ABSTRACT

JOJO JOWAHIR, The alternative choice for material resources of wire rod mill on the basis of financial analysis for case study PTKS (guided by Izuddin Kartamulia).

The purpose of this study to know the best alternative to overcome the material need of wire rod mill in order to be optimal by looking and comparing the calculation result of all alternatives. The research method has done for a few years by making financial projection which covered ; the profit and loss projection, balance projection, and cash flow projection, also for counting free cash flow of the investment to find out Net Present Value (NPV), Internal Rate of Return (IRR), Payback Period and Return on Investment (ROI). In taking decision of the alternative choice, also with the sensitivity analysis against the main factor which very in fluenced to the alternative choice of material resources. The count is performed based on every alternative assumption decided, it shows using billet import is better than other alternative choice, because it can get the positive value and the highest NPV, the IRR is higher than the interest grade term, with the payback period is faster if it is compared to other alternative and it indicated that billet import is better to be used. The sensitivity analysis is performed to find out how much a variable change influence against the NPV gain if the other variable considered to be constant. The sensitivity analysis against the price change of material is very sensitive to NPV gain. The sensitivity analysis against the utilities capacity (sale quantity), if the sale price per unit assumsed constant, it is not so much influence to the NPV achievment. The sensitivity analysis against the special import duty for using billet import is very sensitive to NPV again, also to the determination of discount factor influenced too. So, it can be seen that using the billet import is better than using billet existing, billet bloom, or billet optimalitation but it is very sensitive to the price change of material and the import duty.