

CHAPTER 1

INTRODUCTION

1.1 Background

Every company is always focusing on their goal. The company strives to implement the good tabulation system and presents it in the form of a complete and systematic. The main benefit of the company financial statements is to provide information regarding the financial data of an organization or company that will be used by the various interested parties for consideration in decision making.

Working capital is one of the most important aspects for the company in its efforts to achieve its intended purpose. Analysis of the financial statements of sources and uses of working capital is a study on the origin of the sources and uses of working capital in a particular company.

Many companies in Indonesia today are in great progress. Some of them could manage the companies to reach the desired goals. However in fact, several elsewhere broke down and unable to achieve a success. To develop it perfectly, the company has main goal to generate profit as much as possible so that business activities can not be separated from the optimal uses of working capital.

Every company wants to increase the sales of their production in order to get back their working capital as soon as possible along with optimum profits. For that reason, the working capital must be well-calculated by their management, to avoid an oversupply and deficiency, because if it is not well-prepared, the companies will possibly lose their income and profit.

In this occasion, the change in working capital position requires more attention in forming an analysis of financial condition and results of operations. The sources and uses of

working capital at the end of the period are important factors in considering the possibilities that can be achieved in the future.

The analysis of the sources and uses of working capital is a study on cashflow that affects the state of working capital. The flow that increases the working capital is called by the sources of working capital. On the contrary, it is called by the uses of working capital. The main purpose in the analysis of sources and uses of working capital is to find out how working capital is used and consumed in a company. To comprehend the importance of the analysis of the sources and uses of working capital for the company's existence, the author has interested to write a thesis with the title: "Analysis of the sources and uses of working capital in PT. Semen Padang in 2010-2011".

1.2 Problem Definition

1. What are the number of sources and the uses of working capital owned by PT. Semen Padang in 2010-2011?
2. How much of the increase and decrease in working capital of PT. Semen Padang in 2010-2011?
3. What are factors influence the changing of working capital of PT Semen Padang in 2010-2011?

1.3 Research Objectives

The objectives of Research :

1. To find out the management pattern of PT Semen Padang in handling the sources and uses of working capital for the company.
2. To find out the effectiveness of the management of PT. Semen Padang in using the working capital.

1.4 The benefit of research:

1. For the companies, it can be used as an advice and evaluation regarding to decision making mainly in managing the future working capital.
2. For the author, to give an insight about the sources and uses of working capital and its implementation in companies.
3. For the others, it can be used as material information or comparison regarding to analysis of the sources and uses of working capital especially for the next researchers in the same field.

1.5 Scope of research

- o This research pervades with the report of the sources and uses of working capital regarding to the financial statement of PT Semen Padang in 2010-2011

1.6 Research Method

In this thesis, the research method consists of :

- Location of research

This research conducted at PT. Semen Padang. This company is located at PT. Semen Padang Limau Manis, Indarung, Padang, WestSumatera.

- Data sources

The data will be used in this thesis obtained through:

- Library research

Library research generally is conducted to obtain the theoretical in reference with theoretical basis and guidelines in the research. This is done with

studying books, journals, articles and others which are relevant to the topic that discussed in this research.

- Study research

The research is conducted directly in the place of research. In this case, the author conducted research directly through an interview with management staff of PT. Semen Padang in accounting division.

1.7 Writing Systematic

The writing systems of this study is as follows: Chapter 1 is Introduction that will give a description about background, problem definition, research objectives, the benefit of the research, the scope of the research and systematic literature. Chapter 2 Theoretical Framework provides an overview of literature survey about the purpose, benefit, and characteristic of performance measurement system. Chapter 3 Research Methodology discusses a research method, type of data used in research, area of research, data collection method, and data analysis technique. Chapter 4 provides discussion and analysis. Chapter 5 consists of conclusion, limitation and suggestion of the research.