

## **ABSTRACT**

### **THE INFLUENCE OF LEVERAGE, PROFITABILITY AND OPERATING CAPACITY ON FINANCIAL DISTRESS (Survey at the Manufacturing Company Listed in the Indonesia Stock Exchange Periode 2014-2018)**

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**Guidance**

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*The purpose of this study are to examine: 1) Leverage, Profitability, Operating Capacity and Financial Distress at Manufacturing company listed in Indonesia Stock Exchange period 2014 to 2018; 2) Partially and simultaneously correlation among influence of Leverage, Profitability, Operating Capacity on Financial Distress at Manufacturing company listed in Indonesia Stock Exchange period 2014 to 2018, motivation of this research is to fill the gap from the previous study in which there are inconsistencies of the result. Data collection implemented by secondary data that obtained from the literature, as well as other data obtained through annual published financial statements. The samples used as many 28 companies with total 140 observations selected by using purposive sampling method. The analysis technique uses Panel Data Regression by using software Eviews 11. The result of this analysis study showed that: 1) Leverage tend experienced to increased, Profitability experienced fluctuation, Operating Capacity tend experienced to decreased, and Financial distress experienced fluctuation. 2) Partially corelation among influence of Leverage on Financial Distress has negatif influence significant. Partially correlation among influence of Profitability on Financial Distress has positive influence significant. Partially correlation among influence of Operating Capacity on Financial Distress has positive influence significant. Meanwhile, simultaneously correlation among influence of Leverage, Profitability, and Operating Capacity on Financial Distress has significant influence.*

**Keywords : Leverage; Profitability; Operating Capacity; Financial Distress;**