PI-HSIA YEN
Yu Da University of Science and Technology, Taiwan

FRAMEWORK BUILDING OF FINANCIAL PERFORMANCE INDEX FOR AIRPORTS- A CASE OF TAIWAN

Abstract:

This paper has constructed the representative financial performance evaluation indicators framework for different level airports (type A and B). This paper, by using airport's two main financial reports: "balance sheet" and "Income Statement" and accommodating with characteristics of revenue and expenditure of airports, divides financial evaluation into five elements of "solvency", "profitability", "return of investment", "assets turnover ratio" and "debts turnover ratio", 19 initial financial results evaluation indicators are achieved for proceeding the airports financial results evaluation. For the selection of indicators, this paper uses Grey Relation Analysis to examine the relationship between indicators. Those with high correlation are grouped and then a representative indicator is selected from among them. This method not only simplifies the complex work of evaluation, but can also manage such limitations as a dearth of information or unknown distribution types.

  In application of the actual sample of A type airports' financial results evaluation, the numbers of evaluation indicator had been decreased from 19 to 6 and make the decreasing ratio 68.42%. In application of the samples B type airports' financial results evaluation, initial financial evaluation indicators had decreased from 19 to 5 representative ones. The evaluation indicators decreasing ratio is 73.68%.

Keywords:

Airport, Financial Index Framework, Grey Relation Analysis

JEL Classification: G30