

**DISTRESS FIRMS AND RESTRUCTURING CHOICES:
THE INVESTIGATION OF ABNORMAL RETURN**

ABSTRACT

Financially weak firms facing financial distress resolve its problems suitably by introducing restructuring strategy from various restructuring choices. For beyond or equal to 25 percent of managerial ownership concentration, voluntary assets sales and swaps are successful for firm value enhancing with positive abnormal return at announcement date and positive cumulative average abnormal return throughout event window, altogether the increasing in value is stable for short-term period. For lower than 25 percent of managerial ownership concentration, market perceive positively to 1) the restructuring choices of debt restructuring except the subgroup of forgiveness/deduction/suspension/extension and debt-equity swap and 2) the resignation as managerial restructuring with the stable increasing in value.

Keywords: Financial distress; corporate restructuring; ownership concentration; firm value