This study is based on the writer’s interest on the word formation processes that have an important role to master linguistics study. Word formation is a branch of linguistics that studies about the process of constructing new words from existing materials. There are many ways of constructing new words like compounding, borrowing, coinage, blending, clipping, backformation, conversion, acronym, and derivation. In this study, the writer investigated the word formation processes on the terms used in Microsoft Word 2000 and their function. The writer is interested in discussing this because Computer technology is one of primary needs of life that has a stronger existence in each sector of human life. Without having basic knowledge of English grammar and vocabulary, people will not understand English terms on computer and cannot operate it well. Microsoft Word 2000 is the most common program, which uses spreadsheet software.

The method that was used to conduct this study is descriptive qualitative research design. The sampling procedure followed is Purposive Sampling. The population of the study was all the English computer terms used in Microsoft Word 2000. The sample was 40 terms. The instruments used to collect the data were interview and observation based on the theory and concept. While to analyze the data, the writer employed the following procedures: (a) selecting the terms used in Microsoft Word 2000 (b) identifying the word formation of the terms used in Microsoft Word 2000, and (c) describing the function of the terms used in Microsoft Word 2000.

The result of this analysis showed that from 40 terms that were selected, 21 terms were compounding like full screen, auto correct, auto format table, change case, print preview. 2 terms were clipping like Del and Tabs and also 3 terms were acronym like TOC, TOA, and RTF. Than 14 terms were derivation like Animations, Versions, Insertions, Replace, Undo, Borders, Numbering, Drawing. Finally, it was found that the terms had some constructions and each function has its own function like Insert table. It is used to insert the table in an active document with the toolbar bottom. Rich Text Format (RTF) is used to accept the object with the format. Undo it is used to cancel the order. It is hoped that the reader pay more attention to the use of word formation processes in order to improve their mastery of linguistic study and to improve their knowledge about the terms function used in Microsoft Word 2000.