



The Relationship Between Production Cost Budgeting and The Financial Performance Of Seblak Soba Culinary Business In Tasikmalaya

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ABSTRACT

This study examined the relationship between production cost budgeting and perceived financial performance at Seblak Soba, a culinary micro, small, and medium enterprise in Tasikmalaya. The study used a quantitative associative design with a survey method. The population consisted of 32 owners and employees directly involved in production and operations, all of whom were selected through saturated sampling. Data were collected through questionnaires supported by observation, interviews, and documentation. The questionnaire used a five-point Likert scale and the data were transformed using the Method of Successive Interval. Instrument quality was assessed through Pearson product-moment validity and Cronbach's alpha reliability tests. Data analysis included descriptive statistics, classical assumption tests, simple linear regression, coefficient of determination, and t testing using IBM SPSS. The results showed a positive and statistically significant association between production cost budgeting and perceived financial performance ($B = 0.497$; $\beta = 0.532$; $t = 3.445$; $p = 0.002$). The regression equation was $Y = 14.875 + 0.497X$, with $R^2 = 0.283$. Because the data were based on perceptions from 32 respondents within one business, the findings should be interpreted as a context-specific association rather than evidence of a causal increase in actual revenue.

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) in the culinary sector require disciplined financial management because production activities move quickly, raw material prices can change, and purchasing decisions are made almost every day (Asmana, 2025; Putri & Husna, 2024). Under these conditions, business performance depends not only on sales but also on the ability to plan and control expenditures. Management accounting practices, including budgeting, financial recording, and cost management, help improve the quality of decisions and the financial performance of SMEs (Hamzah et al., 2024; Roffia et al., 2025).

A production cost budget provides a quantitative framework for linking production targets, resource use, and expenditure control. The main components of production costs include direct raw materials, direct labor, and factory overhead. Recording and planning these three components are necessary so that the cost of goods manufactured can be calculated more accurately and used as a basis for setting selling prices (Arrova & Sembiring, 2023). The use of more structured management accounting practices also strengthens planning, control, and financial decision-making functions in SMEs (Tran, 2025; Zografou et al., 2025).

At Seblak Soba Culinary Business in Tasikmalaya, cost management is important because production activities use ingredients such as chili, cooking oil, crackers, eggs, and complementary ingredients whose prices may fluctuate. Changes in raw material prices can affect product costs and business performance if they are not addressed through adjustments in purchasing or selling prices (Kim & Hong, 2024). Based on the preliminary study, the business still uses simple financial records, and details of production cost allocation are not always documented systematically. At the same time, Seblak Soba has used direct sales and food delivery platforms. Digital channels can expand transactions and revenue, but their benefits still

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depend on the business's ability to manage costs and sales activities simultaneously (Li & Wang, 2024; Tantri et al., 2024).

Previous studies on culinary MSMEs have mostly positioned production costs as a basis for calculating the cost of goods manufactured, setting selling prices, improving efficiency, or generating profit. Production cost control, particularly raw material cost control, has been reported to support operational efficiency and business profit (Arofah et al., 2024). However, studies examining the relationship between perceptions of the quality of production cost budgeting and financial performance in a single culinary MSME with a daily production cycle, a simple management structure, and cost decisions largely made directly by the owner remain limited.

This study uses Management Accounting Theory as the main foundation and Budgeting Theory to explain the mechanism of the relationship between variables. Management accounting provides internal information for planning, control, and decision-making, while budgets translate operational objectives into quantitative targets that can be compared with actual results (Muslichah & Bahri, 2021). In the SME context, more structured cost management systems and accounting information support managerial control and decision-making (Biadacz, 2024; Susilowati, 2023).

To maintain conceptual consistency, the dependent variable in this study is positioned as Business Financial Performance rather than revenue in a narrow sense. This construct is a respondent-perception measure that includes sales volume, business profit, business outcome efficiency, and revenue stability. Revenue and profit remain conceptually distinct: revenue is related to receipts from sales activities, whereas profit considers the difference between business returns and costs. Therefore, these four aspects are interpreted as composite indicators of financial performance as perceived by respondents rather than as a single measure of actual revenue (Sodikin & Sugiri, 2024).

Theoretically, the relationship between production cost budgeting and financial performance can operate through two mechanisms. First, budgeting helps limit waste and control unit costs. Second, better cost information helps owners assess inventory needs, selling prices, and production volume. Regular cost control can support operational efficiency, while adequate management accounting practices improve the quality of financial decisions (Arofah et al., 2024; Roffia et al., 2025).

The type of budget most closely related to Seblak Soba's activities is the operating budget. Sales targets determine production needs, while production volume determines the amount of raw materials, labor, and overhead that must be provided. This relationship means that the production cost budget does not stand alone but forms part of the coordination of daily activities. When one component is planned without considering the others, the business risks excess materials, cash shortages, or unit costs that do not match sales targets. Therefore, the operating budget serves as a link between activity plans and the financial capacity of the business (Muslichah & Bahri, 2021).

The context of a single MSME is also important because budgeting practices in microenterprises differ from those in large companies. At Seblak Soba, the owner is directly involved in purchasing decisions, supervision, and financial management, so the budgeting process is closely connected to daily operations. The literature shows that the application of management accounting in SMEs is influenced by resource availability, knowledge, training, and control culture (Roffia et al., 2025). On this basis, this study focuses on the perceptions of internal parties who are directly involved, while recognizing that the results describe the context of this organization and not the condition of all culinary MSMEs.

This study aims to describe the conditions of production cost budgeting and business financial performance and to test the statistical relationship between the two variables at Seblak Soba Culinary Business in Tasikmalaya. The novelty of the study lies in the context of a culinary MSME with a daily production cycle and high exposure to raw material price fluctuations. This study is not intended to infer causality at the firm level. The research hypothesis states that there is a positive and significant relationship between production cost budgeting and business financial performance.

2. METHODS

This study uses a quantitative approach with a descriptive and non-experimental associative design. The descriptive approach is used to describe respondent characteristics and variable conditions, while the associative approach is used to test the statistical relationship between Production Cost Budgeting as the independent variable (X) and Business Financial Performance as the dependent variable (Y). This design

was selected because the study focuses on relationships between variables based on perception data rather than on causal testing through experimental treatment or longitudinal observation (Sekaran & Bougie, 2019; Sugiyono, 2020).

The study was conducted at Seblak Soba Culinary Business on Jl. Nangkaleah, Cilampunghilir, Padakembang District, Tasikmalaya Regency, West Java, from March to July 2026. The research objects were production cost budgeting practices and business financial performance. The unit of observation and the unit of analysis were individuals, namely the owner and employees who were directly involved in production and operational activities and understood cost practices and business developments. The population consisted of 32 people, all of whom were included as the sample through saturated sampling. Therefore, the regression results represent relationships among respondents' perceptions within one organization rather than actual changes in budgeting and financial performance at the firm level.

The use of saturated sampling ensures that the entire internal population meeting the criteria at the research location is represented, but it does not eliminate the limitations of the number of respondents and the single research location. The sample size of 32 was retained because it represents the entire available population at Seblak Soba rather than a sample drawn from a broader population of MSMEs. Therefore, statistical testing is used to assess relationship patterns in the respondent data, while external validity remains limited to the characteristics of Seblak Soba, its cost structure, and its market conditions.

Data were collected through a questionnaire as the main instrument and were supported by observation, interviews, and documentation. The questionnaire was used to obtain individual perceptions of production cost budgeting practices and business financial performance. Observation was used to understand the production flow and material use, interviews were conducted with parties who understood cost policies and business developments, and documentation was used as contextual information on available cost and sales records. Observation, interview, and documentation data were not treated as longitudinal data for causal testing. Each questionnaire item used a five-point Likert scale: strongly disagree = 1, disagree = 2, somewhat disagree = 3, agree = 4, and strongly agree = 5.

The Production Cost Budgeting variable reflects perceptions of the quality of cost planning and control in the production process. Its dimensions include raw material cost planning, labor cost planning, production cost control, and production cost efficiency. The Business Financial Performance variable reflects perceptions of developments in business outcomes measured through sales volume, business profit, business outcome efficiency, and revenue stability. The term Business Financial Performance is used to conceptually distinguish revenue from profit because these two aspects are different indicators within this composite construct. The operationalization of the variables is summarized in Table 1. The indicators follow the concepts of production costs and financial performance management used in the source manuscript (Kasmir, 2019; Mulyadi, 2018).

The Y variable score was obtained by aggregating respondents' answers to eight items representing the four dimensions. Because one construct combines indicators of sales, profit, efficiency, and stability, the total score is not interpreted as the monetary value of either revenue or profit. The score is used as a perception-based measure of overall business financial performance. This clarification is important so that the regression result is not interpreted as an actual revenue increase of 0.497 for every one-unit increase in budgeting, but rather as a change in the perception score of Y associated with a change in the perception score of X.

Table 1. Operationalization of Research Variables

Variable	Dimension	Indicator	Item
Production Cost Budgeting (X)	Raw material cost planning	Planning of requirements and suitability of raw material purchases	1-2
	Labor cost planning	Determination of labor requirements and wage suitability	3-4
	Production cost control	Overhead allocation, recording, and cost monitoring	5-7
	Production cost efficiency	Efficient use of costs and waste control	8-9

Business Financial Performance (Y)	Sales volume	Increase in products sold and sales stability	10-11
	Business profit	Increase in profit and the difference between revenue and costs	12-13
	Business outcome efficiency	Ability to reduce costs and optimize business outcomes	14-15
	Revenue stability	Revenue consistency and absence of significant decline	16-17

Questionnaire data, which were initially ordinal, were transformed into an interval scale using the Method of Successive Interval (MSI). The procedure included calculating response frequencies, proportions, cumulative proportions, Z values, density values, scale values, and transformed scores. This transformation was used in the source manuscript before parametric statistical analysis. Iba & Wardhana (2024) explain the use of scale transformation as one approach to obtaining more consistent distances between scores in quantitative analysis.

Instrument quality was tested through validity and reliability. The validity test used Pearson Product Moment correlation by comparing the calculated r value of each item with the critical r value at the 5% level. With $N = 32$ and $df = 30$, the source manuscript used a critical r value of 0.2960. An item was declared valid when its calculated r value was greater than the critical r value. Reliability was assessed using Cronbach's Alpha, and the instrument was considered reliable when the alpha value was greater than 0.60. The tests were conducted separately for the Production Cost Budgeting and Business Financial Performance variables.

Data analysis was conducted using IBM SPSS. The initial stage used descriptive statistics to summarize the respondent profile. Before hypothesis testing, the model was examined through residual normality, multicollinearity, and heteroscedasticity tests according to the procedures reported in the source manuscript. Normality was evaluated from the reported significance value, multicollinearity was assessed through Tolerance and Variance Inflation Factor (VIF), while heteroscedasticity was tested using the Glejser method. The model was considered free from multicollinearity when $\text{Tolerance} > 0.10$ and $\text{VIF} < 10$ and free from heteroscedasticity when the significance value > 0.05 .

The relationship between variable X and variable Y was analyzed using simple linear regression with the equation $Y = a + bX$. The b coefficient was used to indicate the direction and magnitude of the statistical association between the scores of the two variables, not as evidence of causality. Hypothesis testing used the t value and a 5% significance level. H_0 was rejected when $p < 0.05$. The explanatory power of the model was evaluated using the coefficient of determination R^2 , which indicates the proportion of variation in Business Financial Performance scores statistically associated with Production Cost Budgeting scores in the sample.

Direct observation was conducted on operational activities to examine raw material use, task distribution, service flow, and transaction recording. Interviews were used to confirm how the owner prepared cost requirements, responded to changes in material prices, and assessed revenue developments. Documentation supplemented this information through available purchasing records, cost summaries, and sales records. These three supporting techniques were not used as the basis for hypothesis testing but helped the researchers understand the context when interpreting the questionnaire results.

The instrument was developed based on the operational definition of each construct. Variable X consisted of nine items across four dimensions, while variable Y consisted of eight items across four dimensions. The statements were designed to capture respondents' perceptions of practices they observed, such as the suitability of material purchases to production needs, determination of the number of workers, allocation of overhead, cost recording, budget monitoring, efficiency of cost use, changes in the number of products sold, business profit, business outcome efficiency, and revenue consistency. Because the instrument was based on individual perceptions, the results were not treated as direct measurements of the company's financial statements.

The MSI transformation was carried out through seven stages reported in the source manuscript. The researchers first calculated the frequency of responses for each score category, then converted the frequencies into proportions and cumulative proportions. The cumulative proportions were converted into Z values and then used to determine the density for each category. Next, the scale value was calculated and the scores were adjusted so that the transformed values could be used in parametric analysis. These stages were applied to the X and Y variable data before regression analysis.

Validity and reliability tests were conducted before analyzing the relationship between variables. Item validity assessed the consistency of each statement with the total construct score, while reliability assessed the internal consistency among items within one variable. After the instrument met the criteria, the researchers examined the assumptions of the regression model and then used the regression coefficient, t value, F value, and R² to assess the direction, significance, and explanatory power of the statistical relationship. Because all 32 respondents came from one MSME, interpretation of the results is limited to the Seblak Soba context and is not intended to be directly generalized to all culinary MSMEs.

3. RESULTS AND DISCUSSIONS

Results

Seblak Soba is a culinary business in Tasikmalaya Regency that was established in December 2014. In its early stage, the business sold light snacks such as cimol and wet macaroni before making seblak its main product. Based on interviews reported in the source manuscript, initial promotion was conducted through Facebook and later expanded through GoFood and GrabFood. The expansion of sales channels was followed by business development until it operated at two locations in Cipasung and Sukamanah. Production activities are carried out every day, so raw material needs, labor use, and operating expenditures must be controlled routinely.

The study involved 32 respondents. Most respondents were women, totaling 21 people or 65.62%, while 11 respondents or 34.38% were men. The largest age group was 21-30 years, comprising 19 respondents or 59.38%. Based on length of employment, the largest group had 1-3 years of experience, totaling 16 respondents or 50.00%. The respondent composition is presented in Table 2.

Table 2. Respondent Characteristics (n = 32)

Characteristic	Category	n	%
Gender	Male	11	34,38
	Female	21	65,62
Age	< 20 years	4	12,50
	21-30 years	19	59,38
	31-40 years	4	12,50
	> 40 years	5	15,62
Length of employment	< 1 year	4	12,50
	1-3 years	16	50,00
	4-5 years	11	34,38
	> 5 years	1	3,12

The validity test showed that all items for both variables met the criteria used in the study. The nine Production Cost Budgeting items had calculated r values ranging from 0.449 to 0.652, while the eight Business Financial Performance items had calculated r values ranging from 0.372 to 0.729. All values were greater than the critical r value of 0.2960. The reliability results showed Cronbach's Alpha values of 0.689 for Production Cost Budgeting and 0.697 for Business Financial Performance. Both values exceeded the 0.60 threshold, so the instruments were considered internally consistent for subsequent analysis.

Table 3. Item Validity Test Results

Item	Calculated r	Critical r	Decision
X1	0,629	0,2960	Valid
X2	0,509	0,2960	Valid
X3	0,633	0,2960	Valid
X4	0,499	0,2960	Valid
X5	0,482	0,2960	Valid
X6	0,499	0,2960	Valid
X7	0,511	0,2960	Valid
X8	0,652	0,2960	Valid
X9	0,449	0,2960	Valid
Y1	0,427	0,2960	Valid
Y2	0,372	0,2960	Valid
Y3	0,484	0,2960	Valid
Y4	0,729	0,2960	Valid
Y5	0,558	0,2960	Valid
Y6	0,685	0,2960	Valid
Y7	0,701	0,2960	Valid
Y8	0,654	0,2960	Valid

Table 4. Summary of Instrument Quality Tests

Variable	Number of Items	Range of calculated r	Critical r	Alpha	Decision
Production Cost Budgeting (X)	9	0,449-0,652	0,2960	0,689	Valid and reliable
Business Financial Performance (Y)	8	0,372-0,729	0,2960	0,697	Valid and reliable

The reported assumption tests showed that the model met the normality and heteroscedasticity criteria used in the study. The normality significance value was 0.054, which was greater than 0.05. The Glejser test produced a significance value of 0.464, indicating no evidence of heteroscedasticity based on the study criteria. In the multicollinearity test, the Tolerance and VIF values were both 1.000. Because the model had only one independent variable, these values operationally indicated that there was no issue of correlation among independent variables in the model. A summary of the results is presented in Table 5.

Table 5. Summary of Model Assumption Tests

Test	Result	Criterion	Conclusion
Normality	Sig. = 0,054	> 0,05	Meets normality criterion
Multicollinearity	Tolerance = 1,000; VIF = 1,000	Tolerance > 0,10; VIF < 10	No indication of multicollinearity
Heteroscedasticity	Sig. Glejser = 0,464	> 0,05	No indication of heteroscedasticity

Simple linear regression analysis produced a constant of 14.875 and a Production Cost Budgeting coefficient of 0.497. The positive coefficient indicates a positive association between the budgeting score and the Business Financial Performance score. The regression equation was $Y = 14.875 + 0.497X$. The t value for Production Cost Budgeting was 3.445 with $p = 0.002$. Because p was less than 0.05, H_0 was rejected and H_1 was accepted. Therefore, there was a positive and significant relationship between Production Cost Budgeting and Business Financial Performance in the perceptions of the 32 Seblak Soba respondents.

Table 6. Simple Linear Regression Results

Predictor	B	Std. Error	Beta	t	Sig.
Constant	14,875	5,553	-	2,679	0,012
Production Cost Budgeting (X)	0,497	0,144	0,532	3,445	0,002

The ANOVA test for the model produced $F = 11.865$ with $p = 0.002$. An R value of 0.532 indicates a positive relationship between variables X and Y. The coefficient of determination R^2 was 0.283 and adjusted R^2 was 0.260. This means that 28.3% of the variation in Business Financial Performance scores was statistically associated with Production Cost Budgeting scores in this model, while the remaining 71.7% was outside the model. The standard error of the estimate was 2.595. These results show that the model was statistically significant, but its explanatory power was limited and could not be interpreted as the proportion of actual performance change caused by budgeting.

Table 7. Summary of Model Fit and Explanatory Power

Indicator	Value
R	0,532
R Square	0,283
Adjusted R Square	0,260
Std. Error of the Estimate	2,595
F	11,865
Sig. F	0,002

Discussion

The results show a positive and significant relationship between the quality of production cost budgeting and Business Financial Performance, with a regression coefficient of 0.497, a standardized beta of 0.532, and $p = 0.002$. This means that respondents who rated budgeting practices more positively also tended to rate business financial performance more positively. This finding is consistent with Gustomi et al. (2025), who showed that cost control in management accounting supports MSME efficiency and sustainability. The result is also supported by Kurniawan (2025), who positioned budgeting as an important tool for strengthening management control and resource allocation in MSMEs. The similarity of these findings reinforces the role of budgeting as an internal management tool, but it does not indicate a cause-and-effect relationship because this study used an associative survey design.

These findings can be explained through Management Accounting Theory and Budgeting Theory. Internal cost information is used to plan resource needs, compare plans with actual results, and support operational decisions. At Seblak Soba, these functions are reflected in the planning of raw materials, labor, overhead, cost recording, and monitoring of their use. This condition is consistent with Kurniawan (2025), who showed that the budgeting process can connect planning, implementation, resource allocation, and evaluation. Therefore, the positive relationship found in this study is more appropriately understood as an association between orderly budgeting and the quality of financial management as perceived by respondents.

Raw material planning is an important aspect because Seblak Soba's main ingredients turn over quickly and are sensitive to price changes. Accurate estimation of needs helps reduce the risks of material shortages and excessive purchases. This finding is similar to Fatmawati & Al Mumtahanah (2022), who showed that raw material costs, direct labor costs, and overhead are production cost components related to selling price determination. The result is also consistent with Ihwan et al. (2024) in their study of U&Mie culinary MSME, which emphasized that calculating all cost components is necessary to obtain a more accurate cost of goods manufactured and basis for pricing.

The R^2 value of 0.283 indicates that 28.3% of the variation in Business Financial Performance scores is associated with Production Cost Budgeting, while the remaining 71.7% is outside the model. This finding shows that budgeting is one aspect of internal management but not the only factor related to business performance. In culinary businesses, sales are also influenced by price, promotion, market access, service quality, innovation, and the use of digital channels. González Morales & Caverro Rubio (2023) showed that sales digitalization and delivery services are related to restaurants' ability to maintain performance and

profitability. Because these variables were not tested in this study, their contribution to Seblak Soba cannot yet be determined.

Raw material price fluctuations also provide an important context for the findings. Budgeting does not guarantee that financial performance will always improve, but it can help a business identify cost deviations more quickly and adjust purchases, suppliers, production volume, or selling prices. Bourquard et al. (2022) showed that variations in raw materials and related control decisions can affect production outcomes and revenue in the food industry. This similarity indicates that budgeting discipline becomes increasingly relevant when a business faces unstable input conditions.

Seblak Soba's digital sales activities also show that budgeting needs to adjust to changes in activity levels. Increased orders through food delivery platforms can increase the need for materials, labor, packaging, and supporting costs. This result is supported by Istikharoh et al. (2025), who found that the use of social media and digital platforms in culinary MSMEs can broaden consumer reach and support higher sales. Therefore, the expansion of sales channels should be accompanied by budget evaluation so that transaction growth remains supported by cost control.

Interpretation of the results must consider the unit of analysis. The data were derived from the perceptions of 32 owners and employees within one MSME, so the regression coefficient indicates a relationship among individual perceptions in the Seblak Soba environment rather than a causal relationship between changes in the actual budget and the company's financial statements. The single research location also limits variation in cost structures and market conditions. Therefore, the findings cannot be directly generalized to all culinary MSMEs and are more appropriately positioned as contextual evidence from one organization.

From a measurement perspective, the dependent variable is treated as Business Financial Performance because the instrument includes sales volume, business profit, business outcome efficiency, and revenue stability. Revenue and profit are not treated as the same concept; profit is the result after considering costs, while revenue is related to receipts from sales. The use of this broader construct aligns the interpretation of the results with the content of the instrument and prevents the regression coefficient from being interpreted solely as a change in actual revenue.

In practical terms, the findings support the use of a simple but routine budgeting system. The owner can separate plans for raw materials, labor, and overhead and then compare actual expenditures with the budget over short periods. This information helps identify the cost components that most frequently deviate from the plan and assess the cost structure before setting prices or increasing production volume. This finding is supported by Rachman et al. (2024), who showed that more accurate identification of direct labor, overhead, and other production cost components helps micro food and beverage businesses understand product costs. Thus, the contribution of this study lies in reaffirming the relevance of budgeting as a control tool in a culinary MSME with daily operations, while limiting the conclusion to a statistical relationship within the Seblak Soba context.

Compared with previous research, this study focuses on a different stage of the cost management process. Ihwan et al. (2024) emphasized the accuracy of cost of goods manufactured calculations after cost components have been identified, whereas this study assesses the regularity of budgeting before and during production activities. This difference shows that cost calculation and budgeting are not approaches that replace one another. Cost of goods manufactured calculations help determine product costs, while budgets provide limits and benchmarks that can be used to control actual costs throughout an operating period.

Labor and overhead planning must also be considered together with changes in production activity. Wages should be adjusted to labor requirements, while the costs of energy, auxiliary materials, cleaning, packaging, and facility use continue to arise even though they are not always directly visible in one serving of a product. Fatmawati & Al Mumtahanah (2022) showed that raw materials, direct labor, and overhead together form the cost structure related to pricing decisions. At Seblak Soba, separating these components in the budget can help the owner identify which costs change with volume and which costs are relatively fixed.

Instrument quality should also be considered when interpreting the results. All items were declared valid, but Cronbach's Alpha values of 0.689 and 0.697 indicate adequate internal consistency according to the threshold used in the study, although they are not very high. This does not invalidate the analysis, but it

indicates room for improving measurement accuracy in future studies. The instrument can be improved by clarifying indicators, adding items that truly represent each dimension, and testing the construct in more than one MSME to obtain greater response variation.

For businesses that use perishable materials and face rapidly changing input prices, the budgeting period should also be adjusted to the rhythm of operations. A monthly budget can be used as a general target, but certain components such as raw materials can be monitored weekly or daily. Short-period budgeting allows the owner to identify price changes, usage variances, and subsequent purchasing needs more quickly without waiting for an end-of-month evaluation. Short-period summaries can then be combined into a monthly evaluation to observe cost and business outcome trends.

The budget control function ultimately depends on consistent record keeping. The categories used in actual records should match the categories in the budget so that direct comparisons can be made. Purchases of materials, wages, overhead, and receipts recorded using a consistent structure will make it easier for the owner to identify variances and determine corrective actions. Rachman et al. (2024), who emphasized the importance of accurately identifying cost components in micro food and beverage businesses, supports this need. With simple but regular record keeping, a budget can function as an evaluation tool rather than merely as an initial plan.

Comparison with digitalization studies also helps explain why the explanatory power of the model in this study is not large. González Morales & Caverro Rubio (2023) emphasized the contribution of sales digitalization to restaurant profitability, while Istikharoh et al. (2025) showed the role of digital marketing in expanding the reach and sales of culinary MSMEs. This study did not include marketing strategies and digital channels as predictors, even though Seblak Soba uses them in its business activities. This difference in focus strengthens the interpretation that the 71.7% variation in financial performance scores outside the model may include market and sales factors other than production cost budgeting.

The context of input fluctuations also shows both similarities and differences with previous research. Bourquard et al. (2022) examined raw material variability in the food industry at a larger operating scale and found that input characteristics and prices were related to production decisions and revenue outcomes. Seblak Soba operates on a micro scale, with purchasing decisions made more frequently and directly by its managers. Although the operating scales differ, both contexts show that timely and orderly cost information is needed when material prices change. This difference in scale is also a reason why the present findings should be understood as local evidence rather than generalized to all food businesses.

4. CONCLUSION

The study shows a positive and significant relationship between Production Cost Budgeting and Business Financial Performance at Seblak Soba in Tasikmalaya. The regression equation was $Y = 14.875 + 0.497X$, with $t = 3.445$ and $p = 0.002$. The positive coefficient indicates that better budgeting scores are associated with higher financial performance scores in respondents' perceptions. An R^2 value of 0.283 indicates that 28.3% of the variation in Business Financial Performance scores is statistically associated with Production Cost Budgeting, while the remaining 71.7% is outside the model.

The findings are consistent with Management Accounting Theory and Budgeting Theory, which position budgets as tools for planning, control, and decision-making. For Seblak Soba, the practical implication is to separate planned costs for raw materials, labor, and overhead, record actual expenditures routinely, and evaluate differences between planned and actual spending. These steps can support cost control and provide better information for pricing and working capital decisions.

Interpretation of the findings is limited by the use of perception data from 32 respondents within one MSME. The unit of analysis is the individual, so the findings do not indicate causal changes in the company's budget or financial performance and cannot be directly generalized to all culinary MSMEs. Future studies are recommended to involve several MSMEs, use actual financial data across periods, and test variables such as marketing, service quality, product innovation, digital media use, location, and competitive conditions.

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