Effect of Liquidity Ratio, Profitability, and Activity on Bankruptcy in Transportation Companies Listed on the Indonesia Stock Exchange

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ABSTRAK

Penelitian ini bertujuan melakukan pengujian masalah keuangan yaitu pengaruh rasio likuiditas, profitabilitas, dan aktivitas terhadap kebangkrutan. Sampel yang digunakan sebanyak 60 perusahaan yang berfokus pada satu sektor yaitu sektor transportasi periode 2017-2020. Pengujian dilakukan dengan menggunakan regresi linear berganda. Hasil regresi memperlihatkan bahwa rasio likuiditas yang diukur dengan current ratio memiliki pengaruh secara signifikan terhadap kebangkrutan, rasio profitabilitas yang diukur dengan net profit margin tidak memiliki pengaruh secara signifikan terhadap kebangkrutan, dan rasio aktivitas yang diukur dengan total asset trunover memiliki pengaruh secara signifikan terhadap kebangkrutan. Penelitian ini dapat digunakan perusahaan dalam mengindikasi penurunan masalah keuangan sebelum terjadinya kebangkrutan. Keterbatasan dari penelitian ini hanya menggunakan tiga variabel independen seperti current ratio, net profit margin, dan total asset trunover. Selain itu, penelitian ini hanya meneliti pada satu sektor yaitu sektor transportasi.
Kata kunci: *Rasio Likuiditas, Profitabilitas, Aktivitas, dan Kebangkrutan*

ABSTRACT

This study aims to examine financial problems, namely the effect of liquidity ratios, profitability, and activity on bankruptcy. The sample used is 60 companies that focus on one sector, namely the transportation sector for the 2017-2020 period. The test was carried out using multiple linear regression. The regression results show that the liquidity ratio as measured by the current ratio has a significant effect on bankruptcy, the profitability ratio as measured by net profit margin does not have a significant effect on bankruptcy, and the activity ratio measured by total asset turnover has a significant effect on bankruptcy. This research can be used by companies to indicate a decrease in financial problems before bankruptcy. The limitation of this study is that it only uses three independent variables such as the current ratio, net profit margin, and total asset turnover. In addition, this study only examines one sector, namely the transportation sector.
Key words: *Liquidity Ratio, Profitability, Activity, and Bankruptcy*

INTRODUCTION

Transportation companies contribute to the national economy so that transportation has an important role in the development of Indonesia's progress. The Indonesian economy experienced a growth contraction in 2017 of 5.07 percent, in 2018 by 5.15 percent, in 2019 by 5.02 percent, and in 2020 by 2.07 percent (Bps, 2021). This provides information that significant changes will occur in 2020. The economic downturn that occurs illustrates that several business sectors have experienced financial problems. From 2017, 2018, and 2019 are still relatively good because they only experienced a decrease and increase that was not much different. However, in 2020, economic growth experienced a drastic decline. The reason for the decline was due to the Covid-19 pandemic, so the government imposed Large-Scale Social Restrictions (PSBB). This results in if the company is not able to survive in conditions of financial difficulty it can trigger bankruptcy.

Shanthi and Cipta, (2020) ; Fitriani and Muniarti, (2020) state that bankruptcy is a condition where a company running its business is experiencing financial problems or lack of funds. This phenomenon that can be studied if the company is not able to increase profitability will have an impact on financial performance. If this is allowed to drag on, the company's finances as strong as possible will be eroded and experience a decline from year to year which makes the company go bankrupt. Companies that know that the company is performing poorly can then make some changes in maintaining the company. Therefore, this research is important to do to provide predictions in knowing the early signs of companies that have symptoms of bankruptcy or are experiencing financial problems. With this, it can be ensured that the company makes changes to the organization or other before going bankrupt.

The Altman Z-Score method is one of the methods that can be used in analyzing bankruptcy. This method was first proposed by Edward I. Altman. According to Altman (1968) companies with very low profitability and solvency have the potential to experience bankruptcy . Shabrina, (2020) . Bankruptcy prediction by Hestuti (2018) research quoted from Pertiwi and Putri, (2021) states that the accuracy of the Altman Z-Score model is up to 83.7%. Altman modification includes several variables including working capital to total assets (WCTA) which includes the liquidity ratio, this ratio is used to show the company's ability to obtain net working capital from the total assets owned. Retained earnings to total assets (RETA), which includes the profitability ratio, this ratio is used to show the cumulative profit to the age of the company which shows the strength of earnings. Earning before interest and taxes to total assets (EBITTA) including profitability ratios are used to show the company's ability to earn profits before interest and taxes are paid. Market value of equity to book value of debt (MVEBVD) including the activity ratio, this ratio is used to show the company's ability to meet obligations from the market value of its own capital.

Research that uses financial ratios such as liquidity ratios, profitability ratios, solvency ratios, and activity ratios by Ratnasari, et al (2019) is to analyze financial distress through financial ratios. The research only focuses on the mining sector. The results obtained conclude that the ones that do not significantly affect financial distress are the current ratio and net profit margin . This is the current ratio including the liquidity ratio while the net profit margin includes the profitability ratio. The solvency ratio and activity ratio have a significant influence on financial distress which is calculated by debt to assetsratio and total asset turnover . According to Taani and Banykhaled (2011) quoted by Susanto (2021) financial ratios can help investors in making decisions regarding the future, this can be an early warning of financial problems before going bankrupt. The researcher analyzes the liquidity ratio which consists of the current ratio for use in measuring liquidity. Profitability ratio includes net profit margin which is useful for calculating final results in all business activities, then activity ratio includes turnover assets which are usefulto calculate the company in carrying out its activities.

Based on the description that has been stated above, the authors choose the research title "The Effect of Liquidity Ratios, Profitability, and Activities on Bankruptcy in Transportation Companies Listed on the Indonesia Stock Exchange".

LITERATURE REVIEW
Theoretical Foundation
Definition of Financial Distress

Financial distress is a company's financial condition that shows the occurrence of an unhealthy or crisis situation (Ratnasari, 2018) . An unhealthy state is characterized by financial difficulties. Financial difficulties occur because of a decline in performance. Financial difficulties that are allowed to drag

on can cause the company to go bankrupt. Financial difficulties that are allowed to drag on can cause the company to go bankrupt. Financial problems can be overcome by changes in both the company structure and others. The following are various types of financial difficulties:

1. The company went bankrupt because it experienced financial problems related to the short or long term.
2. Companies can overcome financial problems related to the short term so as not to cause bankruptcy.
3. The company experienced problems related to the long term, causing bankruptcy.
4. The company does not experience financial problems related to the short or long term.

Transportation

The transportation sector is one of the service industries that is most needed by the community as a means of connecting long distances from one place to another quickly and easily (Natalia et al, 2019) . People will be able to meet their needs because of transportation. Thus, transportation is very important in people's lives. Transportation can run because it is driven by machines operated by humans. According to the Law of the Republic of Indonesia No. 22 Article 1 of 2009 transportation is the movement of people and or goods from one place to another by using a vehicle in the Road Traffic Room .

Bankruptcy

According to Harmanto in Pratiwi (2015) quoted by Shanti and Cipta (2020) states that bankruptcy is a condition where a company running its business experiences a lack of funds. The purpose of the company running a business is to make a profit. The profit generated can expand the business and reduce the possibility of bankruptcy. A small profit with a lot of expenses such as costs, debt, and others can also cause early symptoms

of a company going bankrupt. Bankruptcy can be interpreted as a manifestation of the company's failure to meet operating targets, namely to generate profits according to the specified target (Natalia., et al 2019) . Thus, the income earned must be higher than the expenses

Benefits of Bankruptcy Prediction Information

According to Hanafi, (2000) quoted by Sulaeha, (2018) bankruptcy information can provide the following benefits: (1) Lenders mean this information can be made as decisions in monitoring loans; (2) Investor means that information regarding the condition of the company can be used as a decision maker for investors in investing; (3) Government means that the government has the obligation to observe signs of bankruptcy early so that early action can be taken; (4) Accountant means that this information is important for accountants as an assessment of the company's business continuity; and (5) Management means this information is important for management in minimizing costs.

Altman Z-Score Method

The Altman Z-Score method is a determination of the value of the standard calculation times financial ratios which informs the level of probability of the company's bankruptcy (Wendi et al, 2014) . The person who first stated this method was Edward I 1968. From several options the Altman method was the most widely used in bankruptcy analysis. The Altman Z-Score method includes many types, as quoted by (Sulaeha, 2018) . The Altman Z-Score method uses financial ratios. Each has a purpose and purpose. The following financial ratios using the Altman method can be classified into three as follows: (1) Liquidity ratio, which shows the company's ability to pay short-term obligations. It consists of X_1 (working capital to assets) ; (2) Profitability ratio, which shows

the company's ability to earn a profit from revenue related to sales, assets, and equity. This consists of X2 (retained earnings to total assets) and X3 (earnings before interest and taxes to total assets) ; and (3) the activity ratio is a description of the company's ability to utilize its resources. It is composed of X 4(market value of equity to book value of total debt) and X 5 (sales to total assets) .

Financial Ratio

The financial ratios used consist of three ratios, namely (1) the liquidity ratio, according to Hery (2017) quoted by Ratnasari, et al. (2019) the liquidity ratio is the company's ability to pay short-term obligations, this is using the current ratio measuring instrument ; (2) The profitability ratio is the company's ability to generate profits at a normal level in a business, this is used as a measuring tool, namely net profit margin . And (3) the activity ratio is the company's ability to use its assets so that it can be measured the level of efficiency in using existing resources, this is used as a measuring tool, namely the totalasset turnover .

Hypothesis Development

Effect of Liquidity (Current Ratio) on bankruptcy conditions

The liquidity ratio describes the company's ability to pay off short-term obligations. There are several kinds of ratios that can be used to measure liquidity ratios, such as the current ratio , quick ratio , and cash ratio . This study uses the current ratio. This can test how much the company has assets to pay off its obligations. Ratnasasri, et al (2019) stated that if the current ratio is large, then the company's ability to pay its short-term obligations is also large. The assets referred to in this ratio include cash, receivables, short-term investments, and inventories.

The results of research by Ratnasari, et al (2019) in research on financial distress give results if the current ratio does not significantly affect financial distress. This is not supported by research by Wahyuni, et al (2020) which suggests that the current ratio significantly affects financial distress . Based on the explanation above, the hypotheses taken in this study are:

H1 : Current ratio has a significant effect on bankruptcy

Effect of Profitability (Net Profit Margin) on bankruptcy conditions

Net profit margin is used to measure the final results in all business activities. A company is considered to have good quality if the net profit margin is high or close to the sales value they are targeting (Susanto, et al 2021). There are several kinds of ratios that can be used to measure the company's ability to earn profits, such as gross profit margin, operating profit margin, net profit margin, return asset ratio, return on capital employed, return on equity ratio, return on investment, and earnings per share . In this study using the ratio of net profit margin. The net profit margin ratio is used to compare the company's profits with the total amount of money it generates.

The results of Susanto , et al (2021) research on financial distress give results if net profit margin has a negative and insignificant effect on financial distress. This is supported by research by Ratnasari, et al (2019) which also shows that the net profit margin does not significantly affect financial distress. Based on the explanation above, the hypotheses taken in this study are:

H 2 : Net profit margin has a significant effect on bankruptcy

Effect of Activity (Total Asset Trunover) on bankruptcy conditions

Trunover assets usedto measure the company's use of its activities. There are several kinds of ratios that can be used to measure a company's ability to use its activities such as total asset turnover, working capital turnover, accounts receivable trunover, account payable trunover, days payable outstanding, inventory trunover, cash trunover, operating

cycle, and cash conversion cycle. In this study, the total asset turnover ratio is used , which measures the company's ability to obtain sales from total assets.

The results of Susanto et al. (2021) research on financial distress showed that total asset turnoverhas no effect on financial distress. This is different from the research of Ratnasari, et al. (2019) in their research which shows that total asset turnover has a significant effect on financial distress. Based on the description above, the hypotheses taken in this study are:

H3 : Total asset turnover has a significant effect on bankruptcy

Effect of Current Ratio, Net Profit Margin, and Total Asset Trunover simultaneously on bankruptcy conditions

The current ratio is used to test how much the company has assets to pay off its obligations, the net profit margin can be used to measure the final results in all business activities, and the total asset turnover is to calculate the company's ability to receive sales from total assets. Of the three independent variables, it is necessary to conduct simultaneous testing as a complement to the information in this study.

The results of research by Ratnasari, et al (2019) in research on financial distress can be concluded that the current ratio, net profit margin , and total asset turnover simultaneously affect financial distress. Based on the explanation above, the hypotheses taken in this study are:

H4 : current ratio , net profit margin, and total asset turnover simultaneously have a significant effect on bankruptcy

Conceptual Framework

From the development of the hypothesis above, the conceptual framework that can be proposed isas follows:
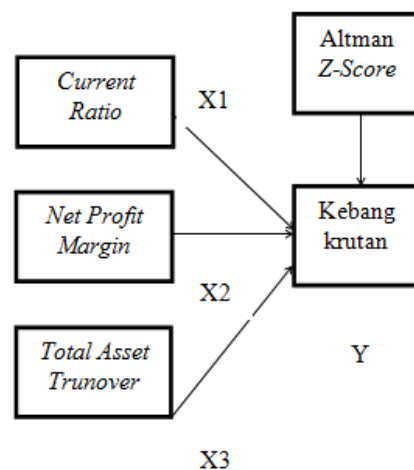

Figure 1:Research Framework

METHODS
Population and Sample

The population in this study are all transportation companies listed on the Indonesia Stock Exchange for the 2017-2020 period. The sample used is a transportation company with annual financial reports that are regularly published and have been audited in the rupiah currency for the 2017-2020 period. This sample consists of transportation companies that do not include special notations as well as delisting .The special notations include: (a) There is a request for a postponement of the obligation to pay debts; (b) The latest financial statements show negative equity; (c) There is a disclaimer of opinion from the Public Accountant; (d) and the listed Company has not held a General Meeting of Shareholders (GMS) until six months after the last financial year.

Types and Sources of Data

This research was obtained from documentary data. The documentary data in question is a financial report listed on the Indonesia Stock Exchange. The data can be downloaded and then understood, with the aim of being used in analyzing corporate bankruptcy. This research is quantitative using secondary data. According to Sujarweni, 2015:89 secondary data is data obtained not

directly to the parties concerned such as financial statements. This research is also obtained from annual financial reports, namely transportation companies listed on the Indonesia Stock Exchange and have published financial reports regularly for the 2017-2020 period.

Definition Operational and Measurement Variable

Dependent Variable Bankruptcy

According to Harmanto in Pratiwi (2015) quoted by Shanti and Cipta (2020) stated that bankruptcy is a condition of a company that is undergoing a lack of funds in operating its business. The dependent variable in this study is bankruptcy. The dependent variable is the variable that is bound or influenced. Companies that have been analyzed using the Z-Score method can experience three possibilities including (1) Not bankrupt, meaning that the company is categorized in a very healthy condition; (2) A vulnerable area or gray zone means that the company is experiencing financial problems which can be resolved by proper management; (3) and Bankrupt means this company is experiencing financial problems with high risk. The formula for the Altman Z-Score method used can be observed below:

Z-Score= 6.56 X 1 + 3.26 X 2 + 6.72 X 3 + 1.05 X 4

Description:

$$X1 = \frac{Modal\ Kerja\ Terhadap\ Total\ Harta}{Total\ Harta}$$

$$X2 = \frac{Laba\ yang\ Ditahan\ Terhadap\ Total\ Harta}{Total\ Harta}$$

$$X3 = \frac{Penghasilan\ Sebelum\ Pajak\ dan\ Bunga\ Terhadap\ Total\ Harta}{Total\ Harta}$$

$$X4 = \frac{Nilai\ PasarEkuitas\ Terhadap\ Nilai\ Buku\ dari\ Utang}{Nilai\ Buku\ dari\ Utang}$$

The assessment criteria are as follows:

The assessment criteria are as follows:
Z > 2.60 Not Bankrupt
1.10 < Z < 2.60 Gray Zone
Z < 1.10 B bankrupt

Independent Variables
Liquidity (Current Ratio)

The liquidity ratio describes the company's ability to meet current debt or called short-term liabilities. The liquidity variable used is the current ratio . This can test how much the company has assets to pay off its obligations. Assets in question include cash, accounts receivable, short-term investments, and inventories. The current ratio formula used is as follows:

Profitability (Net Profit Margin)

Profitability ratio that describes the company's ability to earn a profit from the income of business operations. The profitability variable used is net profit margin . The net profit margin ratio is used to compare the company's profits with the total amount of money earned. With this, it can show financial stability. The formula for net profit marginused as follows:

Activities (Total Asset Trunover)

The activity ratio describes the company's ability to utilize existing facilities or resources. The activity variable used is total asset turnover . In the ratio of total assets to turnover , it is intended to be used to measure the company's ability to obtain sales from total assets. This is an activity in measuring the company's business efficiency. The total asset turnover formula used is as follows:

RESULTS
Overview of Research Objects

In this research, the object used isis a transportation company listed on the Indonesia Stock Exchange for the period 2017-2020

Table 1: Sample Selection Criteria

Description	Amount
Transportation companies listed on the Indonesia Stock Exchange for the period 2017-2020	36
Transportation companies delisted for the period 2017-2020	(1)
Transportation companies whose financial reports are not consistently published for the 2017-2020 period	(1)
Transportation companies using foreign currency for the period 2017-2020	(19)
Total Research Sample	**15**
Year of Observation	4
Total Observation Data	**60**

Analysis Results
Descriptive Statistical Test Results

Table 2: Descriptive Statistics After Outlier

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Bankruptcy	51	-31,992	72.589	5.88259	16.635454
Current Ratio	51	0.043	4,691	1.11504	0.966975
Net Profit Margin	51	-4.003	0.365	-0.30406	0.871744
Total Assets Trunover	51	0.041	1,749	0.54425	0.332554
Valid N (listwise)	51				

Based on table 2, it can be seen that the amount of data in this study was fifty-one data samples in four years. The table above shows that the average of each variable is in the positive and negative numbers. The bankruptcy value ranges between -31.992 and 72.589 with a mean value of 5.88259 and a standard deviation of 16.635454. The bankruptcy analysis with the lowest value is Express Trasindo Utama Tbk in 2020, which is -31,992, this means that the company has suffered losses and has caused bankruptcy. While the safest company from bankruptcy is Majapahit Inti Corpora Tbk in 2018 with a value of 72.589 because the company already has high capital and small debt.

Normality Test Results

Table 3: Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		51
Normal Parameters [a,b]	mean	0.0000000
	Std. Deviation	11.71029254
Most Extreme Differences	Absolute	0.120
	Positive	0.120
	negative	-0.079
Test Statistics		0.120
asymp. Sig. (2-tailed)		0.063 [c]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

many as sixty samples with regressions in outliers to fifty one have met the normality assumption, because the Kolmogorov-Smirnov value is 0.063 >0.05 . So, the conclusion that can be drawnis the data distribution has been normal. Data that has been normally distributed can continue for further testing.

Muticollinearity Test

Table 4: Multicollinearity Test Results

Coefficients [a]

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.	Collinearity Statistics Tolerance	VIF
(Constant)	-16,792	4,557		-3.685	0.001		
Current Ratio	6,045	1,836	0.351	3,292	0.002	0.925	1.081
Net Profit Margin	0.368	2,256	0.019	0.163	0.871	0.754	1.326
Total Assets Trunover	29,482	5,713	0.589	5.161	0.000	0.808	1,237
a. Dependent Variable: Bankruptcy							

The results of the calculations in table 4 obtained the VIF value of more than one. The overall tolerance value of each variable current ratio, net profit margin, and total asset turnover is more than 0.1. Therefore, the regression model of this study is interpreted as not experiencing symptoms of multicollinearity.

Autocorrelation Test

Table 5: Autocorrelation Test Results

Model Summary [b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.710 [a]	0.504	0.473	12.07824 5	0.884

a. Predictors: (Constant), Total Asset Trunover, Current Ratio , Net Profit Margin

b. Dependent Variable: Bankruptcy

Based on table 5 shows the calculation results Durbin-Watson value of 0.884. According to Sujarweni, (2015:177) if the DW is between -2 and +2, it means that there is no autocorrelation. On the other hand, if you follow Ghozali's reference, (2013) in Susanto's (2021) quote, Durbin Watson's value lies between d l and d u , which means 0.884 lies between 1.4273 and 1.6754. Then also between (4-dl) and (4-du) which means 2.5727 and 2.3246, it is obtained that it does not produce definite conclusions, for that it can be concluded that this research model does not experience autocorrelation problems .

Results of Multiple Linear Regression Analysis

Table 6:Multiple Linear Regression Results

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-16,792	4,557		-3.685	0.001
Current Ratio	6,045	1,836	0.351	3,292	0.002
Net Profit Margin	0.368	2,256	0.019	0.163	0.871
Total Assets Trunover	29,482	5,713	0.589	5.161	0.000

Based on table 6 obtained the following formula:

$$Y = -16{,}792 + 6.045X_1 + 0.368X_2 + 29.482X_3 + e$$

Description :

a. The constant value is - 16,792shows the negative effect of the independent variable. If there is no change in the variable current ratio (X1), net profit margin , and total asset turnover that affect the bankruptcy (Y) the value is -16,792.

b. S 6.045 _as n value of variable regression coefficient lcurrent ratio (X1) has the meaningif the current ratio found an increase of one unit , then the increase following the bankruptcy coefficient was 6.045 . As for the constant variableOthers include assumptions . The positive coefficient is 604.5%, which means that there is a positive relationship between the current ratio and bankruptcy. If the current ratio increasesthen the results of the bankruptcy variable will increase. Based on the Altman Z-Score criteria, this means that it is safer from bankruptcy because the resulting figure is more than 260%.

c. S equal to 0.368 asn value of variable regression coefficient lnet profit margin(X2) has a meaningif net profit margin found an increase of one unit, the increase following the bankruptcy coefficient was 0.368. As for the constant variableOthers include assumptions . The positive coefficient is 36.8%, which means between the net profit marginand bankruptcy have a positive relationship. If the net profit marginridethen the results of the bankruptcy variable will increase. The net profit margin value studied is not of high value, so based on the Altman Z-Score criteria, this is classified as a positive relationship in the bankruptcy zone because it is less than 110%.

d. S of 29.482 as n value of the variable regression coefficient ltotal asset turnover(X2) has a meaningifthe total assets of the trunover found an increase of one unit, the increase following the bankruptcy coefficient was 29.482. The other constant variables include assumptions . The coefficient has a positive value of

2,948.2% which means that between total asset turnoverand bankruptcy have a positive relationship. If total assets turnoverridethen the results of the bankruptcy variable will increase. Based on the Altman Z-Score criteria, this means that it is safer from bankruptcy because the resulting figure is more than 260%

Test (Model Feasibility Test)
Table 7: F . Test Results

ANOVA ª					
Model	Sum of Squares	df	Mean Square	F	Sig
1 Regression	6980,369	3	2326,790	15,950	0.00
Residual	6856,548	47	145.884		
Total	13836,917	50			
a. Dependent Variable: Bankruptcy					
b. Predictors: (Constant), Total Asset Trunover, Current Rati , Net Profit Margin					

Table 7 above shows that the significance value of F is 0.000<0.05 .For this reason, the conclusions that can be drawn are:current ratio, net profit margin , and total asset turnover simultaneously or togetherhave a significant effect on bankruptcy .

Testt (Partial Regression Coefficient Test)
Resultspartial test can be seenwith reference to the resultsanalysisregressionThe multiples contained in table 6, based on this information, show the results of the value ofsignificance foreachvariable:

1. The first hypothesis (H1) concludes ifcurrent ratio can affectsignificantly to bankruptcy , this result is evidenced by the regression coefficient value of 6.045 and a significance value of 0.002 <0.05. Based on the results obtained, the first hypothesis (H1) gives the conclusion that it is accepted with the understanding that the current ratio has a partial effect on bankruptcy .

2. Hypothesissecond (H2) gives a conclusionifnet profit margin can significantly affectsignificanttobankruptcy, the results obtained provide information if the value ofcoefficientregression0.368 and valuesignificance 0.871 > 0.05. Based on the results obtained the second hypothesis (H2)concluded that it was rejected with the notion that the net profit margin had no partial effect on bankruptcy . This can happen because the relationship between X and Y produces a coefficient that is categorized as bankrupt, which is 36.8% according to the criteria of the Altman Z-Score method.

3. The third hypothesis (H3) provides a conclusioniftotal asset trunover can significantly affect bankruptcy , the results obtained provide information if the regression coefficient value is 29.482 and the significant value is 0.00 0 <0.05 . Based on the results obtainedthird hypothesis (H3)give the conclusion that it is accepted with the understanding that total asset turnover has a partial effect on bankruptcy.

DISCUSSION
Liquidity as measured by the current ratio can be used to predict the occurrence of bankruptcy in transportation companies on the Indonesia Stock Exchange for the 2017-2020 period. The results shown in the current ratio have no negative values so that they have a high ability to fulfill their obligations. Based on the test results, the significance value obtained is 0.002 <0.05 which can be concluded that the current ratio has a partial effect on bankruptcy. Profitability as measured by net profit margin cannot be used to predict the occurrence of bankruptcy in transportation companies on the Indonesia Stock Exchange for the 2017-2020 period. When the value of the net profit margin has decreased, however, the Altman ratio has increased. This is because there are other predictive factors in the transportation sector such as the level of sales. Based on the test results, the significance value obtained is 0.871 > 0.05 which can be concluded that the net profit margin has no partial effect on bankruptcy.

Activities measured by total asset turnover can be used to predict the occurrence of bankruptcy in transportation companies on the Indonesia Stock Exchange for the 2017-2020 period. The results shown in the total assets of the trunover have no negative value so that they have a high ability to operate their business, thereby avoiding bankruptcy. Based on the test results, the significance value obtained is 0.000 <0.05, which can be concluded that the total assets of the trunover have a partial effect on bankruptcy. Continuing to test the feasibility of the model , the results of the study support research from Ratnasari, et al. (2019) in a study on financial distress , which results if the current ratio , net profit margin, and total asset turnover simultaneously have an effect on financial distress using the Altman Z-Score method. In measuring the adjustment of the binding of the independent variable and the dependent variable, the coefficient of determination is used. According to the R square (R2) of 0.504 (50.4%) it means that the contribution of the variable current ratio , net profit margin , and total asset turnover is 50.4%, the remaining 49.6% is influenced by other variables not examined. Thus, the three ratios together have a significant effect on bankruptcy.

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