ABSTRACT

Financial Statements have the potential to become a map or a maze for users. The purpose of a map is to help its users reach a desired destination through clarity of representation, while a maze attempts to confuse its users. To make Financial Statements a map, it is not enough for users just to read and analyze them, but also try to understand more deeply : (a) how the Financial Statements are prepared, (b) what accounting rules and methods are used to prepare them, and © what is the nature and limitation of the Generally Accepted Accounting Principles (the GAAP) as a base for producing Financial Statements? Knowing all about these issues, we will be fully aware that the Financial Statements of a company do not represent exactly accurate figures.

The writer tries to study the nature and limitation of the GAAP and how this GAAP can result in many versions of Financial Statements for the same company and for the same period, and sometime the differences can be very significant. The writer calls these significant differences as "financial surprises", because they will surprise us if we do not understand the nature and limitation of the GAAP.

To prove my statement, the writer use the actual and audited Financial Statements of PT SEMPATI AIR as a case model. The writer has studied and evaluated the Financial Statements and the GAAP used to produce the Statements, and the result is that the writer could reconstruct some versions of Financial Statements for PT SEMPATI AIR and uncovered the financial surprises by comparing those versions of the Financial Statements as follows:

Description	version 1	version 2	version3	version 4
Total assets	953,30	467,44	894,31	939,67
Total liabilities	854,10	480,70	854,10	854,10
Total capital	99,20	-13,26	40,21	85,57
EBT	26,90	-85,56	15,10	16,27
ROI	2,82%	-18,30%	1,69%	1,73%
ROE	27,12%	645,2%	37,55%	19,01%

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