

## TABLE OF CONTENTS

PAGE OF TITLE .....	i
RATIFICATION PAGE .....	ii
PAGE OF APPROVAL .....	iii
STATEMENT OF ORIGINALITY .....	iv
ACKNOWLEDGEMENT .....	v
TABLE OF CONTENTS .....	vi
LIST OF TABLE .....	viii
LIST OF FIGURES .....	ix
LIST OF DIAGRAMS .....	x
ABSTRACT .....	xi
INTISARI.....	xii
<b>CHAPTER I. INTRODUCTION.....</b>	<b>1</b>
1.1. Background .....	1
1.2. Problem Statement .....	5
1.3. Purpose of the Research .....	6
1.4. Motivation for Research .....	8
1.5. Research Benefit.....	8
1.6. Scope and Limitation.....	9
1.7. Contribution of the Research.....	9
<b>CHAPTER II. THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT .....</b>	<b>11</b>
2.1. Literature Review .....	11
2.1.1. Corporate Governance .....	11
2.1.2. Agency Theory.....	14
2.1.3. Managerial Ownership.....	16
2.1.4. Board of Commissioners.....	17
2.1.5. Board of Directors.....	20
2.1.6. Educational Background.....	23
2.1.7. Audit Committee.....	24
2.1.8. Prediction of Bankruptcy .....	28
2.1.9. Company Size .....	31
2.1.10. Leverage.....	32
2.2. Prior Research .....	33
2.3. Conceptual Framework .....	36
2.4. Hypothesis Development .....	37

2.4.1. The Effect of Good Corporate Governance structure to the Company's Bankruptcy Probability. ....	37
2.4.2. The Effect of Managerial Ownership on the Company's Bankruptcy Probability.....	40
2.4.3. The Effect of Company's Size to the Company's Bankruptcy Probability ....	41
2.4.4. The Effect of Financial Leverage on the Probability of Company's Bankruptcy .....	42
<b>CHAPTER III. RESEARCH METHOD .....</b>	<b>43</b>
3.1. Research Type .....	43
3.2. Population and Sample .....	43
3.3. Types and Data Resources.....	45
3.4. Operational Definition.....	45
3.4.1. Independent Variable (Exogenous Variable) .....	45
3.4.1.1. Size of Board of Directors .....	46
3.4.1.2. Accounting or Financial Educational Background of Audit Committee.....	46
3.4.1.3. Size of Audit Committee.....	46
3.4.1.4. Frequency of Audit Committee Meeting .....	47
3.4.1.5. Managerial Ownership.....	47
3.4.1.6. Company Size .....	47
3.4.1.7. Leverage.....	48
3.4.2. Dependent Variable (Endogenous Variable) .....	48
3.4.3. Analysis Data.....	50
3.4.4. Data Analysis Technique .....	50
<b>CHAPTER IV. DATA ANALYSIS AND RESULTS .....</b>	<b>54</b>
4.1. Descriptive Statistics Analysis .....	54
4.2. Hypothesis Test Results .....	58
4.3. Discussion .....	63
<b>CHAPTER V. CONCLUSION, LIMITATION AND RECOMMENDATION .....</b>	<b>65</b>
5.1. Conclusion.....	65
5.2. Limitation .....	68
5.3. Recommendation.....	68
<b>BIBLIOGRAPHY .....</b>	<b>70</b>
<b>Appendix 1 .....</b>	<b>72</b>
<b>Appendix 2 .....</b>	<b>77</b>
<b>Appendix 3.....</b>	<b>79</b>