HEALTH ANALYSIS OF TELECOMMUNICATION COMPANY IN ORDER TO MAKE DECISION IN INVESTMENT

Tukhas Shilul Imaro, Josep Ginting, Yenny Dwi Handayani
Universitas Mercubuana Jakarta
ts_imaroh@yahoo.com

ABSTRACT

This financial research aims to analyze the going concern of telecommunication company in Indonesia. We selected some companies in industry both public company and non public company.

To find the accurate result, this study used top down analysis, which is the impact of macro economy goes down to individual company in industry. After analyzing by using top down approach, the next step, fundamental and valuation analysis were used. In fundamental analysis, we looked at deeply the condition of financial of the company by computing ROA, Debt Service Ratio and others. Profitability, Solvency, Liquidity ratio were the components. Those three ratios were supported by activity analysis which is used to see the impact of sustainability and earning quality towards the performance and the capability of company to generate cashflow.

At the end of research step, we used valuation model as the calculation model to measure potential default risk and bankruptcy signal. The model was conducted in last analysis is Altman Z Score.

Finally we have the list of companies at any level of risk. Started from the best one until the bad one. Hoping the model used in this research can be implemented world wide in order to prevent the investor from lost.

Keywords : Macro economy, ROA, ROE, Altman Z Score.