

ABSTRACT

Micro, Small and Medium Enterprises (MSMEs) are often attractive to investors due to their high growth potential and adaptability to market changes. Investment in MSMEs not only provides attractive returns but also drives economic growth. West Java, as one of the largest provinces in Indonesia, has significant economic potential, especially in the food MSME sector. Investing in food MSMEs in West Java promises great financial returns and contributes to local economic development, employment opportunities and community welfare. Therefore, a business feasibility analysis is required to determine whether or not this business is feasible to keep running. The investment feasibility analysis of Sate Taichan Kitee MSMEs uses the Net Present Value (NPV), Internal Rate of Return (IRR), and Payback Period (PP) methods. The results of the analysis show that the net cash inflow for 12 months is not enough to cover the cost of setting up the business, with an NPV of -Rp1,344,492 and IRR of -8%, indicating that this investment is not feasible. However, in the optimistic scenario with a 5% decrease in costs and a 10% increase in revenue, the NPV becomes positive at IDR 554,746 and the IRR is 16%, indicating significant profit potential. Therefore, investment in Sate Taichan Kitee MSME is recommended to be rejected in the moderate scenario but has the potential for profit in the optimistic scenario with maximum sales.

Keywords: Financial Aspects, Investment Feasibility, MSME