CHAPTER V

CONCLUSION AND IMPLICATION

A. Conclusion

Based on the results of research on property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) during 2019-2022, the conclusions of this study are listed below.

1. There are no differences between Altman model and Springate model in predicting financial distress.

2. There are no differences between Altman model and Grover model in predicting financial distress.

3. There are no differences between Altman model and Zmijewski model in predicting financial distress.

4. There are no differences between Springate model and Grover model in predicting financial distress.

5. There are no differences between Springate model and Zmijewski model in predicting financial distress.

6. There are no differences between Grover model and Zmijewski model in predicting financial distress.

7. There are no differences between the four models in predicting financial distress.

8. The Springate model is the most accurate model compared to Altman model, Grover model, and Zmijewski model in predicting financial distress on property and real estate sector companies on 2019-2022 period.

B. Implication

1. Theoritical Implications

a. Researchers in the future

The results of this study can used as a reference for the next researchers who want to analyze financial distress prediction models in the future. This study also provides theories that are related to financial distress prediction models which can be used for the next study.

2. Practical Implications

a. Companies

The Springate model can be used by property and real estate sector companies to measure and determine their financial condition accurately. Accurate prediction results can be used as an evaluation tool for companies to improve their performance. especially in increasing profits. to minimize the risk of financial distress.

b. Investors

Investors can use the Springate model to predict financial distress on property and real estate sector companies to get the accurate result. Information from the results of financial distress predictions using the Springate model can be a consideration for investors when investing.

c. Government

Government needs information about the financial condition of property and real estate sector company to make the right economic and business decisions to avoid financial distress in the future. This is because financial distress on property and real estate sector companies can affect national economy due to enormous chain impact on other sectors of the economy.

C. Limitation of Research

This study has limitations as listed below.

1. The approach of this study is completely new, so the result of this study might not come off accurately or might have some mistakes. So, the researchers are encouraged to develop this approach further or this approach could be used as a base idea if the future researchers want to develop their own approach.

2. This research uses Paired Sample T Test and Chi-Square Test. The researchers are encouraged to use other test to present more accurate result.

3. The financial distress prediction depends on the financial ratios for each company. So, the researchers can use other financial distress prediction methods which use different financial ratios to see from different perspective and find more accurate result.