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Analysis of Cost of Goods Produced as a Basis for Calculating the Selling Price of Semprong Pusaka Jaya Cilamaya Products

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ABSTRACT

The main objectives of this study are to ascertain, examine, analyze, and explain the production costs of Semprong Pusaka Jaya. (2) to ascertain, study, debate, and explain the process of determining the cost of goods by the Semprong Pusaka Jaya company using the overall costing approach. (3) know how to study, discuss, and explain how to calculate the cost of production to determine the selling price of the Semprong Pusaka Jaya business. The research method used is a type of quantitative descriptive research. Primary data in the form of interview data in the form of an analysis of the cost of production as the basis for determining the selling price of the product was collected directly from the company and used in this study. Regarding the secondary data used in this study collected from publications, websites, books, and other sources. The results of data analysis affect the selling price. Companies should use the whole costing strategy to determine the selling price of Semprong according to the cost plus percing method. In particular, the price per ball must be changed from Rp.18,000 to Rp. 20080 initially.

INTRODUCTION

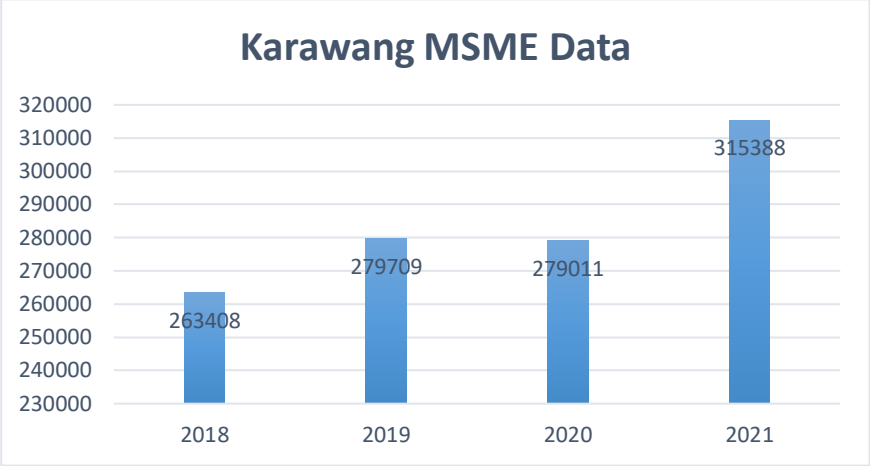
The growth of technology in the business world is growing very rapidly, causing competition in business to be very tight, one of which occurs in micro, small and medium enterprises (MSMEs). Based on Law No. 20 of 2008 revealed that, MSMEs are business activities that are able to develop employment, provide a widely available economy for the community, encourage economic growth and play a role in achieving national stability. In addition, micro, small and medium enterprises are one of the main pillars of the national economy which should have the main opportunities, support, protect and develop as follows: closely tied to the people's economic business group, without neglecting the role of large companies and state-owned enterprises.

Micro, small and medium enterprises (MSMEs) are defined in Law Number 20 of 2008 concerning micro, small and medium enterprises (MSMEs) as economically active businesses owned by assets of no more than $ 50,000,000 and annual sales of $ 3,000,000. Independent economic activities carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or become part either directly or indirectly of medium enterprises or large enterprises that meet the criteria for small businesses as referred to in this law are considered small businesses (Endrianto, n.d.).

MSMEs in Indonesia, according to the Minister of State for Cooperatives and Small and Medium Enterprises, Suryadharma Ali, contributed 1,778.7 trillion or 53.3% of Indonesia's GDP. This 10% increase in MSME performance will mean that it will increase the current GDP by 5%, a large number, considering that Indonesia's GDP growth is currently only around 6% per year. In addition, MSMEs absorb 85.4 million people or 96.18 percent of the entire workforce working in Indonesia. The progress of MSMEs can mean solving problems for unemployment in Indonesia (Umar, 2008).

SMEs are the largest form of company in Indonesia, but until now there are still many kinds of restrictions on small businesses there. Small and medium enterprises are defined as "Small-scale people's economic activities

with the business sector as the majority of small business activities and need to be protected to prevent unfair competition" in the Presidential Decree of the Republic of Indonesia No. 99 of 1998. There must be Limitations because the term "small" is subjective, which can give rise to different definitions of small business from different points of view (William et al., 2015). Karawang Regency which has experienced an increase in the number of MSMEs with a high number of soaring from every year, here is a graph that illustrates the growth of MSMEs in the Karawang area as follows:



Graph 1. Karawang MSME Data
Source : opendata.jabarprov.go.id 2022 (Processed by author 2023)

Data 1.2 shows that the growth of MSMEs in Karawang Regency has increased from 2018 to 2021. In 2018, there were 263,408 MSME units registered in Karawang Regency, then in 2019 there were 279,709 MSME units, then in 2020 there were 279,011 MSME units and in 2021 there were 315,388 MSME units in Karawang Regency. Thus, it can be seen that MSME units in Karawang Regency have experienced significant growth from year to year (opendata.jabarprov.go.id). Karawang City has several business and medium units (MSMEs). MSMEs create opportunities for competition, especially for MSMEs that sell similar products. Price is one of the factors that determine business competition. Cost is one of the components that make up price. In calculating the elements of cost into production costs, there are two approaches, namely full costing and variable costing.

In fact, the business owner has been setting the cost of goods produced based on his policy, namely determining the selling price based on market prices and not charging electricity costs and depreciation as factory overhead costs. Because business owners target that every year get the same profit, while in practice the costs incurred are not appropriate from year to year. Companies only know the cost of raw materials, labor costs, while in the full costing method must include all costs – costs both variable and fixed. This is also experienced by SMEs semprong pusaka jaya. The calculation of the cost of goods produced in terms of cost data and raw materials in MSMEs semprong pusaka as follows:

Table 1. Calculation of Cost of Goods Produced by Semprong Pusaka Jaya Factory

No	Information	Cost per day	Cost per month	Annual cost
1	Cost of Raw Materials	IDR 2,307,000	IDR 55,368,000	IDR 664,416,000
2	Labor Cost	IDR 123,000	IDR 2,952,000	IDR 35,424,000
3	Factory Overhead Costs	IDR 89,000	IDR 1,828,000	IDR 23,136,000

Source : MSME Actors, 2023

Based on Table 1. calculation of cost of goods produced in MSMEs semprong pusaka jaya. The details of the cost of raw materials above then the total cost of raw materials used per year amounted to Rp. 664,416,000, and MSMEs semprong there were 3 workers production wages and packing costs. The total cost of labor is Rp. 35,424,000 per year, then the cost of the first factory overhead is Rp. 23,136,000. As a result, businesses need to make efforts to keep up to date with progress to maximize opinions and maintain the health of the company. To carry out the operational operations of the organization making choices, tasks related to finance are very important. With the benefits of knowing the cost of goods produced, including calculating profit and loss periodically, monitoring the realization of production costs, determining product selling prices, and calculating inventory prices for both finished goods and products in process that will be displayed on the balance sheet,

determining production costs is important. The cost component that goes into production costs, especially in this case, is calculated using the full costing method.

Every SME must set goals in order to be achievable. These goals may include making as much money as possible, competing in the market, and contributing to society. The ability of SMEs to engage in the most profitable sales activities is a prerequisite for profitability, and gross profit is one of the metrics for this capability. Selling prices, production costs, and sales volume all have an impact on gross profit. Incorrect calculation of production costs will have an impact on the selling price of the product which will also be wrong (Bintang Komara, 2016).

Improper calculation of cost of goods produced will have an impact on the selling price of products which are also incorrect. The selling price of a product is determined by the cost of its manufacture. Selling prices that are too high, for example, will make products unable to compete in the market, companies will not get maximum profits if production costs are low because this will cause low production prices. It takes a number of integrated factors, including manufacturing costs, operating costs, the company's targeted profit margins, consumer purchasing power, competitive prices, and economic circumstances, to determine the selling price of a product. The approach that must be carefully thought out and combined is how the company determines the selling price of its goods. (Bintang Komara, 2016).

Production cost is one factor in determining the selling price of products that can be estimated with certain accuracy. The actual cost of goods can only be calculated from the current cost in the production process, therefore this cost must be accurately estimated. The techniques used to calculate production costs must also conform to standard practice. Production costs will be presented in the balance sheet because this data is important for establishing the retail price of a product, developing sales strategies, establishing machinery purchasing guidelines, and calculating the value of finished goods, work-in-progress and input inventories (Falah, 2018).

Some previous studies that have conducted research on research on the analysis of the calculation of cost of goods produced using the complete costing approach as the basis for determining selling prices on CV Salwa Meubel, among others, were carried out by (Bintang Komara, 2016) based on the findings of the research analysis, it is known that profits can still be obtained at competitive selling prices when the cost of goods produced for each product ordered Calculated using the complete costing approach. The results showed that the calculation of production prices based on complete costing techniques resulted in higher numbers compared to the calculation of production costs based on the SME digital printing prabu method (Fadli & Rizka ramayanti, 2020). Full costing methods and variable costing have a positive impact on the cost of goods produced, according to research (Purwanti & Ramadhiana, 2021).

From this, it can be concluded that an analysis of the calculation of cost of goods produced with the full costing method is carried out as the basis for determining the selling price on CV Salwa furniture. According to the study's analysis findings, you can still benefit from competitive selling prices when calculating costs for each product ordered using a complete costing approach. Because the tofu factory does not take into account all costs incurred during the production process, the selling price is pegged low due to the high cost of production. Furthermore, related to the study of the analysis of production cost calculations using the full costing method, research findings show that the calculation of production costs based on the full costing method produces a higher number than the calculation of production costs based on Prabu Digital. Print the SMB method.

Based on the description of the research above, it can be synthesized that the results of the study show a difference in the findings of the company's production cost estimation using the complete costing approach. In terms of production costs, there will be differences affecting the selling price and profits obtained by the company. Therefore, this author examines the Analysis of Cost of Goods Produced as a Basis for Calculating the Selling Price of Products at MSMEs Pusaka Jaya Cilamaya. The purpose of this study was made to examine the cost of goods produced by the semprong pusaka jaya business, determine the cost of goods produced using the full costing method in the semprong pusaka jaya business, determine the cost of goods produced in determining the selling price carried out by the semprong pusaka jaya business.

Production Cost

Production costs consist of commercial costs and manufacturing costs. Manufacturing cost is the cost of the factory, which is the number of cost elements including upfront labor costs, factory overhead, and raw material costs. Primary are costs associated with raw materials, while conversion costs are related to labor and manufacturing overhead. While commercial costs are costs that arise or occur due to activities outside the production process such as marketing costs and general administration.

Costs are grouped into:

a. Cost of materials
   The expenditure of raw materials required to make finished materials, but small quantities or very complex uses are required to identify the final product, known as raw materials (direct materials). Cost of auxiliary materials (indirect material). The cost of supporting materials is a necessary component to complete a product, but their use is very little or very difficult to see in the end result.
b. Labor Cost
   Represents the income or compensation received by the workers of the production department. These costs are separated into two categories: direct and indirect labor costs. The salaries or wages of employees employed to convert raw materials into finished goods are known as direct labor costs. Labor wages in manufacturing departments that are not immediately visible during the conversion of raw materials into finished goods are known as indirect labor costs.
c. Factory Overhead Costs
   Costs incurred during the production process that are not included in the price of raw materials and direct labor are known as factory overhead costs.

Cost of Goods Produced

Cost of goods produced according to the full costing method includes revenue from sales, manufacturing costs (both fixed and variable), and the cost of materials used in production. In the complete costing method, all factory overhead expenses are charged or included in the total cost of production costs, using either a prediction of factory overhead costs based on average capacity or actual factory overhead costs. (Falah, 2018). Cost of goods manufactures is the total production cost of goods that have been completed and transferred into the availability of finished goods for a month. As for those related to the cost of goods produced, it can be used as a determinant of selling prices. The purpose of cost of goods produced is to fill inventory where the production process is carried out continuously. The resulting product is homogeneous and standardized. Cost of goods produced is calculated as current production. The cost of raw materials and the cost of labor costs are calculated as the cost of goods of the product, namely the actual costs incurred. Factory overhead costs are calculated as production prices, namely factory overhead costs that are actually incurred. Media used to collect fees (Mulyadi, 2015).

Cost of Goods Produced According to the Company with Full Costing Metide

Pusaka jaya SMEs have previously calculated production costs, but the calculation is still rather easy. The owner of the pusaka jaya company has not carefully included all costs that have been incurred in the calculation of the cost of production The business owner only includes the cost of raw materials, such as salt, sugar, sesame seeds, tapioca flour, wheat flour, and blue band, when determining the cost of goods produced. Manufacturing costs must take into account additional costs that are not taken into account when calculating factory overhead costs. Only electricity costs are included in the overhead costs paid by the owner: the corporation has not collected other manufacturing overheads, such as depreciation. Whereas according to full costing raw material costs, direct labor, manufacturing overhead costs, fixed costs and variable costs are all included in the calculation of production costs, which charge all production costs.

Selling Price

The selling price of a product comes from the cost of manufacture: if the calculation of the cost of goods produced is inaccurate, the selling price will be incorrectly estimated as a result. For example, if the selling price of a product is calculated too high because the cost of production is underestimated, then the product will have difficulty competing in the market. Conversely, although the selling price of a product is competitive in the market, it is not as important as maximizing profits, therefore accurate calculation of production costs is very important. Starting with manufacturing, operating costs, profit objectives desired by the company, people's purchasing power, competitive selling prices, and economic conditions are just a few of the many integrated aspects that go into determining the selling price of products. There should be a well-thought-out integrated approach to how the company will set prices for its goods. (Bintang Komara, 2016).

a. Determination of Selling Price
   According to (Sujarweni, 2019) setting a selling price is a very important choice for businesses because it can affect the company's ability to generate profits and its ability to survive. Therefore, to ensure a fixed selling price, it must be accurately calculated, continuously assessed, and modified to take into account the unique circumstances of the company. If the selling price is set too low, it will negatively impact the company and its ability to continue operating, leading to ongoing losses. Consumer flight will also occur if sales are very high. Using comprehensive costing techniques, the selling price is determined by the following formula:
b. Cost plus princing method

The full costing approach used in conjunction with the cost plus princing technique is a way of determining selling prices where all costs incurred plus general administrative costs and sales costs are used as the basis for determining selling prices, while all other costs are ignored. Total production costs (including raw material costs and factory overhead) and non-production costs (including sales and administrative costs) are added to the selling price to arrive at the total cost or total cost price of production.

Cost of Goods Produced

Calculating the cost component that goes into the cost of goods produced is the process of calculating the cost of goods produced. Methods can be used to calculate these cost elements:

Metode Full Costing

According to (Sujarweni, 2019) The full costing method or often called the cost of goods of convertible products is a method to determine the cost of goods produced by charging all fixed and variable production costs on the products produced. The *full costing method* is also called *absortion or conventional costing* (Mulyadi, 2013) The full costing method is a method of determining production costs consisting of raw material costs, direct labor costs, and factory overhead costs. Both variable and fixed behavior. Full *costing calculation* by adding up all cost components without taking into account products that have been sold or not.

METHOD

This type of research uses quantitative descriptive methods. Based on the data source, the data used is included in secondary data, namely the cost of goods produced, because the data needed for research is released by Pusaka Jaya MSMEs in the form of financial statements. The location of this research is located at UMKM Pusaka Jaya which is located at Cilamaya Wetan Karawang. The underlying reason in this study is that MSMEs have not grouped costs clearly and have not applied the right method in determining the cost of goods produced.

The main data sources used in this study Primary data is a direct data source providing data to data collection. This primary data was obtained directly through observation and interviews with SMEs Semprong Pusaka Jaya from the first source or object of research conducted. Secondary data is research obtained that is not directly related to providing data to data collection. Secondary data is obtained from books or literature, as well as electronic media such as journals. The analytical method used to discuss the problem in this study is the descriptive analysis method, which is an analytical method that can provide a clear picture or description of a existence or phenomenon (Sugiyono, 2021). Therefore, conclusions can be drawn regarding the Analysis of Cost of Goods Produced with the Full costing Method and Determination of Selling Prices Based on Cost plus princing in Pusaka Jaya MSMEs.

RESULTS AND DISCUSSION

Research Results

1. Cost of Goods Produced by MSMEs Pusaka Jaya

The costs incurred by the business during the process of making a funnel are costs used to calculate production costs. Corporations still use a very basic method of determining production costs, which is simply adding up everything needed to make a product. Later, the corporation will use production cost figures to find out how much profit is obtained from the sale. The cost of raw materials, labor costs, and other production costs are the costs that must be paid by the company in making a pipe. Factory overhead costs. The cost of raw materials is raw materials used in industrial operations can come from imports, local purchases, or self-processing. Costs incurred by companies in obtaining raw materials include purchasing costs, warehousing, and other acquisition costs in addition to the purchase price of raw materials.

Table 2. Semprong Factory Raw Materials in March 2022 – March 2023

Information	Details (Rp)	Quantity per Day	Quantity Per Month	Cost per Month (Rp)	Cost per Year (Rp)
Tapioca Flour	IDR 9000/kg	40 kg	960 kg	IDR 8,640,000	IDR 103,680,000
Wheat	Rp.9000/kg	50 kg	1200 kg	IDR 10,800,000	IDR 129,600,000
Rice flour	Rp.10.000/kg	50 kg	1200kg	IDR 12,000,000	IDR 144,000,000
Sugar	Rp.14.000/kg	35 kg	840kg	IDR 11,760,000	IDR 141,120,000
Sesame seeds	Rp.11.000/kg	5 Kg	120kg	IDR 1,320,000	IDR 15,840,000
Blue band	Rp.18.000/kg	25 kg	600kg	IDR 10,800,000	IDR 129,600,000
Salt	Rp.2000/pcs	1pcs	24pcs	IDR 48,000	IDR 576,000

TOTAL	**IDR 664,416,000**

Source: MSME Actors, 2023

Based on table 2. It can be seen that the total cost of raw materials for the Semprong Pusaka Jaya factory in March 2022 – March 2023 is Rp. 1. 498,176,000 used for semprong production for 1 year. Utilization of labor results in additional costs, known as "labor costs".

Table 3. Labor Cost of Semprong Pusaka jaya Factory

Information	Per day	Per Month	Per Year
Cost of production power	IDR 120,000	IDR 2,880,000	IDR 34,560,000
Packing power cost	IDR 3000	IDR 72,000	IDR 864,000

Source: MSME Actors, 2023

Based on table 3. It can be seen that the expenditure of labor costs on production costs amounted to Rp. 34,560,000 per year for 3 people. The cost of packing power is Rp. 864,000 per year for 3 people. So the overall labor cost at the Semprong Pusaka Jaya factory is Rp. 44,060,000 per year. Factory overhead costs represent production costs divided into many categories, excluding direct labor costs and raw material costs. In particular, the following indirect labor costs, additional costs, and repair and maintenance costs.

Table 4. Overhead Costs of Semprong Pusaka Jaya Factory

Information	Details (Rp)	Quantity Per Day	Cost Per Month	Cost per Year
Gas Fees	IDR 24,000/tube	3	IDR 1,728,000	IDR 20,736,000
Electricity Cost			IDR 200,000	IDR 2,400,000
		TOTAL		**IDR 23,136,000**

Source: MSME Actors, 2023

Based on Table 4. shows that the cost of gas per year is Rp. 20,736,000, the cost of electricity per year is Rp. 2,400,000, so the total cost of factory overhead per year is Rp. 23,136,000.

Table 5. Calculation of Cost of Goods Produced by Semprong Pusaka Jaya in March 2022 – March 2023

No	Information	Per-Month Cost	Per-Year Cost
1.	Raw Materials		
	Tapioca flour	IDR 8,640,000	IDR 103,680,000
	Flour	IDR 10,800,000	IDR 129,600,000
	Rice flour	IDR 12,000,000	IDR 144,000,000
	Sugar	IDR 11,760,000	IDR 141,120,000
	Sesame seeds	IDR 1,320,000	IDR 15,840,000
	Blue band	IDR 10,800,000	IDR 129,600,000
	Salt	IDR 48,000	IDR 576,000
	TOTAL	IDR 55,368,000	IDR 571,104,000
2.	Labor Cost		
	Cost of production power	IDR 2,880,000	IDR 34,560,000
	Packing power cost	IDR 72,000	IDR 864,000
	TOTAL	IDR 2,952,000	IDR 35,424,000
3.	Factory Overhead Costs		
	Gas Fees	IDR 1,728,000	IDR 20,736,000
	Electricity Cost	IDR 200,000	IDR 2,400,000
	TOTAL	IDR 1,928,000	IDR 23,136,000
	Total Cost	IDR 60,248,000	IDR 629,664,000
	Total Production/Bals	Rp.3000 Bals	IDR 36,000 Bals
	Production Cost (Bals)	IDR 20,080	

$= \frac{Rp.60.248.000}{Rp.3000} = Rp.20.080$

Mark Up Calculation

The selling price is per bals Rp. 18.000

Mark Up = $\frac{Selling\ Price - HPP\ PerBals}{HPP\ PerBals} = \frac{Rp.18.000 - Rp.20.080}{Rp.20.080} = 10\%$

2. Cost of Goods Produced According to Full Costing

All costs impacting the manufacturing process, including labor, raw materials, and fixed and variable plant overhead, are included in production costs as determined by the Complete Cost Calculation Technique. To calculate production costs, complete costing techniques give significance to specific things. Costs that are not taken into account by the company in calculating the cost of goods produced by Semprong Pusaka Jaya are based on data obtained from the company. Equipment depreciation costs for manufacturing equipment as well as maintenance costs for such equipment are among the costs overlooked by the company. The selling price will be set by applying this cost to the exact total cost of production. The total cost of this correct production will be determined through further calculations.

Table 6. Raw materials for heirloom glory in March 2022 – March 2023

Information	Details (Rp)	Quantity per day	Quantity per month	Cost per month (Rp)	Cost Per Year (Rp)
Tapioca flour	Rp.9000/kg	40 kg	960 kg	IDR 8,640,000	IDR 103,680,000
Wheat	Rp.9000/kg	50 kg	1200 kg	IDR 10,800,000	IDR 129,600,000
Rice flour	Rp.10.000/kg	50 kg	1200kg	IDR 12,000,000	IDR 144,000,000

Source: MSME Actors, 2023

Based on table 1.6, it can be seen that the raw material cost of the Semprong Pusaka Jaya factory in March 2022 – March 2023 is IDR 377,280,000 in raw materials for tapioca flour, wheat flour, rice flour. Which is used for semprong production for 1 year.

Table 7. Cost of auxiliary materials for the Semprong Pusaka Jaya factory in March 2022-March 2023

Information	Details (Rp)	Quantity per day	Quantity per month	Cost per month (Rp)	Cost per year (Rp)
Sugar	Rp.14.000/kg	35 kg	840kg	IDR 11,760,000	IDR 141,120,000
Sesame seeds	Rp.11.000/kg	5 Kg	120kg	IDR 1,320,000	IDR 15,840,000
Blue band	Rp.18.00 0/kg	25 kg	600kg	IDR 10,800,000	IDR 129,600,000
Salt	Rp.2000/pcs	1pcs	24pcs	IDR 48,000	IDR 576,000

Source:MSME Actors, 2023

Based on Table 1.7, it can be seen that the cost of auxiliary materials for the Pusaka Jaya semprong factory in March 2022 – March 2023 is Rp. 287,135,000 which is used for semprong production for 1 year.

Table 8. Direct Labor Cost of Semprong Pusaka Jaya Factory

Information	Quantity Per Day	Quantity Per Month	Cost per Year	Cost per year per person
Cost of production power	IDR 120,000	IDR 2,880,000	IDR 34,560,000	IDR 11,520,000
Packing power cost	IDR 3000	IDR 72,000	IDR 864,000	IDR 288,000

Source : MSME Actors, 2023

Based on table 8. It can be seen that the expenditure of working state costs on production costs is Rp. 34,560,000 per year for 3 people, so per person gets a result of Rp. 11,520,000. Labor costs of Rp. 864,000 per year for 3 people. So per person get a result of Rp. 288,000.

Table 9. Maintenance costs and maintenance costs of production equipment

Information	Annual cost
Mold semprong	IDR 165,000

Source: MSME actors

Based on table 1.9 shows that the annual expenditure is Rp. 165,000 for maintenance and repair of production machinery and equipment. Since the company's manufacturing instruments don't break down every month, maintenance bills tend to staggering Rp. 165,000 has been budgeted for repairs and maintenance of factory machinery.

Table 10. Cost of Goods Produced According to Full Costing in March 2022 – March 2023

Production Cost	Total per month	Total per year
Direct costs		
Cost of Raw Materials		
Tapioca flour	IDR 8,640,000	IDR 103,680,000
Flour	IDR 10,800,000	IDR 129,600,000
Rice flour	IDR 12,000,000630	IDR 144,000,000

Sugar	IDR 11,760,000	IDR 141,120,000
Sesame seeds	IDR 1,320,000	IDR 15,840,000
Blue band	IDR 10,800,000	IDR 129,600,000
Salt	IDR 48,000	IDR 576,000
TOTAL	**IDR 55,368,000**	**IDR 571,104,000**
Labor Cost		
Cost of production power	IDR 2,880,000	IDR 34,560,000
Packing power cost	IDR 72,000	IDR 864,000
TOTAL	**IDR 2,952,000**	**IDR 35,424,000**
Variable factory overhead costs		
Gas Fees	IDR 1,728,000	IDR 20,736,000
Electricity Cost	IDR 200,000	IDR 2,400,000
TOTAL	**IDR 1,928,000**	**IDR 23,136,000**
Fixed factory overhead costs		
Maintenance costs and maintenance costs of production equipment		IDR 165,000
Depreciation expense	IDR 50,851	IDR 610,217
TOTAL	**IDR 50,851**	**IDR 610,217**
Total Production Cost	**IDR 60,298,851**	**IDR 630,439,217**
Number of Production Units (Bals)	**Rp.3000 Bals**	**IDR 36,000 Bals**
Cost of goods produced per Month (Bals)	**IDR 20,099**	**IDR 241,188**

Source: MSME Actors, 2023

Table 11. Comparison of cost of goods produced by the Company Method with the Full Costing Method

Moon	Company	Full costing	Difference
March 2022 – March 2023	**IDR 20,080**	**IDR 20,099**	**Rp.19**

Source: MSME Actors, 2023

From table 11. above it is known that the difference in the cost of goods produced by Semprong Pusaka Jaya is Rp. 19, the difference between the company's technique and the complete costing method for calculating production costs can be seen when comparing the net value of the final product. The resulting production costs exceed what the company is willing to pay. This is due to the fact that when adopting a complete costing approach, each expenditure is detailed. Everything from raw material prices to wages to production overhead. Meanwhile, manufacturing costs are calculated lower because the company does not include all factory overhead expenses. Only raw material, labor and factory overhead costs are included in the company's disclosure. As a result, the technique results in a lower estimate of the total production cost of the full costing company.

The difference in pricing according to the company with the Cost plus princing method

1. Selling price by company

The technique used to set the selling price has an impact on the profit that the company will get, therefore it is very important to know the selling price. The goal of the company is maximum profit. When calculating the expected profit of the company where manufacturing costs play a role.

2. Selling price according to Cost Plus Princing

Determining the selling price with the cost plus princing method is the simplest selling price approach is to add a number of margins or a percentage of profit expected by the semprong pusaka jaya factory. Then the calculation of determining the selling price of cost plus princing using the full costing method is as follows:

Table 12. Non Production Costs

Information	Total
Transport fees	IDR 200,000
Administration & general expenses	IDR 100,000

Table 13. Selling Price per Bals (Year)

Information	Total cost
Production Cost	**630.439.217**
Non Production Costs	
Transportation Costs	2.400.000
Administration &; General Fees	1.200.000
TOTAL	**634.039.217**

Source: MSME Actors

Selling Price (Year) = Total Cost + (% Profit x Total Cost)
= Rp. 634.039.217 + (10% x Rp. 634.039.217)

= Rp. 634.039.217 + Rp. 63.403.921

= Rp. 697.443.138

Selling price/Bals Unit $= \frac{Selling\ Prive}{Total\ Unit\ (Bals)} = \frac{Rp.697.443.138}{Rp.36.000}$ = Rp. 19.373

Table 14. Comparison of Selling Prices of Company Methods with Cost Plus Princing

Information	Company	Cost plus princing	Difference
March 2022 – March 2023	IDR 18,000	IDR 19,373	IDR 1,373

Source: MSME Actors, 2023

Based on table 1.13, we can see the comparison of the company's selling price with cost plus princing. The company's selling price is Rp. 18,000 while the selling price uses cost plus princing of Rp. 19.373.

a. Cost of Goods Produced Per Bals

$\frac{Rp.60.248.000}{Rp.3000}$ = Rp. 20.080

b. Mark Up Calculation

The selling price is per bals Rp. 18.000

Mark Up $= \frac{Selling\ Price - HPP\ Per\ Bals}{Hpp\ Per\ Bals} = \frac{Rp.18.000 - Rp.20.080}{Rp.20.080} = 10\%$

Based on these findings, the authors suggest that SMEs adopting a full costing approach and cost plus princing companies will be able to accurately account for all costs associated with production or service goods including those related to marking raw materials, paying workers, and covering factory overhead costs. With the aim of determining the appropriate selling price and generating sufficient profit to meet business needs. Therefore, businesses must set the price in such a way as to make a profit using the overall cost calculation technique and the cost plus princing method with the initial price per bale of Rp. 18,000 replaced by the price per bale of Rp. 20,080.

Discussion

All expenses made during the relevant time to make goods or services are included in the cost of production. In other words, the cost of converting raw resources into final commodities put up for sale represents the cost of production. The calculation of the cost of goods produced that has been carried out by Semprong Pusaka Jaya Cilamaya Corporation continues to use the basic formula to determine production costs. Production costs do not include the overhead costs of a particular factory as stated by the company. The only expenses listed by the corporation are for labor, raw materials, and other unspecified manufacturing overhead costs. For SMEs Semprong, the only factory overhead expenses are those related to gas and electricity. As a result, businesses must establish methods that is, ways of calculating all production costs to determine the cost of goods produced. Utilizing the overall cost approach is the right strategy for determining production costs.

Calculation of determining the selling price of semprong pusaka jaya cilamaya. The price per beam segment is the only estimate used by corporations to determine selling prices. One bals is sold for Rp.18,000 so in determining the selling price, both production costs and non-production costs are taken into account to determine the total cost or total production cost. This is what every company needs to pay attention to so that the calculation of the cost of goods produced becomes more precise and accurate. Without precise and accurate calculation of cost of goods produced, companies will find it difficult to determine the selling price of a product. When cost plus princing is applied to goods, the selling price obtained is higher than the selling price set by the business. There was no agreement between the two; The selling price of the company is Rp. 18,000 / bale but the selling price of cost princing is Rp. 19,373 this is a difference of Rp. 1,373.

The selling price of Semprong Pusaka Jaya Cilamaya is determined by applying a complete costing approach to the cost of goods produced. The results of calculating selling prices by applying a complete costing approach to the calculation of cost of goods produced. The complete cost-setting approach is used to reduce production costs by factoring in all production costs incurred during the process such as raw material costs, labor costs, and variable and fixed factory overhead costs. The right selling price can be calculated by calculating the cost of goods produced using a ful costing approach. The selling price of the business and the selling price of the cost plus are contrasted to see. Cost of goods produced based on the complete costing approach produces a greater figure than the cost of goods produced according to the company. Even the company's selling price is Rp. 18,000 while the selling price using cost plus princing is Rp. 19,373. To set a more effective selling price through the use of cost plus princing along with a comprehensive costing strategy.

Comparison of how semprong pusaka jaya companies calculate their cost of goods produced using the full costing method. There is a comparison between the results of applying the whole costing approach to calculate the company's cost of goods produced. Table 1.11 above illustrates how the cost of goods produced using the company's method. This is due to the fact that all costs including labor costs, raw materials, and plant overhead costs are expressed precisely when the overall costing approach is used. Because it covers all expenses that impact the manufacturing process and results in more accurate production costs, the full costing technique is more profitable for businesses. Source (Meroekh et al., 2018).

CONCLUSION

Based on the results of the analysis and discussion conducted by the author, the results of the study can be concluded, namely; There are differences in the calculation of cost of goods produced according to the company's method with the full costing method, the cost of goods produced by the company does not include detailed factory overhead costs into its production costs. The company only details the cost of raw materials, labor costs and factory overhead costs which are not all costs included. While the calculation of the cost of goods produced using the full costing method all costs are entered in detail and clearly, such as raw material costs, direct labor costs and factory overhead costs. Therefore, the full costing method is more profitable for the company because it will charge all costs that affect the cost of the production process, resulting in a more accurate cost of goods produced. The determination of the selling price at the company only uses estimates from per bale to determine the selling price. The selling price for 1 bale from the company's calculation from March 2022 – March 2023 is IDR 18,000, while using cost plus princing by expecting a profit of 10% to get a higher price than the company's selling price. So that determining the selling price with cost plus princing with a full costing approach can set an efficient selling price. The calculation of the cost of goods produced using the full costing method includes all production costs that actually occur in the production process, namely raw material costs, labor costs and factory overhead costs both variable and fixed. The calculation of production prices using the full costing method in determining selling prices can determine the appropriate selling price.

Based on the results of research and discussions that have been carried out, the author provides suggestions that can later be useful for the development of semprong production for the next periods. The calculation of the cost of goods produced according to the company should calculate the cost of production by including production costs by including factory overhead costs in detail and thoroughly. Companies should use the full costing method so that the cost of goods produced becomes more accurate and can determine the appropriate selling price. In calculating the cost of goods produced, companies should use the full costing method because by using the full costing method all costs are clearly detailed, both raw material costs, labor costs, and overhead costs. Compared to what the company is currently implementing. The full costing method details all production costs associated with the production process so that the calculation of the cost of goods produced obtained shows the actual results incurred during the production process.

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