemic. This is in line with the research of Curry & Banjarnahor (2018) and Nurhidayah & Rizqiyah (2017) reveal that the profitability ratio has a negative and significant effect

on financial distress. Platt & Platt (2002) also found that return on assets is a financial ratio that dominates in predicting financial distress. The higher ROA, the less likely the company is occurred financial distress. Companies in the trade, services and investment sectors during the pandemic had an average ROA value of 0,05. This means that most companies have a low ability to produce profits during the Covid-19 pandemic.

Sales growth reflects the company's ability to increase its sales over time. The higher sales growth of a company, the company is succesful in carrying out its strategy in terms of marketing and product sales. This means, the greater profit that will be obtained by company from sale. High sales growth indicates that the company is succesfull in carrying out its activities, thereby reducing the possibility of the company occurred financial distress. Research by Widhiari & Merkusiwati (2015) shows that sales growth has a negative and significant influence in predicting financial distress. This is in line with the results in this study which shows that the direction of relationship between sales growth and financial distress is negative. Based on the results of data analysis above, it is known that the sales growth ratio has no significant effect on company's financial distress during the Covid-19 pandemic.

How much influence of each variable is indicated by the value of EXP (B) or also called the Odds Ratio (OR). The liquidity ratio (X1) has an OR value of 0,999 times, so as many as 0,999 times the companies ccured financial distress. The beta value of X1 is -0,001. Because beta (B) is negative, the liquidity ratio has a negative relationship with company's financial distress. That means, the higher of company's liquidity ratio, the smaller chance of company's financial distress. The solvency ratio (X2) variable has an OR value of 1,017, so the company is 1,017 times more likely to occurred financial distress. Beta value of X2 variable is 0,017. Because beta X2 value is positive, the solvency ratio has a positive relationship with the company's financial distress. That means, the higher company's solvency ratio, the greater chance of company's financial distress. Profitability ratio (X3) variable has a beta value of -7,670. Because the data value of X3 is negative, the profitability ratio has a negative relationship with the company's financial distress. That means, the higher of company's profitability ratio, the smaller of chance the company's financial distress. The sales growth variable (X4) has an OR value of 0,911, so the company is 0,911 times more likely to occurred financial distress. Value of beta X4 is -0,093. Because the beta value of X4 is negative, sales growth has a negative relationship with the company's financial distress. That means, the higher of company's sales

growth, the smaller chance of the company's financial distress.

Based on the beta values above, the equation model is as follows:

$$Ln\ P/1\text{-}P = -0{,}192 - 0{,}001X1 + 0{,}017X2 - 7{,}670X3 - 0{,}093X4 + e$$

CONCLUSION, IMPLICATION AND LIMITATION

Based on the results of the research, it can be concluded several things, there are:

1. Liquidity ratio, solvency ratio, profitability ratio, and sales growth ratio have a simultaneous effect on company's financial distress in trade, service, and investment sectors during the Covid-19 pandemic.
2. The liquidity ratio has no significant effect on company's financial distress in trade, service, and investment sectors during the Covid-19 pandemic.
3. The solvency ratio has no significant effect on company's financial distress in trade, service, and investment sectors during the Covid-19 pandemic.
4. The profitability ratio has negative and significant effect on company's financial distress in trade, service, and investment sectors during the Covid-19 pandemic.
5. The sales growth ratio has no significant effect on company's financial distress in trade, service, and investment sectors during the Covid-19 pandemic.

The implication of this research is companies in trade, service, and investment sectors are occurred financial distress because of company have low profits during pandemic. According to Almilia (2003), a company will occure financial distress if it earns a negative net profit for two years. If this condition do not have prevention strategy, it will lead to bankruptcy. Therefor, companies should prepare strategies to increase their profits, so that company operations can return to normal and investor will invest again. Financial distress itself can be used as an "early warning" for company's system as a sign of a problem. Therefore, companies that occurred financial distress early can have a lot of time to make improvement (Rodoni & Herni, 2014:189)

REFERENCES

Adriana, A. N. (2012). Analisis Prediksi Kebangkrutan Menggunakan Metode Springate Pada Perusahaan Foods and Beverages yang Terdaftar di Bursa Efek Indonesia Periode 2006-2010. . . *E-Jurnal Repository Akuntansi Universitas Riau*, *4*(1), 5–20.

Aifuwa, H. O., Musa, S., & Aifuwa, S. A. (2020). Coronavirus Pandemic Outbreak And Firms Performance. *Management and Human Resource Research Journal*, *9*(4), 15–25.

Almilia, L. . (2003). Analisis Rasio

Keuangan untuk Memprediksi Kondisi Financial Distress Perusahaan Manufaktur yang Terdaftar di Bursa Efek Jakarta. *Jurnal Akuntansi Dan Auditing Indonesia*, *7*(2), 183–210.

Altman, E. I. (1984). A Further Empirical Investigation of the Bankruptcy Cost Question. *The Journal of Finance*, *XXXIX*(4), 1067–1089.

Andrade, G., & Kaplan, S. N. (1998). How Costly is Financial (Not Economic) Distress ? Evidence from Highly Leveraged Transactions that Became Distressed. *The Journal of Finance*, *LIII*(5), 1443–1493.

Armadani, Fisabil, A. I., & Salsabila, D. T. (2021). Analisis Rasio Kebangkrutan Perusahaan pada Masa Pandemi Covid-19 Armadani 1 Abid Ilmun Fisabil 2 Dexta Tiara Salsabila 3. *Jurnal Akuntansi*, *13*(1), 99–108. http://journal.maranatha.edu

Brigham, E. F., & Houston, J. . (2006). *Dasar-Dasar Manajemen Keuangan Buku 1*. Salemba Empat.

Curry, K., & Banjarnahor, E. (2018). Financial Distress Pada Perusahaan Sektor Properti Go. *Seminar Nasional Pakar Ke 1 Tahun 2018*, 207–221.

Devi, S., Warasniasih, N. M. S., Masdiantini, P. R., & Musmini, L. S. (2021). The Impact of COVID-19 Pandemic on the Financial Performance of Firms on the Indonesia Stock Exchange. *Journal Of Economics Business And Accountancy Ventura*, *23*(2), 226–242. https://doi.org/10.14414/jebav.v23i2.2313

Fauzia, M. (2020). *Dampak Covid-19, BPS: 8 dari 10 Perusahaan Alami Penurunan Pendapatan*. www.money.kompas.com.

Gitman, L. J., & Zutter, C. J. (2013). *Principles of Managerial Finance* (14th ed.). Essex Pearson Education Limited.

Gunawan, A. W., Assagaf, A., Sayidah, N., & Mulyaningtyas, A. (2020). Financial Distress Di Bumn Indonesia Dan Faktor-Faktor Yang Mempengaruhi Investasi, Leverage Dan Cash Flow Operation Terhadap Financial Distress Pada Perusahaan Bumn. *EKUITAS (Jurnal Ekonomi Dan Keuangan)*, *3*(2), 226–243. https://doi.org/10.24034/j25485024.y2019.v3.i2.4135

Hanifah, O. E., & Purwanto, A. (2013). Pengaruh Struktur Corporate Governance Dan Financial Indicators Terhadap Kondisi Financial Distress. *Diponegoro Journal Of Accounting*, *2*(2), 1–15.

Harahap, L. R., Anggraini, R., & Effendy, E. R. Y. (2021). Analisis Rasio Keuangan Terhadap Kinerja Perusahaan PT. Eastparc Hotel, tbk (Masa Awal Pandemi Covid-19). *Competitive Jurnal Akuntansi Dan Keuangan*, *5*(1), 57–63.

John, S. (2020). *This Is The Human Impact*

Of Covid-19 – And How Business Can Help. https://www.weforum.org/agenda/2020/03/this-is-the-human-impact-of-covid-19-andhow-business-can-help/

Lestari, R. (2020). *Pembengkakan Utang Akibat Covid-19 Bisa Lebih Buruk Dari Maasa Resesi Hebat*. www.ekonomi.bisnis.com.

Loman, R. K., & Malelak, M. I. (2015). Determinan terhadap prediksi. *Journal of Research in Economics and Management*, *15*(2), 371–381.

Munawir, S. (2012). *Analisis Informasi Keuangan*. Liberty.

Nasser, E. M., & Aryati, T. (2000). Model Analisis Camel Untuk Memprediksi Financial Distress Pada Sektor Perbankan Yang Go Public. *Jurnal Akuntansi Dan Auditing Indonesia*, *4*(2), 111–130.

News, D. (2020). *Kapan Sebenarnya Corona Pertama Kali Masuk RI?* www.news.detik.com.

Nnamani, N., J., Onyekwelu, U. L., & Ugwu, O. K. (2017). Effect Of Sustainability Accounting On The Financial Performance Of Firms In The Nigerian Brewery Sector. *European Journal of Business and Innovation Research*, *5*(1), 1–15.

Nurhidayah, & Rizqiyah, F. (2017). Kinerja Keuangan Dalam Memprediksi Financial Distress. *Jurnal JIBEKA*, *11*(1), 42–48.

Platt, H. D., & Platt, M. B. (2002). Predicting Corporate Financial Distress : Reflections on Choice-Based Sample Bias. *Journal of Economics And Finance*, *26*(2), 184–199.

Pradesyah, R., & Putri, S. (2021). Trend Of Sharia Banking Financial Performance In The Pandemic Time Covid19. *Proceeding International Seminar on Islamic Studies*, *2*(1), 36–46.

Rababah, A., Al-Haddad, L., & Sial, M. S. (2020). Analyzing the effects of COVID-19 pandemic on the financial performance. *Journal Public Affairs*, *10*. https://doi.org/ 10.1002/pa.2440

Rodoni, A., & Herni. (2014). *Manajemen Keuangan Modern*. Mitra Wacana Media.

Rosdiana. (2021). Dampak Pandemi Covid-19 terhadap Kinerja Perusahaan Property dan Real Estate yang terdaftar di BEI. *Jurnal IKRA-ITH Ekonomika*, *4*(2), 133–141.

Shen, H., Fu, M., Pan, H., Yu, Z., & Chen, Y. (2020). The Impact of the COVID-19 Pandemic on Firm Performance The Impact of the COVID-19 Pandemic on Firm. *Emerging Markets Finance and Trade*, *56*(10), 2213–2230. https://doi.org/10.1080/1540496X.2020.1785863

Sugiono, A., Untung, E., & Pramono, A. (2016). *Panduan Praktis: Dasar Analisa Laporan Keuangan*. Grasindo.

Wahyuningtias, M., & Muharam, H. (2012). *Analisis Pengaruh Struktur*

Kepemilikan, Ukuran Dewan, Komisaris Independen, Likuiditas dan Leverage terhadap Terjadinya Kondisi Financial Distress (Studi Pada Perusahaan manufaktur Yang Terdaftar di Bursa Efek Indonesia Periode tahun 2008-2010). http://eprints.undip.ac.id/35907

Wales-ICAEW, T. I. of C. A. of E. and. (2020). *Uk Practical Business Advice: Covid-19*. https://www.icaew.com/coronavirus/uk-practical-business-advice-covid-19

Whitaker, B. R. (1999). *The Early Stages of Financial Distress*. *23*(2), 123–133.

Widhiari, N. L. M. A., & Merkusiwati, N. K. L. A. (2015). Pengaruh Rasio Likuiditas, Leverage, Operating Capacity, dan Sales Growth Terhadap Financial Distress. *E-Jurnal Akuntansi Universitas Udayana*, *11*(2), 456–469.

Wruck, H. K. (1990). Financial Distress, Reorganization, and Organizational Efficiency. *Journal of Financial Economics*, *27*(2), 419–444.

Yap, B. C. F. (2012). Evaluating Company Failure in Malaysia Using Financial Ratios and Logistic Regression. *Asian Journal of Finance and Accounting*, *4*(1), 330–344.