

## **ABSTRACT**

### **THE FEASIBILITY ANALYSIS OF EMBROIDERY MACHINE INVESTMENT AND WORKING SHIFT CHANGE IN PT KURNIA PERSADA MITRA MANDIRI PALEMBANG**

*PT Kurnia Persada Mitra Mandiri is a company engaged in furniture manufacturing. One of the products is Springbed. Starting from April 2018, the logo on Procella Neo Callista Springbed which was previously in the form of label should be embroidered. The amount of embroidery required per day is 1000 pieces. Hence, the company changed the shift of embroidery machine into two to meet the needs of embroidery production. Researcher attempted to compare between investment alternatives of two working shifts and machine investment. The company will need to invest one twelve-head Fuwei embroidery machine which costs Rp252,000,000 and has 5 years economic life. The result of feasibility investment analysis employing 4 investment valuation criteria (Payback Period, Net Present Value, Internal Rate of Return and Profitability Index) and Break Even Point analysis showed that the investment of the machine was worth since it fulfilled economic feasibility requirements. Furthermore, calculations utilizing 7 indicators to compare the two alternatives, in terms of annual costs; Cash Flow, Net Present Value (NPV), Internal Rate of Return (IRR), Break Even Point, and Net Profit. Thus, two working shifts were chosen. Consequently, both alternatives of two working shifts and machine investment were considered feasible.*

*Keywords: investment, embroidery machines, NPV, IRR, cash flow*