

**THE ANALYSIS OF DEFAULT BONDS IN A COMPANY: CASE
STUDY OF PT ARPENI PRATAMA OCEAN LINE TBK**

By

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STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, contains no material previously published or written by another person, nor material which to a substantial extent has been accepted for the award of any other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

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ABSTRACT

THE ANALYSIS OF DEFAULT BONDS IN A COMPANY: CASE STUDY OF PT ARPENI PRATAMA OCEAN LINE TBK

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Bond is one of the debt securities that a company can acquired as a capital debt to support its financial problematic. Despite the fact that there are some requirements that the issuer should be noticed about, which are paying the coupon or the interest payment of the bonds and repaid the principal value of the bond as it is matured. Once the company or the issuer did not pay the coupon on time, there must be any reasons of the lateness of the payment or else the bond could be said default.

The research will focus on the PT Arpeni Pratama Ocean Line Tbk as the company or the bond issuer and will be using the company's financial statements for year 2005 – 2010. Due to the importance of the punctual in payment, lateness of a coupon payment will further affect the company's performance.

The research will be conducted by analyzing the financial data of the company to know the factors of the lateness of the coupon payment and regression analysis to discover relationship between dependent variable and independent variables of the model.

This research was proved to be true as the result shows that PT Arpeni Pratama Ocean Line Tbk was having tough years during year 2008 until 2010. During year 2008 until 2010 PT Arpeni Pratama Ocean Line Tbk's ability to generate cash is declining and it

automatically will decrease the net income as well. Then its ability to cover up its interest obligation also declining as it is having a cash shortage. Thus, the probability of the bond becoming default is getting closer because of its ability is weakened.

Keywords: bond, default bond, interest obligation

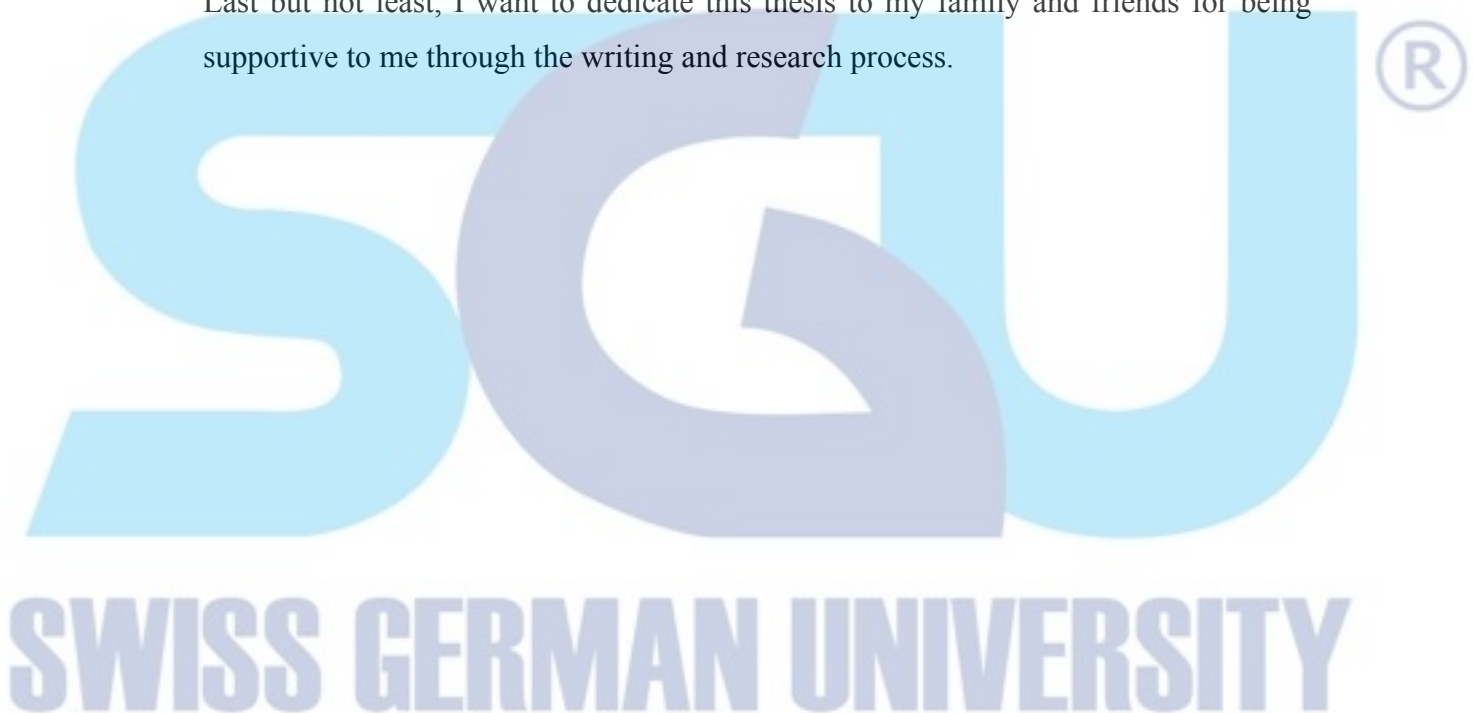


DEDICATION

I dedicate this thesis to my university, Swiss German University.

I also dedicate this thesis to educators of Business Administration Department, especially my thesis advisor for giving me the opportunity to have this thesis.

Last but not least, I want to dedicate this thesis to my family and friends for being supportive to me through the writing and research process.



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