

SUMMARY

Rida Perwita Sari, Postgraduate Program, Faculty of Economics and Business, Airlangga University, Surabaya, January 2018. *A Relation A Financial Performance, Economic Growth And Investment In East Java: A Study By The Flow Funds Accounting Approach*

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In this study, a relation among a public financial performance, an economic growth and an investment will be explored by a flow funds accounting approach. To promote an empirical fact, the study will be in whole 33 local governments in East Java Province, Indonesia. A unit analysis is 38 districts/cities in East Java Province using panel data of 2010-2015 (six years).

Based on our understanding on a multiplier theory, an agency theory, a Fiscal Federalism Theory, a Flow theory and a Contingency Theory, a mix quantitative and qualitative research design is utilized. In side of quantitative, a path analysis and a partial least square were in. Next, in a side of qualitative, a critical descriptive through a ratio analysis and a ranking analysis will be explored.

Our research finding is raised as regional cluster model based on the flow funds consumption each economic actors; regional cluster model based on the flow funds investment each economic actors; regional model with consumption and investment as driven economic growth.

Keywords: Flow of Funds Balancesheet, financial performance, investment, economic growth