Paper 43 – Business and Governance

ANALYSIS OF FINANCIAL PERFORMANCE AND EARLY DETECTION OF COMPANY LIQUIDITY LEVEL IN MANUFACTURE COMPANY WHICH IS REGISTERED IN LQ 45 IN THE PERIOD OF 2011 2015

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ABSTRACT

Altman model (Z score) is one of the models which apply discriminant analysis that is useful to predict the company liquidity with the valid level of accuracy. The liquidity analysis was done with the consideration of public company liquidity which would damage many parties. Therefore, it is necessary to create a discriminant analysis model that will be examined in the manufacture company which is registered in LQ 45. This research is a descriptive and quantitative research that is conducted in the form of *Cross-Sectional* and *time-series.* Purposive sampling was applied in this research. In modeling the discriminant analysis, the writer applied 5 financial ratios.

Keywords: Liquidity, Altman Model Z-Score, Discriminant Analysis