

ABSTRACT

The thesis is discussing about the Financial Reporting System in a Multi-National Corporation. In relation with the much broader opportunities of business in the international context, many countries including Indonesia is interested in expanding the business beyond the country borders. Despite the benefits, international business unfortunately brings additional problems for the management of the organizations. Foreign exchange exposures, difficulties in the control process of the overseas operations are among the problems one can mention.

The intention of this study is to find out how one Multi-National Corporation among many others handles their Financial Reporting System, especially in the process to cope with the situations and problems found in the international operations, and relate the findings to the theoretical background. The research is done in the hope to contribute further information on the Financial Reporting System in Multi-National Corporations, so the readers of this report will be able to add more information on the ways Multi-National Corporations strive for success in the international business.

The study begins with an explanation on the background situations and problem definition. Some problems mentioned are :

- additional financial risks are controls
- performance measurements and financial objectives setting
- reporting facilities

The research objectives and methodology are also explained in this part.

The second chapter does an evaluation on the theoretical background in International Business and Management. Strategic management issues and Profit Planning and Control aspects are studied.

The evaluation on the Financial Reporting System of the Multi-National Corporation reveals several subject matters such as Accounts and Reports, Currencies and Translations, Consolidations, Valuations and Transfer Pricing, Money and Foreign Exchange Exposure Management. Standardizations in the Accounts and reports

The evaluation on the Financial Monitoring and Control System reveals the Reporting Schedule and Financial Objectives.

The evaluation on the Financial Reporting Medium explains about the infra-structure required to ensure the Financial Reporting System to work according to the plan.

Finally, the summary discusses about the facts found during the research and several characteristics interesting to be mentioned.