



CAPITAL STRUCTURE, INVESTMENT VALUATION AND RISK IN THE FEASIBILITY OF INVESTMENT IN THE TELECOMMUNICATIONS INDUSTRY

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ABSTRACT

The purpose of this study is to determine the feasibility of investment by considering the Capital Structure, Investment Valuation and Investment Risk in the Telecommunications Industry. The type of data used is secondary data, which is obtained from the results of documentation of objects in the form of annual financial reports for the period 2015 to 2019. The research method used is a comparative method with descriptive and quantitative analysis, while the data collection uses library research and documentation. Based on the results of the analysis, it can be concluded as follows: (1) The value of the capital structure of the telecommunications industry listed on the Indonesia Stock Exchange is divided into two categories, namely the category of healthy companies such as the Indonesian Telecommunications Tbk, Indosat Tbk, XL Axiata Tbk, and Smartfren Tbk, and the category of unhealthy companies, namely Bakrie Telecom Tbk; (2) The investment valuation is as a whole divided into two categories, namely the cheap stock category such as Indosat Tbk, XL Axiata Tbk, Smartfren Telecom Tbk, and the expensive stock category such as Telekomunikasi Indonesia Tbk and Bakrie Telecom Tbk. (3) Investment Risk which is the five companies listed on the Indonesia Stock Exchange are included in the category of weak stocks (defensive stock). (4) The feasibility of investment in the telecommunications industry listed on the Indonesia Stock Exchange shows that companies that are included in the feasible project category (positive NPV results) are Indosat Tbk, Telekomunikasi Indonesia Tbk, and Bakrie Telecom Tbk, while companies that are included in the project category are not feasible (results negative NPV) namely XL Axiata Tbk and Smartfren Telecom Tbk.

Keywords: *Capital Structure; Investment Feasibility; Investment Risk*