

## ABSTRACT

The research is to value the properness of oil palm plantation project at PT XYZ in financial aspect. There are some methods use in appraise the properness of investment project, i.e. Payback Period, Internal Rate of Return (IRR), Net Present Value (NPV), and Modified Internal Rate of Return. This research is using the IRR and NPV method.

The Project was proper from financial aspect if present value of project cash flow subtracted with present value of project cost, is positive. Or expected return of the company or investor is bigger than cost of capital. This describe in positive NPV value and bigger IRR than cost of capital.

This research is assuming the cost of oil palm plantation project was using bank loan, which the cost of capital as big as present bank interest at level 14 % pa.

Based on the projection of cash flow, the NPV is IDR 48.041.092.387,- and IRR 20.68 % The project of PT XYZ oil palm plantation is proper from financial aspect with positive NPV and bigger IRR than cost of capital (bank interest).

Keywords: project, oil palm plantation, cost of capital (bank interest), and proper.