

Table 2. The 18 numerical bankruptcy features we considered in our tests.

Variable Name	Description	
X1	Current assets	All the assets of a company that are expected to be sold or used as a result of standard business operations over the next year
X2	Cost of goods sold	The total amount a company paid as a cost directly related to the sale of products
X3	Depreciation and amortization	Depreciation refers to the loss of value of a tangible fixed asset over time (such as property, machinery, buildings, and plant).

Variable Name	Description	
		Amortization refers to the loss of value of intangible assets over time.
X4	EBITDA	Earnings before interest, taxes, depreciation and amortization: Measure of a company's overall financial performance alternative to the net income
X5	Inventory	The accounting of items and raw materials that a company either uses in production or sells.
X6	Net Income	The overall profitability of a company after all expenses and

Variable Name	Description	
		costs have been deducted from total revenue.
X7	Total Receivables	The balance of money due to a firm for goods or services delivered or used but not yet paid for by customers.
X8	Market value	The price of an asset in a marketplace. In our dataset it refers to the market capitalization since companies are publicly traded in the stock market
X9	Net sales	The sum of a company's gross sales minus its returns, allowances, and discounts.

Variable Name	Description	
X10	Total assets	All the assets, or items of value, a business owns
X11	Total Long term debt	A company's loans and other liabilities that will not become due within one year of the balance sheet date
X12	EBIT	Earnings before interest and taxes
X13	Gross Profit	The profit a business makes after subtracting all the costs that are related to manufacturing and selling its products or services
X14	Total Current Liabilities	It is the sum of accounts payable, accrued liabilities and taxes such as

Variable Name	Description	
		Bonds payable at the end of the year, salaries and commissions remaining
X15	Retained Earnings	The amount of profit a company has left over after paying all its direct costs, indirect costs, income taxes and its dividends to shareholders
X16	Total Revenue	The amount of income that a business has made from all sales before subtracting expenses. It may include interest and dividends from investments
X17	Total Liabilities	The combined debts and obligations that the

Variable Name	Description
	company owes to outside parties
X18	Total Operating Expenses The expense a business incurs through its normal business operations