

## TABLE OF CONTENTS

<b>PAGE OF TITLE.....</b>	i
<b>LEGALIZATION PAGE.....</b>	ii
<b>ACKNOWLEDGEMENTS.....</b>	iii
<b>TABLE OF CONTENTS.....</b>	iv
<b>LIST OF TABLES.....</b>	ix
<b>LIST OF FIGURES.....</b>	x
<b>ABSTRACT.....</b>	xi
<b>ABSTRAK.....</b>	xii
<b>CHAPTER I. INTRODUCTION</b>	
1.1. Study Background.....	1
1.2. Problem Identification.....	4
1.3. Problem Formulation.....	4
1.4. Limitation of Research Area.....	5
1.5. Research Objectives.....	5
1.6. Research Contribution.....	5
1.7. Definition of Terms.....	6
<b>CHAPTER II. REVIEW OF RELATED LITERATURE</b>	
2.1. Definition of Financial Statement.....	7
2.2. The Importance of Financial Statement.....	8

<b>2.3. Forms of Financial Statement.....</b>	<b>9</b>
<b>2.3.1. Balance Sheet.....</b>	<b>9</b>
<b>2.3.2. Income Statement.....</b>	<b>11</b>
<b>2.3.3. Statement of Cash Flows.....</b>	<b>11</b>
<b>2.4. Technique of Data Analysis.....</b>	<b>12</b>
<b>2.4.1. Financial Ratio Analysis.....</b>	<b>12</b>
<b>2.4.1.1. Liquidity Ratio.....</b>	<b>12</b>
<b>2.4.1.1.1. Current Ratio.....</b>	<b>13</b>
<b>2.4.1.1.2. Quick Ratio.....</b>	<b>13</b>
<b>2.4.1.1.3. Cash Ratio.....</b>	<b>14</b>
<b>2.4.1.2. Debt Ratio.....</b>	<b>14</b>
<b>2.4.1.2.1. Debt to Equity Ratio.....</b>	<b>15</b>
<b>2.4.1.2.2. Debt to Asset Ratio.....</b>	<b>15</b>
<b>2.4.1.3. Profitability Ratio.....</b>	<b>15</b>
<b>2.4.1.3.1. Gross Profit Margin Ratio.....</b>	<b>16</b>
<b>2.4.1.3.2. Operating Profit Margin Ratio.....</b>	<b>16</b>
<b>2.4.1.3.3. Net Profit Margin Ratio.....</b>	<b>17</b>
<b>2.4.1.4. Activity Ratio.....</b>	<b>17</b>
<b>2.4.1.4.1. Fixed Asset Turnover.....</b>	<b>18</b>
<b>2.4.1.4.2. Total Asset Turnover.....</b>	<b>18</b>
<b>2.4.2. Du Pont Analysis.....</b>	<b>18</b>

## **CHAPTER III. COMPANY PROFILE**

3.1. History of Company.....	21
3.2. Company Vision and Mission.....	27
3.2.1. Company Vision.....	27
3.2.2. Company Mission.....	27
3.3. Company Facilities.....	28
3.4. Organizational Structure.....	32
3.5. Human Resources.....	35
3.6. Marketing.....	37
3.6.1. Marketing Strategies.....	37
3.6.2. Product.....	40
3.6.2.1. International Telephone Services.....	40
3.6.2.2. International Telex and Telegram Services.....	41
3.6.2.3. Global Corporate Services.....	42
3.6.2.4. Packet Switched Data Network (“PSDN”)	42
3.6.2.5. Frame Relay.....	42
3.6.2.6. Multimedia Services.....	43
3.6.2.7. Internet Services.....	43
3.6.2.8. Telecast.....	44
3.6.2.9. Global Mobile Services.....	45
3.7. Financial Condition.....	45

## **CHAPTER IV. RESEARCH METHOD, DATA ANALYSIS, AND FINDINGS**

4.1. Research Method.....	49
4.2. Research Subject.....	49
4.3. Research Setting.....	49
4.4. Research Description.....	50
4.5. Techniques of Data Analysis.....	50
4.6. Research Analysis and Findings.....	51
4.6.1. Financial Ratio Analysis.....	51
4.6.1.1. Liquidity Ratio.....	51
4.6.1.1.1. Current Ratio.....	51
4.6.1.1.2. Quick Ratio.....	54
4.6.1.1.3. Cash Ratio.....	57
4.6.1.2. Debt Ratio.....	60
4.6.1.2.1. Debt to Equity Ratio.....	60
4.6.1.2.2. Debt to Asset Ratio.....	63
4.6.1.3. Profitability Ratio.....	66
4.6.1.3.1. Gross Profit Margin (GPM) Ratio.....	66
4.6.1.3.2. Operating Profit Margin (OPM) Ratio.....	68
4.6.1.3.3. Net Profit Margin (NPM) Ratio.....	70
4.6.1.4. Activity Ratio.....	73
4.6.1.4.1. Fixed Asset Turnover Ratio.....	73
4.6.1.4.2. Total Asset Turnover (TATO) Ratio.....	75
4.6.2. Du Pont Analysis.....	77

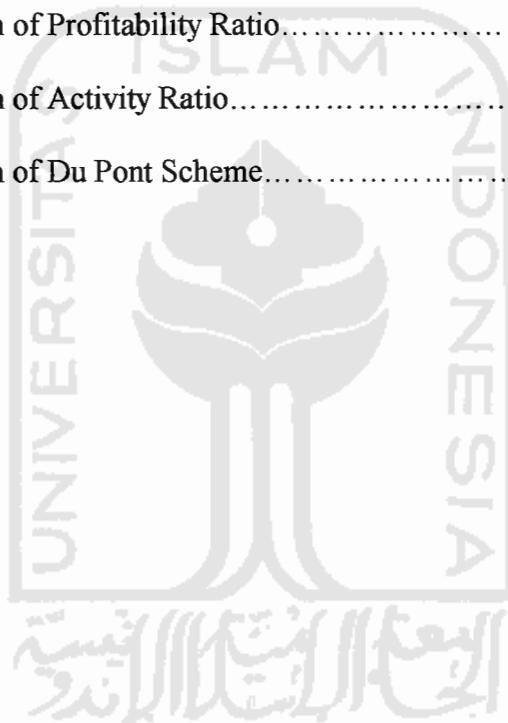
## **CHAPTER V. CONCLUSIONS AND RECOMMENDATIONS**

5.1. Conclusions.....	87
5.2. Recommendations.....	89

<b>BIBLIOGRAPHY</b> .....	90
---------------------------	----

<b>APPENDICES</b> .....	91
-------------------------	----

Appendix 1. Calculation of Liquidity Ratio.....	92
Appendix 2. Calculation of Debt Ratio.....	97
Appendix 3. Calculation of Profitability Ratio.....	102
Appendix 4. Calculation of Activity Ratio.....	109
Appendix 5. Calculation of Du Pont Scheme.....	112



## **LIST OF TABLES**

Table 3.1. Balance Sheet of PT INDOSAT Tbk.....	46
Table 3.2. Income Statement of PT INDOSAT Tbk.....	48
Table 4.1. The Current Ratio of PT INDOSAT Tbk in 1996-1999.....	52
Table 4.2. The Quick Ratio of PT INDOSAT Tbk in 1996-1999.....	55
Table 4.3. The Cash Ratio of PT INDOSAT Tbk in 1996-1999.....	57
Table 4.4. The Debt to Equity Ratio of PT INDOSAT Tbk in 1996-1999.....	61
Table 4.5. The Debt to Asset Ratio of PT INDOSAT Tbk in 1996-1999.....	63
Table 4.6. The Gross Profit Margin Ratio of PT INDOSAT Tbk in 1996-1999....	66
Table 4.7. The Operating Profit Margin Ratio of PT INDOSAT Tbk in 1996-1999	68
Table 4.8. The Net Profit Margin Ratio of PT INDOSAT Tbk in 1996-1999.....	71
Table 4.9. The Fixed Asset Turnover Ratio of PT INDOSAT Tbk in 1996-1999...	73
Table 4.10. The Total Asset Turnover Ratio of PT INDOSAT Tbk in 1996-1999..	75

## **LIST OF FIGURES**

Figure 2.1. The Du Pont Scheme.....	20
Figure 3.1. PT Indonesian Satellite Corporation Tbk Organizational Structure.....	33
Figure 4.1. The Du Pont Scheme of PT INDOSAT in 1996-1997.....	78
Figure 4.2. The Du Pont Scheme of PT INDOSAT in 1997-1998.....	81
Figure 4.3. The Du Pont Scheme of PT INDOSAT in 1998-1999.....	84

