

ABSTRACT

Analysis of business expansion decisions making the production of CV.ArteX Indonesia aims to determine the manufacture or not the new production house CV.ArteX Indonesia. The analysis used is financial aspect based on assumption on technical and market data. In addition, using incremental cost method against the selection of expansion or not expansion of production house CV.ArteX Indonesia. For financial aspect analysis method that is; NPV (Net Present Value), IRR (Internal Rate Return), and PBP (Payback Period). First, the NPV method is not expansion of Rp. 2.408.188.463 and expansion of Rp.5.956.323.365. Secondly, IRR method, obtained by interest rate not expansion equal to 67,11% and expansion equal to 68,95%, second value of IRR bigger than MARR equal to 25%. Third, PBP, the return time is not Expansion for 5 years 21 days, while Expansion is 4 years 4 months 24 days. Both alternatives with payback times are below investment age, ie for 8 years. Furthermore, based on the incremental cost method then selected alternative expansion.

Kata Kunci: *Incremental Cost, Decision Tree, Internal Rate Return, Net Present Value Internal Rate of Return, Payback Period.*