

Determinants of Corporate Fragility in Colombia

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One of the biggest threats to any company is that of becoming insolvent. A threat of this kind to corporate financial stability is of relevance not only to investors and employees but also to financial-sector lenders, auditors and regulators, among others. Hence the importance of a model that helps to determine significant variables for forecasting financial stress or fragility in Colombian firms, to serve as a tool for taking preventive or corrective measures or simply monitoring the private corporate sector's credit risk.