JIUBJ

Jurnal Ilmiah Universitas Batanghari Jambi, 22(1), Februari 2022, 642-647
Lembaga Penelitian dan Pengabdian kepada Masyarakat universitas Batanghari Jambi
ISSN 1411-8939 (Online), ISSN 2549-4236 (Print)
DOI 10.33087/jiubj.v22i1.1816

The Effect of Profitability and Liquidity on Financial Distress in The Sub Sector Property Listed on The Exchange Stok Indonesia (IDX) in 2018

Bill Schara Marbun, Harman Malau
Faculty of Economy, Universitas Advent Indonesia
Correspondence email: billmarbun@gmail.com

Abstract. *The goal of this research is to learn more about profitability, liquidity, and financial distress, as well as how they affect profitability and liquidity in the face of financial distress. For the 2018 period, this study was conducted in sub-sector property companies listed on the Indonesian stock exchange, and the sample selection process used purposive sampling to get a total of 50 samples. This study mixes a descriptive approach with a quantitative approach. A ratio scale is used to measure the dependent and independent variables. A ratio scale is used to measure the dependent and independent variables. Logistic regression is a statistical data analysis method that uses descriptive statistics, classification results, Hosmer Test and Lemeshow's Goodness of Fit, Nagelkerke R Test, Parameter Significance Test Individual, and Simultaneous significance test. Profitability has a significant influence on financial distress of 0.018, liquidity has a significant effect on financial distress of 0.005, and there is also a significant effect on profitability and liquidity on financial distress with a significance value of 0.000, according to the study's findings.*

Keywords: *Profitability; Liquidity and Financial Distress*

INTRODUCTION

In the current era where small and large companies are experiencing financial difficulties. Where the fluctuating performance of companies in Indonesia, exclusively in the property sector, results in continued pressure. Bankruptcy in the company can lead to termination of employment rights for employees and can also have an impact on investors who want to invest in the company. Investors who observe the company's sales will feel disappointed because their desires are not fulfilled and must look for other alternative ways. So that with many parties being harmed, it will have an impact on the declining gross domestic product. Where the decline in gross domestic product in a country will have an impact on the country's economic instability. The inability to deal with risks to the global economy can result in reduced business activities at the company. So the company must pay attention to financial performance in order to achieve achievement in a certain period, it can exemplify the level of company health. It is important for companies to see signs of bankruptcy if they do not want to jeopardize their existence. The description of the company's financial condition in a certain period can be measured by liquidity and profitability. If the company shows negative numbers on the statement of net income, operating profit and book value of its equity in the company, it can be said that its financial condition is not healthy. This happened to PT. Bakrieland Development had time was sued for bankruptcy by the London branch of The Bank Of New York Mellon, because bondholders demand accelerated maturity payments (Ayuningtyas, 2019). In 2018 PT. Bakrieland Development has problems with paying off obligations to PT Geo Link Indonesia (GLI) for a loan of Rp. 313.5 billion that has expired. PT. Bakrieland stumbled upon an increasing operating burden swelling, ranging from operating expenses, foreign exchange expenses, to financial burdens.

According to Cohen, et al (2019) PT. Bakrieland Development has a net profit margin of -50.72%, operating profit margin -6.21%, return on equity -6.25% and return on assets -3.85%. PT. Bakrieland Development During the year 2015, 2016 and 2017 recorded a loss of Rp. - 726,271 billion, Rp. - 548.1 billion and Rp.-268.205 billion. Meanwhile, in the last 3 quarters, PT. Bakrieland is still experiencing losses and has not been able to get up. Total debt of PT. Bakrieland Development had touched Rp. 8.02 trillion at the end of 2015. Meanwhile, other short-term debts that must be repaid immediately the company is owed to PT. Bank Mayapada International Tbk. of Rp.671.48 billion, PT. Bank Bukopin Tbk. worth Rp. 9.59 billion, and PT. Bank Rakyat Indonesia Tbk. worth US$ 1.07 million. PT. Bakrieland has current a ratio of 1.88 and a quick ratio of 1.19 as a result the acquisition is below the average ratio of property sub-sector companies is 2. The above case proves that the occurrence of financial distress in property sub-sector companies is caused by the company's inability to profitability. Same error during the last few years, resulting in property sub-sector companies in Indonesia is experiencing problems in the ability to earn profits. In addition, the company's financial distress is not only seen from profitability but also from liquidity. The company's inability to meet its short-term obligations will have an impact on company liquidity. Therefore, the company should not continue experienced an increase in debt. If this problem persists and If you don't find the right solution, it can lead to bankruptcy. Problems faced by the company if allowed to drag on can lead to bankruptcy.

Literature Review

Profitability

According to Hery (2017), profitability is a company's ability to generate profit (profit) over a set period of time. Operating profit, net profit, rate of return on assets, and rate of return on owner's equity are the four indicators that make up the profitability measure. Profitability is one of the foundations for analyzing the health of a firm, hence an analytical tool is required to measure it. Financial ratios are the analytical instrument in question. Based on the profits obtained from the sale of investments, the profitability ratio can be used to assess managerial effectiveness. Furthermore, profitability has a significant impact on a firm's long-term survival and worth since profitability indicates whether or not the organization has good future prospects. As a result, every firm will want to grow its profitability because the higher a company's profitability, the more likely the company will survive. Financial ratios are used to determine profitability. The ratios are Gross Profit Margin = Gross Profit/Net Sales; Net Profit Margin = Profit After Tax/Net Sales; Earning Power Of Total Investment = Profit Before Interest and Tax/Total Assets; Return On Equity = Net Profit After Tax / Own Capital; Operating Income = Net Sales-Cost of Sales-General Sales/Net Sales;Operating Ratio = Cost of Goods Sold + Costs, Sales, General/Net Sales; Return On Assets = Net Profit After Tax/Total Assets.

Liquidity

One of the most critical financial things to consider is liquidity. This is because liquidity is one of the tools that may be used to assess a company's success, since it can be determined by the company's capacity to satisfy its present obligations. Companies with a high level of liquidity are more likely to receive various forms of assistance from a variety of sources, including financial institutions, creditors, and suppliers. One of the goals of liquidity is to assess the ability to meet immediate or short-term financial obligations. Prihadi claims that (2019), the liquidity ratio can be determined by the type of ratio, namely Current Ratio = Current Assets/Current Liabilities. Quick Ratio = Cash and Cash Equivalent + Marketable Securities + Account Receivables/Current Liabilities/. Cash Ratio = Cash and Cash Equivalent + Marketable Securities/Current Liabilities.

Financial Distress

Monetary pain is a phase in a company's monetary express that happens before the organization goes into chapter 11. On the off chance that the organization keeps on losing cash, it is conceivable that it will not be able to meet its monetary responsibilities when they become due, which could bring about corporate insolvency. As indicated by Hery (2017), there are two kinds of outer and inside factors that create monetary misery. Inward causes rise out of inside the association, like unnecessary credit, insufficient human asset capabilities, a deficiency of working capital, and abuse of power and misrepresentation.. Outer factors are those that happen outside of the firm, like wild business contest, diminished interest for items or administrations, progressing value drops, and mishaps that happen and affect the organization's activities.

Profitability, Liquidity and Financial Distress

Profitability and liquidity are critical indicators of financial crisis in businesses. The ability of a corporation to create net income at a specific level of sales, assets, and share capital can be quantified using a profitability ratio. The likelihood of the company encountering financial difficulties in the future will be reduced due to the availability of these finances. Furthermore, the liquidity ratio can be utilized to cover a company's current liabilities by leveraging current assets. Companies with insufficient cash may face financial difficulties.

RESEARCH METHOD

Secondary data research is the sort of data employed in this study. Secondary data is information that has been processed, stored, and presented in a certain format or form by a third party for a specific purpose. The financial statements published on the IDX are the study's secondary data. The study's data was gathered by non-participant observation and recordkeeping. Researchers can make observations as data collection without being involved in the observed phenomena using the non-participant observation approach (Sugiyono, 2018). The population is a generalization area made up of subjects/objects with specific attributes and characteristics that researchers have chosen to study and make conclusions from (Sugiyono, 2018). The property and component sub-sector companies registered on the Indonesia Stock Exchange in 2018 make up the study's population. The sample is a representation of the population's size and features (Sugiyono, 2018). Purposive sampling was performed, which is a sampling approach that takes into account specific factors (Hermawan, 2019). The number of samples used in this study were 50 property businesses and components listed on the IDX, based on purposive sampling criteria. Logistic regression analysis was utilized to analyze the data in this study. This analysis is a regression equation that includes a dependent variable with the numbers 0 and 1, as well as multiple independent variables. The results will be in the form of probability. The regression analysis equation model of this study is as follows:

Logit FINC _DIS = Q0 + Q1*ROA* + Q2*CR* + s.

Descrition: FINC_DIS = The dummy variable for the possibility of financial distress, namely: the value of 1 (one) for financial distress companies and 0 (zero) for

non-financial distress company; $\beta 0$ = Constant; β_{1-2} = Coefficient; *ROA = Return on Asset (ROA)*; *CR = Current Ratio (CR);* s = *error*

Profitability

Profitability according to Hery (2017) is the ability of a company to get profit (profit) within a certain period. Measurement of profitability in this study is calculated using Return on Assets (ROA) which is measured by dividing net income by total assets, in the following way: Return on Assets = Net Profit/Total Assets.

Liquidity

Liquidity is one of the most important financial aspects for analyzed. Measurement of liquidity in this study is calculated using the current ratio which is measured in the following way: Current Ratio = Current Assets/Current Liabilities.

Financial Distress

Financial distress is the stage of declining financial conditions that occur before the occurrence of bankruptcy in a company. The measurement of financial distress in this study is calculated using the Altman Z-score which is measured by finding the results of WCTA (working capital to total assets) multiplied by 6.56. Second, look for the value of RETA (retained earnings to total assets) multiplied by 3.26. Then look for the MVEBVL (market value of equity to book value of liability) multiplied by 1.05 as the result of EBITTA (earnings before interest and taxes to total assets) multiplied by 6.72. Fourth, look for adding all of these ratios in the following way: Z"-Score = 6.56X1 + 3.26X2 + 6.72X3 + 1.05X4.

RESULTS AND DISCUSSION

In this study used property companies that have gone public and whose shares are traded on the IDX in 2018. The number of companies registered in 2018 were 55 companies and the number of samples used in this study was 50 companies. In this study, the profitability calculated by

$$Return\ on\ Asset = \frac{\text{Net } Profit}{\text{Total Asset}} = \frac{29{,}583{,}829{,}904}{193{,}730{,}292} = 0.0065$$

From a sample of 50 companies based on the criteria that if ROA 5.43%, then the company can be said to be healthy. On the other hand, if ROA 5.43%, it can be said that the company is not healthy. The table below shows the level of profitability measured using return on assets in property sub-sector companies in 2018 which is presented in Rupiah. There are 29 companies out of 50 companies have an ROA < 5.43%. Meanwhile, there are 11 companies that have ROA > 5.43%, namely, Bekasi Fajar Industrial Estate Tbk, Natura City Developments Tbk, Ciputra Development Tbk, Duta Pertiwi Tbk, Bakrieland Development Tbk, Jaya Real Property Tbk, Lippo Cikarang Tbk, Metropolitan Kentjana Tbk, Metropolitan Land Tbk, Pakuwon Jati Tbk, Roda Vivatex Tbk.

Table 1. Profitability Descriptive Statistics Results

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	50	-.0601	.2237	.037984	.0608434
Valid N (listwise)	50				

Source: Writer, processed with SPSS

Based on table 1, it states that the lowest ROA is -0.0601 which is owned by Cowell Development Tbk, this is due to the negative net profit of the company in 2018 so that the company's profit has a smaller value compared to total assets. From this value, net income has a value that is smaller than the total assets owned by the company so that profitability is low. Furthermore, it can be said that Cowell Development Tbk in 2018 was not healthy because it had an ROA < 5.43%, which could indicate that the activities of the company caused the company to be unhealthy. While the highest ROA is 0.2237 which is owned by Ciputra Development Tbk (CTRA) this is because the company is able to obtain a large net profit even though it is not greater than total assets. Thus the company achieves ROA > 5.43%, stating that the company's activities in generating profits are healthy. If referring to the ROA criteria, the results show that the average property sub-sector company in 2018 has a profitability of 0.037984 which means that on average the property sub-sector company is unhealthy because it is below the ROA standard of 5.43%, this is a the picture that the property sub-sector companies are not able to generate good profitability. The profitability variable has a standard deviation value (std. deviation) of .0608434 which is higher than the mean value of .037984. This means that the reflection of the data distribution is more varied and causes bias.

In this study used property companies that have gone public and whose shares are traded on the IDX in 2018. The number of companies registered in 2018 were 55 companies and the number of samples used in this study was 50 companies. In this study, liquidity is calculated in the following way:

$$Current\ Ratio = \frac{Current\ Asset}{Current\ Liabilities} = \frac{8{,}275{,}422{,}732}{7{,}838{,}705{,}276} = 1{,}0557$$

From a sample of 50 companies, based on the criteria, in general, this ratio can be said to be good if it reaches 200% or 2. Conversely, if the current ratio has a value of 200% or 2, it is said to be bad because it cannot fulfill its obligations. If current assets are smaller than current liabilities, the value of liquidity will be smaller. On the other hand, if the value The table below shows the level of liquidity measured using current assets. In

the property sub-sector companies in 2018 which are presented in Rupiah.

It is stated that 20 companies out of 50 companies that have a current ratio < 2, namely, Agung Podomoro Land Tbk, Bhuwanatala Indah Permai Tbk, Bukit Darmo Property Tbk, Sentul City Tbk, Cowell Development Tbk, Duta Anggada Realty Tbk, Intiland Development Tbk, Bakrieland Development Tbk, Jaya Real Property Tbk, Metropolitan Kentjana Tbk, Mega Manunggal Property Tbk, Propertindo Mulia Investama Tbk, Hanson International Tbk, Indonesia Prima Property Tbk, Plaza Indonesia Realty Tbk, Pollux Properti Indonesia Tbk, PP Properti Tbk, Dadanayasa Arthatama Tbk, Summarecon Agung Tbk, Sitara Propertindo Tbk. Meanwhile, 30 other companies have a current ratio > 2.

Table 2. Statistik Deksriptif Liquidity

	N	Minimum	Maximum	Mean	Std. Deviation
Current Ratio	50	.3310	10.7343	3.015576E0	2.3145357
Valid N (listwise)	50				

Source: Writer, diolah dengan SPSS

Based on table 2, it is stated that the lowest current ratio is 0.3310 which is owned by Bukit Darmo Property Tbk. This is because the current assets are smaller than the current liabilities of the company. From this value the resulting current ratio is low. Furthermore, it can be said that Bukit Darmo Property Tbk in 2018 was not good because it had a current ratio of < 2, which could indicate that the activities of the company caused the company to become bad because it was unable to fulfill its obligations. While the highest current ratio is 10.7343 which is owned by Forza Land Indonesia Tbk. This is because the company has a very large inventory. So that the company is able to obtain current assets that are greater than current liabilities. Thus the company achieves a current ratio of > 2, stating that the company is good at fulfilling its obligations. If referring to the current ratio criteria, the results show that the average property sub-sector company in 2018 has liquidity above 2, which means that on average the property sub-sector companies are good, this is an illustration that the ability of the property sub-sector companies is able to to meet its short-term obligations. The liquidity variable has a standard deviation (std. deviation) of 2.3145357 which is lower than the mean value of 3.015576E0. This means that it indicates a reflection of the normal and varied distribution of the data.

The estimation of monetary misery in this review is determined utilizing the Altman Z-score which is estimated by discovering the aftereffects of WCTA (working money to add up to resources) duplicated by 6.56. Second, search for the worth of RETA (held profit to add up to resources) duplicated by 3.26. Then, at that point, search for the aftereffects of EBITTA (income before interest and expenses to add up to resources) duplicated by 6.72. Fourth, discover the worth of MVEBVL (market worth of value to book worth of risk) duplicated by 1.05.Finally, add up all these ratios in the following way:

Z"-Score = 6.56X1 + 3.26X2 + 6.72X3 + 1.05X4
= 6,56(8,275,422,732/7,838,705,276) + 3,26(5,814,015,575/29,583,829,904) +
6,72 (1,104,799,324/29,583,829,904) + 1,05(2,943,413,378,400/17,376,425,000) =
0,0968 + 06407 + 0,2591 + 0,1779

In general, this ratio can be said to be in financial difficulty if it reaches Z < 1.81. Furthermore, if the Altman Z-score has a value of 1.81 3.00, it is said to be a gray area. Meanwhile, if the Altman Z-score has a value of 3.00, the company is said to be healthy. Then financial distress is interpreted as financial difficulty or healthy before being processed by SPSS using logistic regression analysis. This ratio can be said to not occur if it reaches 1.81. Conversely, if the Altman Z-score has a value of 1.81, it is said to occur. Based on attachments X1, X2, X3, X4 financial distress, the table below shows the level of financial distress as measured using the Altman Z-score for property sub-sector companies in 2018 which is presented in Rupiah.

Researchers found that when referring to the interpretation of the Altman Z-score value, the results show that there are 11 out of 50 companies in the property sub-sector, namely Agung Podomoro Land Tbk, Bhuwanatala Indah Permai Tbk, Bukit Darmo Property Tbk, Cowell Development Tbk, Duta Anggada Realty Tbk, Intiland Development Tbk, Mega Manunggal Property Tbk, Propertindo Mulia Investama Tbk, Pollux Properti Indonesia Tbk, Dadanayasa Arthatama Tbk and Sitara Propertindo Tbk which have a financial distress value of less than 1.81. Furthermore, based on the results of the Altman Z-score, the results show that there are 9 companies in the property sub-sector, namely Armidian Karyatama Tbk, Sentul City Tbk, Bakrieland Development Tbk, Modernland Realty Tbk, Hanson International Tbk, Indonesia Prima Property Tbk, Rista Bintang Mahkota Sejati Tbk, Suryamas Dutamakmur Tbk and Summarecon Agung Tbk which have a financial distress value of 1.81≥3.00. As for the other 30 companies, namely Bekasi Asri Pemula Tbk, Bekasi Fajar Industrial Estate Tbk, Binakarya Jaya Abadi Tbk, Bumi Serpong Damai Tbk, Natura City Developments Tbk, Ciputra Development Tbk, Duta Pertiwi Tbk, Megapolitan Development Tbk, Fortune Mate Indonesia Tbk, Forza Land Indonesia Tbk, Gading Development Tbk, Perdana Gapura Prima Tbk, Greenwood Sejahtera Tbk, Jaya Real Property Tbk, Jababeka Industrial Estate Tbk, Eureka Prima Jakarta Tbk, Lippo Cikarang Tbk, Lippo Karawaci Tbk, Metropolitan Kentjana Tbk, Metropolitan Land Tbk, City Retail Developments Tbk, Plaza Indonesia Realty Tbk, PP Properti Tbk, Pudjiadi Prestige Tbk, Pakuwon Jati Tbk, Roda Vivatex Tbk, Jaya Sukses Makmur

Sentosa Tbk, Pikko Land Development Tbk, Kota Satu Properti Tbk and Urban Jakarta Propertindo Tbk have financial distress values greater than 3.

Table 3. Financial Distress Descriptive Statistics Results

	N	Minimum	Maximum	Mean	Std. Deviation
Financial Distress	50	-.94	7.70	3.6364	2.14454
Valid N (listwise)	50				

Source: Writer, procces by SPSS

Based on Table 3 in the property sub-sector in 2018, the lowest Altman Z-score was -0.94 which was owned by Bukit Darmo Property Tbk. This is because working capital, retained earnings and EBIT are negative, so X1, X2 and X3 on Altman Z-score are negative. With the result that the company is in a state of financial difficulty, it shows that the company is heading for bankruptcy. Meanwhile, the highest Altman Z-score is 7.70 which is owned by Lippo Cikarang Tbk in 2018. This is because the working capital, retained earnings, earning before interest tax are greater than total assets and also the market value of equity is greater than the book. value of debt. Which means that the company's X1, X2, X3 and X4 are good. With the result of Altman Z-score greater than 3 indicating that the Company is in sound financial condition and has no potential to experience financial difficulties and bankruptcy. If referring to the Altman Z-score standard, the results show that the average percentage of property sub-sector companies in 2018 has healthy financial distress. This means that by sub-sector, the company has good X1, X2, X3 and X4 and has no potential for bankruptcy. The financial distress variable has a standard deviation value (std. Deviation) of 2.14454 which is lower than the mean value of 3.6364. This means that the reflection of the data distribution is more varied and causes bias.

In this study, to find out whether there is a relationship between profitability and liquidity on financial distress, statistical testing must be carried out. To find out more clearly, the authors conducted an effect analysis using statistical analysis, namely classification result, Nagelkerke r square test, Hosmer and Lemeshow's goodness of fit test, logistic regression analysis, individual parameter significance test and simultaneous significance test. Based on the classification result test, it is stated that the number of samples experiencing financial difficulties is 11 companies, from 11 companies there are 10 companies that are really experiencing financial difficulties and 1 company is not really experiencing financial difficulties. While the number of healthy samples was 39 companies, from 39 healthy companies only 37 companies were really healthy and 2 others declared financial difficulties.

Table 4. Result of *Hosmer and Lemeshow's Goodness of Fit Hosmer and Lemeshow Test*

Step	Chi-square	Df	Sig.
1	5.185	8	.738

Source: Writer, Process by SPSS

From the aftereffects of table 4 it is expressed that the Chi Square is 5,185 with a sig esteem. of 0.738. From these outcomes it very well may be seen that the worth of sig. more prominent than 0.05 so the relapse model is possible to be utilized in the following investigation. In this way one might say that the model can foresee the worth of its perceptions.

Table 5. Result of *Nagelkerke R Square*

Model Summary			
Step	-2 Log likelihood	Cox & Snell RSquare	Nagelkerke R Square
1	18.299[a]	.497	.763

Source: Writer, Process by SPSS

In light of the consequences of the coefficient of assurance over, the Nagelkerke R Square worth got is 0.763 which shows that monetary trouble happens in property organizations recorded on the IDX which can be clarified by liquidity and productivity factors of 76.3% and the excess 23.7% is impacted by different factors. which were not researched in this review.

Table 6. Logistics Regression Analysis Results

		B	*S.E.*
Step 1[a]	Profitability	35.436	22.663
	Liquidity	3.145	1.309
	Constant	-4.486	1.919

Source: Writer, Process by SPSS

From the results of the analysis, it can be seen that the regression equation formed. The logistic regression equation is as follows: Logit (FD/1-FD) t+1 = -4.486 + 35,436 ROA + 3.145 CR + . The constant of -4.486 indicates that if the independent variables of profitability and liquidity do not change, it is assumed that there is no change (constant) in financial distress. The constant in this regression equation is negative, so the probability is considered = 0. The coefficient of profitability variable is 35,436 (positive value) means that every change in profitability is 1 unit, the chance of a company experiencing financial distress decreases by 35.436%. by 1 unit, the chance of a company experiencing financial distress decreases by 3.072%.

Table 7. Test the Significance of the Parameters of Individual Profitability Variables in the Equation

	B	S.E.	Wald	Df	Sig.	Exp(B)	95.0% C.I.for EXP(B)	
							Lower	Upper
Profitability	33.393	14.116	5.596	1	.018	3.180E14	306.853	3.295E26
Constan	.683	.397	2.958	1	.085	1.979		

Source : Writer, Process by SPSS

From table 7, profitability has a significant effect on financial distress. It has a beta value of 33,393 with a significance of .018. The significance shown is smaller than 0.05 and the positive beta value indicates that the profitability variable assessed using return on assets has a significant effect on financial distress.

Table 8. Test the Significance of Individual Parameter Liquidity Variables in the Equation

	B	S.E.	Wald	Df	Sig.	Exp(B)	95.0% C.I.for EXP(B)	
							Lower	Upper
Liquidity	3.291	1.185	7.719	1	.005	26.879		
Constan	-3.824	1.506	6.447	1	.011	022	2.637	274.034

Source : Writer, Process by SPSS

Table 8 shows the aftereffects of the singular boundary importance test, liquidity significantly affects monetary misery. It has a beta worth of 3.291 with a meaning of 0.005. The importance shown is more modest than 0.05 and the positive beta worth demonstrates that the liquidity variable surveyed utilizing the current proportion significantly affects monetary trouble.

Table 9. Simultaneous Significance Test

		Chi-square	Df	Sig.
Step 1	Step	34.392	2	.000
	Block	34.392	2	.000
	Model	34.392	2	.000

Source : Writer, Process by SPSS

In light of table 9, it very well may be seen that the importance level is 0.000. The importance shown is more modest than 0.05 so it tends to be inferred that the productivity and liquidity factors significantly affect monetary misery.

CONCLUSIONS

This review expects to see the impact of benefit and liquidity on monetary pain in property sub-area organizations and parts recorded on the Indonesia Stock Exchange (IDX) in 2018, in particular dependent on an appraisal that is surveyed from the normal profit from resource pointer of organizations in the property sub-area isn't solid. This is on the grounds that the organization's capacity to produce overall gain isn't acceptable, as in property organizations can't create great benefit. Estimated utilizing the current proportion, the property sub-area has a decent current proportion, this is a representation of the capacity of the property sub-area organizations to have the option to meet their momentary commitments. The current resources of the property sub-area organizations can meet transient obligation. in light of the coefficient of assurance test it was tracked down that the liquidity and benefit factors of 72.4% can clarify monetary pain in the property sub-area organization and the leftover 27.6% is impacted by different factors not inspected in this review. In the synchronous importance test, it is presumed that productivity and liquidity significantly affect monetary trouble. The ideas that can be given are that on normal the property sub-area is viewed as unfortunate as far as productivity. So the creators recommend that organizations keep on focusing on their net gain by expanding deals execution and decreasing the expense of merchandise sold, on the grounds that productivity affects monetary pain. On normal the property sub-area has been evaluated as great in liquidity, however there are still a few organizations that are bad in liquidity. So the creators propose for organizations that are bad to focus on the liquidity they have, by expanding. Overall, the property sub-area is viewed as solid in monetary pain, however there are still a few organizations that are not beneficial in monetary trouble. So the creators propose for organizations that are not beneficial to focus on their monetary pain, by expanding their functioning capital, held profit, acquiring before revenue and charges and market worth of value. The analyst proposes utilizing other monetary proportion markers separated from the benefit and liquidity proportions that have been examined in this review. Analysts likewise recommend creating standards for deciding monetary pain tests. The scientist proposes that future analysts utilize other sub-areas and furthermore unexpected years in comparison to the examination that has been talked about.

REFERENCES

Ayuningtyas, D. 2019. Retrieved Februari Selasa, 2020, from CNBC Indonesia: https://www.cnbcindonesia.com/market/20190626142536-17-80797/gali-lubang-tutup-lubang-siasat-bakrieland-terhindar-pailit

Hery. 2017. *Analisis Laporan Keuangan: Integrated and Comprehensive Edition.* jakarta: Grasindo.

Prihadi, T. 2009. *Investigasi Laporan Keuangan dan analisis Rasio Keuangan.* Jakarta: Pengembangan Eksekutif.

Sugiyono. 2018. *Metode Penelitian Kuantitatif, kualitatif dan R&D.* Bandung: Alfabeta.