

Analysis of Depreciation Method in PSC Company in Comparison to the Financial Accounting Standard

By

Praditya Kesuma Dewi

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SWISS GERMAN UNIVERSITY

SWISS GERMAN UNIVERSITY
Campus German Centre
Bumi Serpong Damai – 15321
Island of Java, Indonesia
www.sgu.ac.id

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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, it contains no material previously published or written by another person, not 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.

Praditya Kesuma Dewi

Date

Approved by:

Sam PD Anantadjaya, MBA, MM - Advisor

Date

Indra Pratama SE, MM, Ak., CPMA - Co advisor

Date

Praditya Kesuma Dewi

Chairman of the Examination Steering Committee

Date



ABSTRACT

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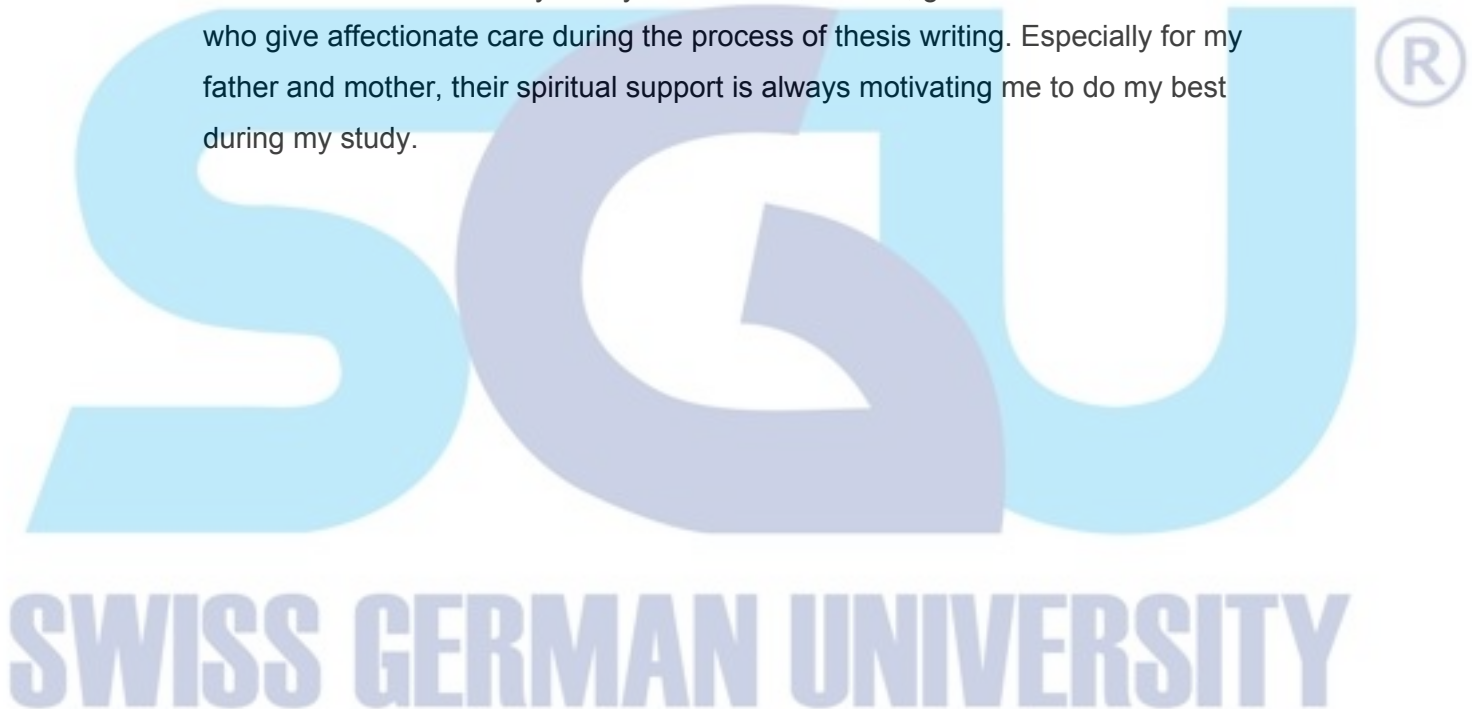
Sam PD Anantadjaja, MBA, MM, Major Lecturer

The increase of the numbers of oil and gas contractors in Indonesia spurs BPMIGAS as government's oil and gas regulator put very much concern in the production-sharing contract, which becomes a basis contract regulation between BPMIGAS and oil and gas contractors. This study uses a case study of Marathon International Petroleum Indonesia Ltd or known as "MIPIL". One of the most essential part in the contract is how the financial regulation be implemented by contractors. There are several differences in accounting implementation compare to Financial Accounting Standard or known as FAS. Among several differences, one of them is depreciation method that becomes the core issue in this thesis. In order to compare between BPMIGAS and FAS depreciation method, depreciation expense is calculated by using MIPIL's asset information.

The methodology uses in this thesis are qualitative and quantitative approach. Both are conducted in analyzing the issue about how two depreciation method differ from one and another and obtaining data needed prior to the asset information. With several background reasons, this issue brings out benefits for both government of Indonesia and contractors.

DEDICATION

I dedicate this thesis to my dearly loved father, mother, grandmother and best friends who give affectionate care during the process of thesis writing. Especially for my father and mother, their spiritual support is always motivating me to do my best during my study.



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