

ABSTRACT

PT. Columbia Chrome Indonesia set of plan to expand the business area with establish representative office. Representative office is located on Tanjung, Tabalong – Kalimantan Selatan. The goal of this established are catching the opportunities with ability to service job on site service and fabrication on coal mining. The main goal of this research is comprehend investment feasibility level based on market potential that be able to achieve by company of Representative office establishment and to detect financial feasibility and to detect payback period, either of the profit of investment that acquire from representative office establishment plant.

This Research is descriptive research with using quantitative data. Most of data are Secondary data that collected with observation.

Based on the result of analysis and discussion of this research obtained the following conclusions :

Investment valuation analysis with Net Present Value method, the result is the NPV (+) = Rp 197.030.747,-with IRR method, the results are accetable investments for 21,5 % bigger than Cost of Capital (14%); by using methods Payback Period : investment funds issued at the beginning of the investment will return in the year to month 3 and 6; with the Profitability Index (PI) method the result is 1,3 (more than 1).This Research Shown that the plan to establish representative Tanjung from Finance Perspective are feasible to be realize.

As observation from Return On Investment (ROI) and Return ON Equity (ROE) that analysis result feasilbilty studi of Representative office establishment shown that this business are very attractive for the investor because can produce average of ROI annually range from 30 percent untill 33 percent, and ROE range from 30,9 percent untill 55,5 percent for annually. It is bigger than average of interest bank loan is about 14 percent.