

ABSTRACT

FEASIBILITY ANALYSIS OF INVESTMENT CAPITAL IN DECISION MAKING IMPROVEMENTS OLD TRACTOR OR BUY NEW TRACTOR (STUDY OF PT GUNUNG MADU PLANTATIONS)

By

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The aim of this research is to know which alternative of tractor investment that is more feasible to be done by PT Gunung Madu Plantations between repairing the old tractor or buying the new tractor.

Method used in this research is descriptive analytic method with case study. The object is PT Gunung Madu Plantations. Type of data used is primary and secondary data. Data collected by observation, interview and notes. Analyze method used is the investment criteria, consist of Payback Period (PBP), Net Present Value (NPV), Profitability Index (PI), and Internal Rate of Return (IRR).

The result of this research is that the alternative of repairing the old tractor is feasible to be done by PT Gunung Madu Plantations because it has PBP 0,12 years that is shorter than the economic age (8 years), NPV Rp. 21.326.624.718 that is bigger than 0, PI 54 that is bigger than 1; and IRR 850% that is bigger than the discount rate used (5,00%). The alternative credit to buying the new tractor is feasible to be done, because it has PBP 0,05 years that is shorter than the economic age (8 years), Rp. 23.612.451.524 that is bigger than 0, PI 142 that is bigger than 1, and IRR 2.060% that is bigger than the discount rate used (5,00%).

Conclusion of the study is an alternative investment tractor more feasible by PT Gunung Madu Plantations is an alternative to buying new tractors on credit because it has a value of PBP shorter, NPV greater, PI larger, and the IRR greater than the alternative of repairing the old tractor.

Key words: Investment, Feasibility Analyze, Investment Criteria, PBP, NPV, PI, IRR