

Analysis of Determining Cost of Production in the Sangkar Perkutut UD Galery Sangkar Mas in Dawuhan Mangli Village, Sukowono Subdistrict, Jember Regency

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ABSTRACT

A company is an organization that operates with the aim of generating profits, by selling products (goods and/or services) to its customers. The cost of production is all costs related to the product or goods obtained, in which there are elements of product costs in the form of raw material costs, direct labor costs, and factory overhead costs. The selling price is the amount of compensation (money or goods) required to obtain a combination of goods or services. The method used is qualitative data and quantitative data. Calculation of the cost of production using the variable costing method. Calculation of Turtle dove Cage Gallery UD. Sangkar Mas is the highest for 250 bird cages are the cost of production in January 2024.

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1. INTRODUCTION

A company is an organization that operates with the aim of making a profit, by selling products (goods and or services) to its customers. The operational goal of most companies is to maximize profits [6]. With the high competition that exists, every company must have high efficiency and effectiveness in order to produce more products with good quality.

To compete in the market, it is not enough if only products with good quality, but the product must also be sold at a reasonable price. A reasonable selling price can be obtained with precise and accurate calculations.

Turtle dove Cage is one of the places whose purpose is to keep turtle dove birds. In

the process of choosing the right type of cage, it is actually not only adjusted based on price, but also in terms of quality and design also has an effect.

The business involved in making the cage itself is UD. Sangkar Mas, this business produces quite a lot of cages and its marketing area in the East Java region.

The selling price of UD products. Mas cages must dare to compete in the market to win competition with other cage businesses, cage businesses must have high quality and of course with competitive prices so that the quality is good UD. Sangkar Mas can develop and become a successful home industry.

2. LITERATURE REVIEW

2.1 Cost Accounting

Cost accounting is one of the branches of accounting which is a management tool in monitoring and recording cost transactions regularly, as well as presenting cost information in the form of cost reports [1].

From the above opinion, it can be concluded that cost accounting is a branch or concentration of accounting in general that is in charge of carrying out the process of recording, classifying and presenting the costs of making products with the aim of systematically monitoring and recording costs transactions, as well as presenting information in the form of cost reports.

2.2 Cost of Production

The cost of production is the costs that occur in processing raw materials into finished products to be ready for the market. To be able to determine the selling price accurately, it is necessary to calculate the cost of a product correctly. The cost of production is also the basis for determining the selling price, because the cost price provides the level of return that is sought to be obtained for the sacrifices that have been made.

The cost of production is the cost that shows direct materials, direct labor, and factory overhead that occurs over a period and is charged to goods in process and finished goods [5].

2.3 Selling Price

The selling price is the amount of compensation (money or goods) needed to get a number of combinations of goods or services. The company always sets the price of its products in the hope that the product will sell well and can get maximum profit.

Selling price is the monetary amount charged by a business unit to a buyer or customer for goods or services sold or delivered [6] in principle, the selling price must be able to cover the full cost coupled with a reasonable profit. The selling price is the same as the production cost plus the mark-up.

3. METHODS

3.1 Data Types and Sources

This research was carried out at UD. Sangkar Mas in Sukowono village during the

research period of approximately three months from January to March in 2024.

3.1.1 Data Types

a. Qualitative data

Data obtained directly in the form of information from the company. This data concerns the history, organizational structure and accounting treatment of the company.

b. Quantitative data

Data obtained directly in the form of figures from the company. This data concerns costs and sales volume in the company.

3.1.2 Data Source

a. Primary data

The data taken was directly obtained from the UD company. Cage, bro. In this case the author asked the parties concerned with this research.

b. Secondary Data

The data taken was directly obtained from the UD company. Cage, bro. In this case the author asked the parties concerned with this research.

3.2 Data Collection Techniques

3.2.1 Observation

Servation or Which called observation, covers activity loading attention to something objects and using all the sense organs [3]. Observe as tool collect dat Lots used to measure behavior or the process by which an activity occurs can observed Good in situation Which Actually nor in artificial situations [2].

3.2.2 Documentation

Documentation is collecting data with see or take notes something reports Which Already available [2].

3.2.3 Interview

An oral interview or questionnaire is A dialog Which done by interviewer (interviewer) For obtain information from the interviewer [3].

3.3 Data Analysis

3.3.1 Data Collection

- a. Analysis of the cost of production using the company method. The calculation of the cost of production is carried out using the calculation basis provided by the company.
- b. Analysis of the cost of production using the Job Order Costing Method.

Job Order Costing begins with identifying the production process carried out by the company and the costs used to produce the product.

3.3.2 Cost Classification

There are various ways of classifying costs [4], namely:

a. Variable Costs

Variable costs are costing whose total value changes directly with changes in the level of activity or volume, both production volume and sales volume.

b. Semi variable cost

Semi-variable costs are costs that have fixed cost elements and variable cost elements. For planning and cost control purposes, semi-variable costs must be separated into fixed cost elements and variable cost elements.

c. Fixed costs

Fixed costs are costing whose total value is fixed or does not change with changes in the level of activity or volume within the limits of the relevant level of activity or 18 within a certain time period.

3.3.3 Production Costs

Production costs are production costs which are costs incurred to process raw materials into finished products that are ready to be sold. In general, production costs are divided into raw material costs, direct labor costs and overhead costs [8].

Raw Material Cost	Rp.xxx
Direct Labor Costs	Rp.xxx
Factory Overhead Costs	<u>Rp.xxx</u> +
Total Production Costs	Rp.xxx

3.3.4 Cost of Goods Production

The cost of production is a number of costs incurred to process raw materials into finished products that are ready for sale [9].

Beginning Inventory of Work in Process	Rp.xxx
Production Cost	<u>Rp.xxx</u> +
Final Cost of Work in Process	Rp.xxx
Cost of Production	<u>Rp.xxx</u> - Rp.xxx

4. RESULTS AND DISCUSSION

4.1 Materials

Materials and equipment are really needed during the production process. UD. Sangkar Mas is a business that uses bamboo and rattan every day to produce turtle dove cages in quantities that depend on the number of orders received, namely 5 to 10 turtle dove cages every day. Not only bamboo and rattan, UD. Sangkar Mas also regularly buys tools for production needs.

a. Raw material

The raw materials used are bamboo and rattan.

b. Auxiliary raw materials

Auxiliary raw materials used include newspapers, wooden boards, nails, G glue, sandpaper, melamine, calcium and thinner

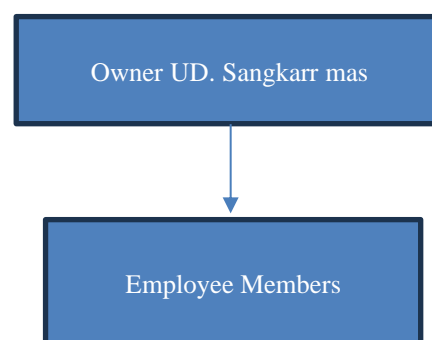
c. Production tools

The production tools used are saws, drills, electricity, compressors, air brusts, wooden handles, rattan skewers, knives, scissors, ballpoint pens, compass and mall/rattan sizes.

d. Organizational structure and job descriptions. To simplify the production process at UD. Sangkar Mas has a division for employee members, as follows:

- Cutting rattan
- Shaping rattan
- Making bars
- Make cage accessories
- Assembly process
- Painting process

Organizational structure at UD. Sangkar Mas is not made completely, because it upholds the values of family, cooperation and mutual assistance. Therefore, the organizational structure at UD. Mas's cage is very simple and not the same as other UD's. The following is UD's organizational structure. Sangkar Mas:



4.2 Calculation of Cost of Goods Production

Table 1. UD Raw Material Costs. Sangkar Mas in 2024

Raw material	Purchase price/unit	January		February		March	
		Quantity	Raw Material Costs	Quantity	Raw Material Costs	Quantity	Raw Material Costs
Rattan	17,000	100 long	1,700,000	35 long	595,000	68 long	1,156,000
Bamboo	130,000	7 ovals	910,000	3 tapered	390,000	5 tapered	650,000
Number of Raw Materials		Rp. 2,610,000		Rp. 985,000		Rp. 1,806,000	
Total Raw Material Costs		Rp. 5,401,000					

Source: UD. Sangkar Mas (2024)

Table 2. UD Direct Labor Costs. Sangkar Mas in 2024

January	February	March	Total Amount of Direct Labor Costs
Rp. 9,450,000	Rp. 8,750,000	Rp. 9,100,000	Rp. 27,300,000

Source: UD. Sangkar Mas (2024)

Table 3. UD Variable Factory Overhead Costs. Sangkar Mas in 2024

Raw material	Purchase price/ Unit	January		February		March	
		Quantity	Raw Material Costs	Quantity	Raw Material Costs	Quantity	Raw Material Costs
Newspaper	10,000	3 kg	30,000	3 kg	30,000	2kg	20,000
Wooden board	120,000	2 sheets	240,000	2 sheets	240,000	2 sheets	240,000
Nail	20,000	1 kg	20,000	1 kg	20,000	1 kg	20,000
Glue G	10,000	10 pcs	100,000	5 pcs	50,000	7 pcs	70,000
Sandpaper	10,000	5 meters	50,000	3 meters	30,000	5 meters	50,000
Melamine	50,000	3 cans	150,000	2 cans	100,000	2 cans	100,000
Calcium	55,000	2 sacks	110,000	2 sacks	110,000	2 sacks	110,000
Thiener	80,000	2 cans	160,000	2 cans	160,000	2 cans	160,000
Electric drill	275,000	1 pc	275,000	-	-	-	-
Saw	25,000	1 pc	25,000	-	-	1 pc	25,000
Rattan Skewer	250,000	1 bunch	250,000	1 bunch	250,000	1 bunch	250,000
Knife	30,000	5 pcs	150,000	-	-	-	-
Scissors	15,000	4 pcs	60,000	-	-	-	-
Ballpoint pen	5,000	5 pcs	25,000	5 pcs	25,000	5 pcs	25,000
Period	150,000	-	-	-	-	1 pc	150,000

Mall	250,000	1 pack	250,000	-	-	-	-
Electricity	1,547.42	167.62 /kwh	259,378.54	167.62 /kwh	259,378.54	167.62 /kwh	259,378.54
Variable BOP Cost Amount	Rp. 2,099,378.54		Rp. 1,274,378.54		Rp. 1,479,378.54		
Total Variable BOP Costs	Rp. 4,853,035.62						

Source: UD. Sangkar Mas (2024)

Table 4. UD Fixed Factory Overhead Costs. Sangkar Mas in 2024

Information	Price per unit	Number of units	Total Acquisition Price	Economic Age (Years)	Depreciation Expense / Year	Depreciation Expense / 3 Months
Compressor	1,750,000	1	1,750,000	4	437,500	109,375
Brust water	2,500,000	1	2,500,000	5	500,000	125,000
Surrender wood	450,000	1	450,000	1	450,000	150,000
The amount of costs					1,387,000	384,375

Source: UD. Sangkar Mas (2024)

Table 5. UD Production Cost Report. Sangkar Mas in 2024

Information	Total cost		
	January	February	March
Raw material costs	Rp. 2,610,000	Rp. 985,000	Rp. 1,806,000
Direct labor costs	Rp. 9,450,000	Rp. 8,750,000	Rp. 9,100,000
Variable Factory <i>Overhead</i> Costs			
- Auxiliary Raw Material Costs	Rp. 1,840,000	Rp. 1,015,000	Rp. 1,220,000
- Electricity	Rp. 259,378.54	Rp. 259,378.54	Rp. 259,378.54
Factory Depreciation Costs			
- Compressor depreciation costs	Rp. 36,458.33	Rp. 36,458.33	Rp. 36,458.33
- Brust water depreciation costs	Rp. 41,666.66	Rp. 41,666.66	Rp. 41,666.66
- The cost of depreciation of wood	Rp. 37,500	Rp. 37,500	Rp. 37,500
Cost of goods sold	14,275,033.53	11,125,093.53	12,501,033.53
Amount of production each month	250 cages	250 cages	250 cages
Cost of Production per cage	Rp. 57,500	Rp. 44,500	Rp. 50,000

Source: UD. Sangkar Mas (2024)

Table 6. Total Production Cost Calculation Report UD. Sangkar Mas in 2024

Information	The amount of costs
Raw material costs	Rp. 5,401,000
Direct labor costs	Rp. 27,300,000
Variable Factory <i>Overhead</i> Costs	Rp. 4,853,035.62
Factory Depreciation Costs	Rp. 384,375
Total Cost of Goods Production	Rp. 37,938,410.62

Source: UD. Sangkar Mas (2024)

5. CONCLUSION

Based on the results of research analysis of the calculation of the cost of production of the Sangkar Perkutut UD Gallery. Sangkar Mas in January and February 2024, researchers can draw the following conclusions:

Report on the calculation of the cost of production in January amounting to Rp. 14,275,033.53. In February 2024, IDR. 11,125,093.53. In March 2024, Rp.

12,501,033.53. Of these three months, according to the calculations of the Sangkar Turtledove Gallery UD. The highest price for Sangkar Mas for 250 bird cages is the cost of production in January 2024, namely Rp. 14,275,033.53.

It can be seen that the report on the total cost of goods produced by UD. Sangkar Mas as of January, February and March 2024 is IDR. Rp. 37,938,410.62.

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