ABSTRACT

ANALYSIS OF ALTMAN, GROVER, SPRINGATE MODEL ACCURACY IN PREDICTING BANKRUPTCY ON TEXTILE AND GARMENT COMPANY LISTING ON BEI

By

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The objective of this research was aimed to know the accuracy of Altman, Grover and Springate model in predicting bankruptcy of company for one year until three years prior to bankruptcy. Auditor's opinion about the company's financial report was the indicator for company bankruptcy in this research and to justify the accuracy for each model.

The population of this research were textile and garment companies that listed on BEI. Sample in this research were taken by using purposive sampling method, based on the method, 15 companies became the sample of this research. The data are showed by financial reports on 3 years since 2011 to 2013.

The result showed that the accuracy of Grover's model had the highest accuracy on predicting all companies, not only for bankrupt companies but also non-bankrupt companies, with the rate accuracy about 75,56%, meanwhile Altman and Springate model only got 51,11% rate of accuracy. For predicting bankrupt companies, Altman and Springate got the highest rate of accuracy about 100%, meanwhile for non-bankrupt companies Grover's model got the highest rate of accuracy about 77%, Altman and Springate model only got 27%.

Keywords: *Company bankruptcy prediction,* Altman Z-*Score*, Grover G-*Score*, Springate S-*Score*