

EXECUTIVE SUMMARY

Recently Indonesia is busy with the execution on economic development and we are now in the Fifth Five-Year Plan Stage.

The Fifth Five Year Plan is to serve as a strong basis for the second year period of Indonesia's long term development program (1994/1995 - 2019/2020) which is each divided into Five Year period namely REPELITA VI to REPELITA X.

The emphasis in economic development is on the agricultural development and the industrial sectors.

The aim of the agricultural sector development is to stabilize self-sufficiency in food production and to increase the production level of other agricultural products.

The development of the industrial sectors aims to produce export items, provide employment opportunities to process agricultural products and to produce agricultural machineries.

As was planned from REPELITA-I, the economic structure is to balance further in REPELITA V by the acceleration of growth in the industrial sector and other sector.

As has been stated by the Government of Indonesia, the main challenge to be faced in REPELITA V relates to the stabilization, consolidation and raising the level of development in every field of national life in preparation for the take off stage in REPELITA VI.

The take off stage refers to long and continuing process which will eventually bring the Indonesian people to the goal of development.

The characteristics of this process from the economic point of view include the following aspects :

- (i). A high per-capita income accompanied by more equitability distributed development.
- (ii). The increasing role of the industrial sector as the prime mover in the development through the creation of high value added increased employment opportunities, greater harmonization with the agricultural sector and stronger inter-area coordination.

The above explanation implies the need of a much bigger investment in the fields of development of infra-structure such as multi-purpose dam construction, energy resources construction such as electric power; land work and foundation; concrete construction work, such as in the field of mass housing construction; building of some manufacturing industry such as fertilizer factories; steel plant and cement factories as a basic industry for further development of secondary industry.

The Government has also called on the private sector to invest in construction industry due to the fast growing demand for housing, buildings, factories and plants.

This thesis is prepared mainly for analyzing one of the construction businesses, PT. WKCI is one of the joint Enterprise Companies with specialization in the construction of Power Station, Dam, sub-Soil and Foundation, special Concrete Works, Special Steel Building, and other specialized Construction Works in-and-outside Indonesia.

By analyzing its Financial Statements we will know the financial position of the company and the results of its operation for a certain period of time.

However, considering the extent of the scope of the financial statements analysis; in this connection the writer has some limitation and has served several aspects in this thesis i.e. concerning liquidity, activities, profitability, trading in equity and multiple discriminant analysis.