ABSTRACT

The purpose of this study was to assess the significant difference between the Return On Assets (ROA) and Economic Value Added (EVA) in assessing corporate performance. Return On Assets (ROA) is the ratio that measures the ability of the capital invested in the total assets to generate profits for business owners, while the Economic Value Added (EVA) is a measurement of financial performance calculated by subtracting the Net Operating Profit After Tax (NOPAT) with the Cost of Capital (COC).

The object of this research is that corporate performance is measured by Return On Assets (ROA) and Economic Value Added (EVA) in PT Telekomunikasi Indonesia, Tbk, which is a company engaged in telecommunications services and investing in other companies. The data comes from the company's financial statements during the 10 years ie from 2000 until the year 2004.

The method used is the comparative analysis and hypothesis testing was done by Student t test with two test (two tail test) from the hypothesis testing results obtained t count equal to 6.849. Due to the t bigger than t table then H0 refused and H1 accepted.