

ABSTRACT

This research project examined the phenomenon of bankruptcy prediction from a developing economy Perspective using the Altman Z-score models. These models rank among the bankruptcy models, whose main purpose is to detect the impending bankruptcy in good time. Drawing an empirical data from audited financial statements of firms listed in Nairobi Security Exchange in Kenya, the author tested Altman original Z-score (1968) and the Emerging Markets (1993) models using the dataset of the years ending between 2010 and 2015. Since the most frequently used tool so as to predict financial distress and bankruptcy is through financial analysis of financial ratios, this study employed the same ratios and therefore aimed to make an important contribution to the global discourse on corporate failure prediction in an increasingly globalised world.