



## **RESEARCH ON DETERMINE THE FINANCIAL CRISIS OF ENTERPRISE GROUP BASED ON CLL MODEL**

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### **Abstract**

There has a strong correlation between the member companies of enterprise group. Once the financial crisis of group occurred, it will be implicated in a number of related enterprises. So it implies a great deal of associated financial risk. Generally, the financial distress prediction error distribution may neither be logistic nor normal. In this paper, we assuming the error distribution is extreme value distribution. Then predict the group's financial crisis by constructing a complementary log-log (CLL) two classification model. The studies have shown that the effect of predicting the group's financial crisis by CLL model is better than more commonly used Logit model and Probit model.

**Keywords and phrases:** enterprise group, financial crisis, related party transactions, error distribution.

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