Abstract: During the past three decades, bankruptcy prediction has become a considerable concern for stakeholders in entities and is a subject that has been explored in different ways over the last decades. The ability to predict the possibility of the entities to bankrupt and give warning signals of worsening financial situation of the entities is of interest not only to the managers, but also to their external stakeholders. There are different models in the literature for predicting the phenomenon of bankruptcy.

The main objective of this study is to compare the accuracy of the revised Altman Z’ Score model for private enterprises and Z” Score for emerging market enterprises to determine if it is an optimal model for predicting bankruptcy of commercial enterprises (big entities) of North Albania through the review of 50 ongoing enterprises in the period 2014-2016.

The database is the official website of NBC where the financial statements are published and the data is processed using Excel software to calculate the financial ratios and financial difficulty levels of the commercial enterprises of North Albania for both revised Altman Z Score models.

The results show that the accuracy of the Altman Z’ Score model is 40% in the first year and in the second year and 46.67% in the third year. While the accuracy of the Altman Z” Score model is 70% in the first year, 73.3% in the second year and 46.67% in the third year. So the model with the highest accuracy is the Altman Z” Score model for emerging market firms.

Key words: Bankruptcy, Altman-z score models, emerging markets, developing markets.