THE IMPACT OF GOVERNMENT'S FINANCIAL PERFORMANCE TOWARDS GOVERNMENT'S REAL INCOME

AN EMPIRICAL STUDY OF CITY AND TOWN IN PROVINCE OF EAST JAVA PERIOD 2008-2011

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SUBMITTED BY

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I, (Eden Zarista, 040913019), declare that:

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Researcher

ABSTRACT

Paradigm of government in Indonesia by autonomic regulation gives a prospect in decreasing the number dependency of national government to debt source. It is revealed as the regulation forces government to perform a good financial performance in achieving goal that is earning government real income. Government's financial performance as an indicator represents financial position of entities. It is measured by three variables; efficiency, effectiveness and capital expenditure allocation. This study investigates the impact government's financial performances to government's real income in scope city and town in province of East Java for the year 2008 until 2011. This research is using multiple linier regressions. By using this method, the findings of this research are economic growth is influencing government real income meanwhile government financial performance by efficiency, effectiveness and capital expenditure allocation is not significantly influencing government real income.

Keyword: Government Financial Performance, Efficiency, Effectiveness, Capital Expenditure Allocation and Government Real Income

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