



ANALYSIS OF COST OF PRODUCTION CALCULATIONS USING JOB ORDER COSTING METHOD FOR PROFIT MANAGEMENT DECISION MAKING IN PUTRA BERDIKAR MSME, MOJOKERTO CITY

Wahyu Solanda Putri¹, Nersiwad², Rini Armin³

^{1,2} Department of Economics, Universitas Islam Majapahit, Mojokerto, Indonesia

ARTICLE INFO

Article history:

Received May 19, 2023

Revised May 25, 2023

Accepted May 10 June, 2023

Available online 25 June 2023

Keywords:

Cost of Production, Job Order Costing, Profit Management



This is an open access article under the [CC BY-SA](https://creativecommons.org/licenses/by-sa/4.0/) license.

Copyright © 2022 by Author. Published by Universitas Pendidikan Ganesha.

ABSTRACT

The cost of production is one of the important elements in determining the selling price of a product and the profits earned by a company. The calculation of the correct cost of production is very important for company management to assist decision making in setting selling prices and profits. This research is a quantitative descriptive study that aims to determine the calculation of the cost of production of ordered goods using the method applied by UMKM Putra Berdikari, knowing the calculation of the cost of production using the job order costing method at UMKM Putra Berdikari for making profit management decisions, knowing the difference between the calculation of the cost of production production carried out by UMKM Putra Berdikari using the job order costing method. Data collection methods used are interviews, observation, literature study and documentation. The results of this study indicate that there is a difference between the calculation of the cost of production carried out by UMKM Putra Berdikari and the calculation of the cost of production based on the job order costing method. The results of calculating the cost of production carried out by MSMEs are lower than the results of calculating the cost of production based on the job order costing method. This is because the calculation of the cost of production of Putra Berdikari UMKM is still relatively simple, UMKM still has not classified production costs correctly so that the

profits obtained are not optimal.

1. INTRODUCTION

Globalization causes convenience in all sectors in life, one of which is the economic sector. This causes global economic growth to increase, which results in the demand for goods and services also increasing. The rapid growth of the business world in Indonesia is currently causing competition between companies to become very competitive in creating superior products that have high quality at prices that can compete in the domestic and international markets. Producers who are faced with conditions like this must innovate to create products that keep up with developments and produce superior quality products according to consumer needs so that their business continuity can be maintained and profits are achieved in accordance with predetermined plans. Micro, Small and Medium Enterprises (MSMEs) are one of the sectors in the developing world of Indonesian industry and play a role in supporting and advancing the country's economy. Micro, Small and Medium Enterprises (MSMEs) in the life of the Indonesian economy are very important and strategic, because the existence of MSMEs is sufficient to dominate the Indonesian economy, which also has great potential in helping to reduce unemployment by absorbing labor, as well as contributing to the formation of the Gross Domestic Product (GDP).). The presence of MSMEs is an alternative way of overcoming the problem of poverty. Micro, Small and Medium Enterprises (MSMEs) have always been a crucial figure as an economic sector to help economic development in Indonesia. This is due to the fact that most of Indonesia's population is involved in small business activities (BanuPrasetyo & Trisyant, 2018).

The number of MSMEs that are increasingly growing will directly lead to intense competition. The number of MSME business sectors that increased also led to an increase in the number of workers. These two things will definitely lead to intense business competition. Therefore, MSMEs must have a strategy to

*Corresponding author.

E-mail: author1@email.com (First Author)

compete, including competitive prices and superior products with high quality. Products that have high quality can be seen from the use of high quality raw materials and product selling prices that are able to compete in the domestic and international markets (Jumari & Toha, 2021).

Although the MSME sector has various strategic roles, this sector also has various problems, including the aspects of capital, business management skills, and the quality of the human resources that manage it (Supriyanto, 2012). One of the sources of problems that often occur in MSMEs is the low ability of management to provide clear information on recording and financial management. So that MSMEs will find it difficult to make financial reports because there are no proper financial records, this will affect decision making that is not in accordance with the company's operations. Determining the selling price of a product is a form of decision in the financial sector in a company. In order for MSMEs to get the profit expected by the company, it is necessary to determine the selling price of the right product.

The cost price is still a very important element in considering the selling price which is later expected to make a profit (faridah, 2017). To get the selling price of the appropriate product, MSMEs must first calculate the cost of production by looking at information about the use of production costs. Cost of production (HPP) is the most important factor in evaluating the level of success of a company. The cost of production is an attempt to calculate all elements of costs in a production. One method of collecting the cost of production is the job order costing method (Sahla, 2020). In the method based on the cost of orders (Job Order Costing), the costs involved in the production process based on an order are collected then the production cost per unit of product that is successfully produced to complete an order is calculated by dividing the total production cost of an order by the total units ordered product. UMKM 'Putra Berdikari' is a home industry engaged in the manufacture of loafers. Loafers produced by UMKM have many variations. Putra Berdikari UMKM still has not implemented the calculation of the cost of production according to accounting theories and only performs traditional and simple cost calculations and is not in accordance with accounting theories. This can be seen from MSMEs which only classify cost elements into two groups, namely raw material costs and direct labor costs and have not charged equipment depreciation costs and electricity costs during the production process into the calculation of the cost of production which causes the low results of calculating the cost of production. of the actual costs incurred.

2. METHOD

This type of thesis research method uses a quantitative method with a descriptive approach. According to I made Laut Mertha Jaya (2020: 12) Quantitative research is research that can be achieved using statistical procedures or other methods of quantification or measurement. Based on the explanation above, it can be concluded that the quantitative research method with a descriptive approach is a research method that emphasizes in-depth observation of the research object. This research seeks to collect, analyze and compare costs regarding the calculation of the cost of production carried out by UMKM Putra Berdikari loafers using the Job Order Costing method. This research using a descriptive approach is intended to obtain an overview of decision making in earnings management. Research uses this type of data in the form of quantitative data. Quantitative data is data in the form of numbers which are units of a certain quantitative measure of the research object. For example, frequency, volume, weight, Rupiah, and so on (Rahmadi, 2011: 74). Quantitative data used in this study is in the form of company production cost report data that is measured using units of money. These costs include, among other things, raw material costs, direct labor costs, factory overhead costs, prices for product types, and reports on the cost of production of loafers at UMKM Putra Berdikari, Mojokerto City. This study used research instruments in the form of interviews, observations, literature studies and documentation. The research instrument in this study relates to data regarding the production procedures for loafers of type Let01 and type B06 at the UMKM Putra Berdikari loafers in Mojokerto City, namely all activities carried out in the production process.

3. RESULT AND DISCUSSIONS

The purpose of this study is to find out the results of calculating the cost of production based on the method used by UMKM Putra Berdikari with the job order costing method for 50 score orders for loafers let 01 and 50 score orders for loafers B06 which occurred in March 2023.

Cost of Production According to the Mandiri Putra MSME Method**Table 1** Calculation of the MSME Cost of Production

No	Sepatu Pantofel tipe let01	Total (Rp)	Sepatu Pantofel tipe B06	Total (Rp)
1	Biaya Bahan Baku	12.775.000	Biaya Bahan Baku	13.200.000
2	Biaya Tenaga Kerja	4.750.000	Biaya Tenaga Kerja	4.750.000
3	Biaya Lain-lain	894.250	Biaya Lain-lain	924.000
	Total Harga Pokok Produksi	18.419.250	Total Harga Pokok Produksi	18.874.000
	Jumlah Pesanan	50 Kodi	Jumlah Pesanan	50 Kodi
	HPP per Kodi	368.385	HPP per Kodi	377.480
	Harga Jual per Kodi	450.000	Harga Jual per Kodi	460.000
	Laba yang diperoleh UMKM per Kodi	81.615	Laba yang diperoleh UMKM per Kodi	82.520

Based on table 1, it can be seen that UMKM Puta is self-sufficient in calculating the cost of production for 50 orders of loafers let01 and 50 scores of orders for loafers B06 during March 2023 not in accordance with accounting theory. The costs included in the calculation only include the cost of raw materials, labor costs and other costs. Meanwhile, UMKM Putra Berdikari has not made a clear classification of factory overhead costs.

Cost of Production According to the Job Order Costing Method

UMKM Puta Berdikari is a home industry engaged in women's sandals and loafers, where currently the production process is only based on orders. Thus, the amount of sales volume generated for each month depends on the number of orders received. With this order system, buyers can order loafers with the desired model and can find out the amount of costs incurred to buy the desired loafers.

In March 2023 orders received were 50 scores of loafers let 01 and 50 scores of loafers B06 to fulfill orders from Mr. Yuss. To determine the right cost of production, the calculation can be done using the method of collecting cost of production based on orders (Job Order Costing). Before performing calculations using the Job Order Costing method, production costs need to be identified and grouped to help simplify the calculation process. The costs incurred by UMKM Putra Berdikari to fulfill orders for 50 scores of loafers let 01 and 50 scores of loafers B06 include: Direct material costs (PVC soles, MM imitation materials, bontex, iron rings/gaspers, accessories, tamsin, jaguar, valcro tape, sponge, CCI material, hardening), direct labor costs, as well as factory overhead costs consisting of supporting material costs (polygum 3500 glue, PC glue, latex, thread, label tape & size number, cardboard, raffia rope), equipment depreciation costs, equipment maintenance costs, electricity usage costs, gas usage costs (LPG) and gasoline fuel costs.

Following are the direct material costs to fulfill the 50 score orders for Let 01 loafers, namely:

Table 2 Direct Material Costs for Loafers Let 01

No	Keterangan	Harga per kodi	Banyaknya pesanan (kodi)	Total (Rp)
1	Sol PVC	80.000	50	4.000.000
2	Bahan imitasi (MM)	78.000	50	3.900.000
3	Bontex	12.500	50	625.000
4	Ring besi/Gasper	3.000	50	150.000
5	Tamsin	9.500	50	475.000
6	Jaguar	4.500	50	225.000
7	Valcro tape	3.500	50	175.000
8	Spon	2.000	50	100.000
9	Bahan CCI	14.000	50	700.000
10	Kerasan	10.000	50	500.000
	Total Biaya Bahan Baku Langsung			10.850.000
	Jumlah Pesanan			50 kodi
	Total Biaya Bahan Baku Langsung per kodi			217.000
	Total Biaya Bahan Baku Langsung per pasang			10.850

Based on table 2, to fulfill 50 score orders for Let 01 loafers during March 2023, the Putra Berdikari MSME costs direct material costs of IDR 10,850,000. Based on these data, it can be estimated that the direct material cost per score of loafers Let 01 is Rp. 217,000. And for each pair of loafers, a direct material cost of IDR 10,850 is required. Meanwhile, the direct material costs to fulfill the 50 scores for orders for B06 loafers are:

Table 3 Direct Material Costs for Loafers B06

No	Keterangan	Harga per kodi	Banyaknya pesanan (kodi)	Total (Rp)
1	Sol PVC	80.000	50	4.000.000
2	Bahan imitasi (MM)	78.000	50	3.900.000
3	Bontex	12.500	50	625.000
4	Assesoris	15.000	50	750.000
5	Tamsin	9.500	50	475.000
6	Jaguar	4.500	50	225.000
7	Spon	2.000	50	100.000
8	Bahan CCI	14.000	50	700.000
9	Kerasan	10.000	50	500.000
Total Biaya Bahan Baku Langsung				11.275.000
Jumlah Pesanan				50 kodi
Total Biaya Bahan Baku Langsung per kodi				225.500
Total Biaya Bahan Baku Langsung per pasang				11.275

Based on table 3, to fulfill 50 scores for orders for B06 loafers during March 2023, the Putra Berdikari MSME costs direct material costs of IDR 11,275,000. Based on these data, it can be estimated that the direct material cost per score of B06 loafers is IDR 225,500. And for each pair of loafers, a direct material cost of IDR 11,275 is required.

Table 5 Direct Labor Cost of Loafers Let01 & B06

No	Bagian	Jumlah Produksi Sepatu Pantofel Let01 (kodi)	Jumlah Produksi Sepatu Pantofel B06 (kodi)	Upah Per Kodi (Rp)	Total BTKL (Rp)
1	Tukang Kap	50	50	35.000	3.500.000
2	Tukang Sol	50	50	50.000	5.000.000
3	Tukang Finishing	50	50	10.000	1.000.000
Total				95.000	9.500.000

From table 5, independent male SMEs require direct labor costs of IDR 9,500,000 to produce 50 orders of loafers let 01 and 50 scores of orders for loafers B06. So it can be estimated that an order for loafers let 01 requires direct labor costs of IDR 4,750,000. Whereas orders for loafers B06 also require direct labor costs of IDR 4,750,000.

Tabel 6 Biaya *Overhead* Pabrik Sepatu Pantofel Let01 & B06

No	Ket	Jenis Biaya	Total Biaya (Rp)	Sepatu Pantofel Let 01	Sepatu Pantofel B06
1	Biaya Bahan Penolong	Variabel	7.600.000	3.800.000	3.800.000
2	Biaya Tenaga Kerja Tidak Langsung	Tetap	1.000.000	500.000	500.000
3	Biaya Penyusutan Peralatan	Tetap	286.500	143.250	143.250
4	Biaya Pemeliharaan Peralatan	Tetap	200.000	100.000	100.000
5	Biaya Listrik	Variabel	100.000	50.000	50.000
6	Biaya Gas LPG	Variabel	150.000	75.000	75.000
7	Biaya Bahan Bakar (Bensin)	Variabel	200.000	100.000	100.000
Total Biaya <i>Overhead</i> Pabrik variabel				4.025.000	4.025.000
Total Biaya <i>Overhead</i> Pabrik Tetap				743.250	743.250

Based on the data in the table above, it can be seen that the variable factory overhead costs budgeted by UMKM Putra Berdikari in the production process to fulfill orders for 50 scores of loafers let 01 and 50 scores of loafers B06 in March 2023 are Rp.4,025,000 each. So that it can be estimated that the variable factory overhead cost per score for each order of loafers is IDR 80,500. Meanwhile, the fixed factory overhead costs budgeted by UMKM Putra Berdikari are in the production process to fulfill orders for 50 scores of let 01 loafers and 50 scores of B06 loafers in March 2023 each amounting to IDR 743,250. So it can be estimated that the fixed factory overhead cost per score of each order of loafers is IDR 14,865. After all production costs have been identified and grouped, the next step is to calculate the cost of production. The following is the calculation of the cost of production based on the job order costing method for 50 score orders for loafers let 01 and 50 score orders for loafers B06 at UMKM Putra Berdikari.

Table 7 Calculation of the Cost of Production Job Order Costing

No	Sepatu Pantofel Let 01	Total (Rp)	Sepatu Pantofel B06	Total (Rp)
1	Biaya Bahan Baku Langsung	10.850.000	Biaya Bahan Baku Langsung	11.275.000
2	Biaya Tenaga Kerja Langsung	4.750.000	Biaya Tenaga Kerja Langsung	4.750.000
3	Biaya <i>Overhead</i> Pabrik Tetap	743.250	Biaya <i>Overhead</i> Pabrik Tetap	743.250
4	Biaya <i>Overhead</i> Pabrik Variabel	4.025.000	Biaya <i>Overhead</i> Pabrik Variabel	4.025.000
	Total Harga Pokok Produksi	20.368.250	Total Harga Pokok Produksi	20.793.250
	Jumlah Pesanan	50 kodi	Jumlah Pesanan	50 kodi
	Harga Pokok Produksi per kodi	407.365	Harga Pokok Produksi per Kodi	415.865

From table 7 it is known that the cost of production based on the job order costing method to fulfill 50 scores of orders for loafers let 01 during March 2023 amounted to IDR 20,368,250 so that it can be estimated that the cost of production per score of loafers let 01 is IDR 407,365. Meanwhile, to fulfill orders for 50 scores of B06 loafers during March 2023, a production cost of Rp. 20,793,250 was obtained, so it can be estimated that the cost of production per score of B06 loafers was Rp. 415,865.

Comparative Analysis of Calculation of Cost of Production

After calculating the cost of production using both the method applied by UMKM Putra Berdikari and the job order costing method, it was found that there was a difference in the cost of production. Acquisition of the Cost of Production per score of loafers let 01 according to the calculation of UMKM Putra Berdikari is

IDR 368,385 with a selling price of IDR 450,000 per score so that UMKM earns a profit of IDR 81,615 per score. Whereas in the calculation of the cost of production according to the job order costing method, the acquisition of the cost of production per score of loafers let 01 is IDR 407,365 with a selling price of IDR 450,000 per score so that the actual profit is IDR 42,635 per score where there is a profit difference obtained Rp. 38,980 per loafer code let 01. For the difference obtained in the calculation of the cost of production per score of loafers B06 according to the calculation of UMKM Putra Berdikari, it is Rp. 377,480 with a selling price of Rp. 460,000 per score, so that UMKM earns a profit of Rp. 82,520 per score. Whereas in the calculation of the cost of production according to the job order costing method, the acquisition of the cost of production per score of loafers B06 is IDR 415,865 with a selling price of IDR 460,000 per score so that the actual profit is IDR 44,135 per score, which means there is a difference in profit obtained Rp. 38,385 per loafer score B06.

4. CONCLUSION

Based on the analysis of the discussion and simulation of calculating the cost of production that has been carried out on Putra Berdikari UMKM, it can be concluded that the calculation of the production cost of Putra Berdikari UMKM is not correct and is still carried out very simply because Putra Berdikari UMKM has not done the sorting and classification of production costs. The cost elements included in the calculation of the cost of production only include raw material costs, direct labor costs and other costs. The results of calculating the cost of production using the method applied by MSMEs for 50 codices for loafers let 01 are Rp. 18,419,250 which can be estimated that the cost of production per kodi for loafers let 01 is Rp. 368,385. While the results of calculating the cost of production using the method applied by MSMEs for 50 scores of orders for loafers B06 amounted to Rp. 18,874,000, which can be estimated that the cost of production per score of loafers B06 was Rp. 377,480. In the calculation of the cost of production using the job order costing method, segregation and classification of production costs has been carried out. The cost elements included in the calculation include direct material costs, direct labor costs, and factory overhead costs (conducting material costs, indirect labor costs, equipment depreciation costs, equipment maintenance costs, electricity costs, LPG gas costs, material costs burn). The results of the calculation of the cost of production using the job order costing method for 50 kodi orders for loafers let 01 are Rp. 20,368,250 which can be estimated that the cost of production per kodi loafers let 01 is Rp. 407,365. While the results of calculating the cost of production using the job order costing method for 50 scores of orders for loafers B06 amounted to Rp. 20,793,250 which can be estimated that the cost of production per score of loafers B06 was Rp. 415,865. From the explanation above, there is a difference between the results of calculating the cost of production carried out by UMKM Putra Berdikari and the results of calculating the cost of production using the job order costing method. The difference in the cost of production for 50 orders of loafers let 01 is IDR 1,949,000 which can be estimated that the difference in the cost of production per kodi loafers let 01 is IDR 38,980. While the difference in the cost of production for 50 scores of orders for loafers B06 is Rp. 1,919.50, which can be estimated that the difference in the cost of production for each score of loafers B06 is Rp. 38,385.

5. REFERENCES

- BanuPrasetyo, & Trisyant, U. (2018). Revolusi Industri 4.0 Dan Tantangan Perubahan Sosial. *Prosiding SEMATEKSOS 3 "Strategi Pembangunan Nasional Menghadapi Revolusi Industri 4.0,"* 0(5), 22–27. <https://doi.org/10.12962/j23546026.y2018i5.4417>
- faridah, eva. (2017). Pengaruh harga pokok produksi terhadap harga jual pada perusahaan peleburan aluminium cap elang mas. *Jurnal Wawasan Dan Riset Akuntansi*, 5(1), 57–69.
- Jaya, I. M. L. M. (2020). *Metode Penelitian Kuantitatif Dan Kualitatif*. Quadrant.
- Jumari, & Toha, M. (2021). Strategi Pemasaran Produk Gadai Syariah Dalam Menarik Minat Nasabah Di Masa Pandemi Covid-19 (Pegadaian Syariah Cabang Prenduan Sumenep Madura. *Jurnal Ilmiah Simantek*, 5(1), 90–98.
- Rahmadi. (2011). *Pengantar Metodologi Penelitian*. Antasari Press.
- Sahla, W. ais. (2020). *Akuntansi Biaya: Panduan Perhitungan Harga Pokok Produk*. Poliban press.
- Supriyanto, -. (2012). Pemberdayaan Usaha Mikro, Kecil dan Menengah (UMKM) Sebagai Salah Satu Upaya Penanggulangan Kemiskinan. *Jurnal Ekonomi Dan Pendidikan*, 3(1), 1–16. <https://doi.org/10.21831/jep.v3i1.627>

