SUMMARY

BINTANG MUKHAMMAD BURHANUDIN AKBAR. Financial Distress and Effect on Stock Returns (Pharmaceutical Company in the Indonesia Stock Exchange). Supervised by NOER AZAM ACHSANI and TUBAGUS NUR AHMAD MAULANA

This research is a research related to finance. The discussion is aimed at the theme of financial distress that occurs in the pharmaceutical sector. It is known that the pharmaceutical sector in Indonesia is currently facing various challenges such as government policies, drug dependence and fluctuating exchange rates.

The data collected is sourced from financial data from 7 pharmaceutical companies that have gone public and other financial supporting data for 5 years. The method used is Altman Z Score manufacture and debt service coverage and When the research was conducted from January to September 2018. On the other hand in this study also saw the effects of financial distress on stock returns given to investors.

The results of the study show several important things that the characteristics of the company can have an influence on the company's financial condition. In financial distress prediction it is known that the method of corporate financial distress can be more trusted than other tools in determining financial conditions in the pharmaceutical sector. The condition of stock returns is known to be at a negative coefficient, which means that all companies are experiencing a decline in performance in generating returns for their investors.

Keyword: financial distress, pharmacy, stock returns