

ABSTRACT

Elisabet Elsa Damayanti. *The effect of Cash Flow Statement toward Financial Performance on Telecommunication Industry and Hotel Industry which registered in Indonesia Stock Exchange in the Period 2007-2015.* (Guided by Rilla Gantino).

The purpose of this research is to analyze the effect of cash flow statement toward financial performance on Telecommunication Industry and Hotel Industry which registered in Indonesia Stock Exchange in the Period 2007-2015. Cash flow statement consists of operating cash flows, investing cash flows, and financing cash flows which are one of alternative as the consideration in decision making to measure the effectiveness of companies financial performance which measured by return on assets.

The sampling method used is purposive sampling. This research consists of 4 companies of telecommunication sub-sector and 11 companies of hotel sub-sector which registered in Indonesia Stock Exchange from total population 6 companies of telecommunication sub-sector and 21 companies of hotel sub-sector. The type of data is secondary data obtained from the financial statements and annual reports. Data analysis method used is multiple linear regression analysis.

The result showed that simultantly operating cash flows, investing cash flows, and financing cash flows have a significant effect on financial performance in telecommunication industry and hotel industry. Partially, in telecommunication industry only operating cash flows that affected significantly toward financial performance, but investing cash flows and financing cash flows are affected but not significant toward financial performance. In hotels industry, there are two variables which affected significantly toward financial performance, they are operating cash flows and investing cash flows, but financing cash flows affected but not significant toward financial performance hotel industry.

Keywords: *Operating Cash Flows, Investing Cash Flows, Financing Cash Flows, Financial Performance.*