ABSTRACT


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Key words : Financial Distress, Capital Structure, Stocks Price, Path analysis.

All of investors value that financial distress conditions and the proportion of financial capital structure have effect to become fluctuation of stocks price. So, the aim of this research is to know the effects of financial distress to the stocks price as direct or indirect through financial capital structure.

This research uses descriptive quantitative approach by using sector of service that list in BEI year 2009 – 2013 as the object. The method to taking sampling that used is purposive sampling. There are 23 companies that have categories as sample. The method that used to predict financial distress is z-score Altman method. whereas, to analyst the hypothesis was used path analysis through SPSS TEST by consideration of test classic assumption.

Based on the result the research show that financial distress give negative impact to the stocks price. Financial distress caused by capital loss so decrease work of money that effect to the decrease stocks price. It is became cause of using financial structure proportion doesn’t cause business risk that will emerge financial Distress until it doesn’t moving stocks price. From Altman z-score prediction show from 23 companies any 10 of it (APOL, BIPP BLTA, BTEL, FMII, HITS, IATA, LIMAS, RIMO, and TKGA) include on financial distress category. Whereas, 5 companies (BHIT, BKDP BMSR, OKAS, and ZBRA) include on gray area. While, 8 companies (ASIA, BNBR, CENT, ELTY, LCGP, META, TRIL, and TRUB) include in save condition.