


Activity Based Cost Calculation Decision Making Tool

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Article Info	ABSTRACT
Keywords: Relevant cost calculations, routine decision making.	This research aims to determine the relevant cost calculations carried out by companies in selling or further processing. Routine decision making generally occurs and is related to regular company operational activities. Relevant costs arise in situations where decision makers must choose between two or more options. Decision making will require information on relevant costs. When choosing between different alternatives, managers should concentrate only on costs and revenues that are among the decision systems.
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INTRODUCTION

Assessment of a job in a company is a stage of job evaluation that can improve the quality of work for the continuity of the company's activities within it. The work desired by the company for workers has quality standards to measure work success. One day, the situation and conditions do not allow achieving the company's goals and expectations, causing the resulting work performance assessment to decrease.

The development of trading businesses is very rapid in the free trade era like now. This global competition provides consumers with many choices, where consumers increasingly consider the cost, value and benefits of a product. The development of world trade requires businesses to emerge and continue to make profits.

The main goal in running a business is to make a profit and maintain the life of the company. In order to achieve this goal, companies are required to be able to produce competitive products, such as by creating good product innovations and paying attention to the basic price of the product and the selling price of the product. Companies must try to reduce the costs incurred in the production process.

Relevant costs are the result of historical data processing by internal accountants. It is referred to as relevant because it is closely related to the return on management decisions. One of the manager's tasks is to make decisions based on relevant accounting information. These decisions consist of routine and daily decisions in accordance with management functions. The tactical decision-making approach emphasizes the importance of identification. And the use of relevant costs. All decisions relate to the future therefore only future mass costs can be relevant to the decision. However, to be relevant, a cost must not

only be a future cost, but must also be different from an alternative, so the cost has no influence on the decision.

In the context of decision making, the concept of relevant costs is very important because it helps managers or decision makers to focus on cost information that really influences the decisions they will take. The research objectives to be achieved in this research are to: Know the relevant cost calculations carried out by the company in selling or further processing. Analyze relevant costs in relation to decision making on selling or further acquisition.

METHOD

The type of research method used is quantitative descriptive analysis. In quantitative terms, data is in the form of numbers. This type of data is data related to the application of relevant costs in making decisions about selling or further processing such as selling price, production quantity and company income.

Data Type

Quantitative data type or key data type. Kuncoro (2009:124) data types, revealed that data based on type is divided into two, namely:

1. Quantitative Data
Namely data expressed in numerical form such as financial report data, cash flow data and so on. In this research the data is in the form of financial reports.
2. Quantitative Data
Quantitative data is data that is measured on a numerical scale. Quantitative data is data presented in the form of numbers, in the form of production cost data and production quantity data. Kuncoro (2009:145).

Data collection technique

The data collection techniques used are:

1. Collect the necessary data related to research to become a basic reference in research.
2. Manage data in accordance with the theoretical basis that will be used in research.
3. Documentation, namely variable costs and fixed costs, and related documents that are relevant to the topic under study.

Data analysis method

It is hoped that by applying relevant costs it will be easier for companies to make decisions. These costs play an important role in the analysis of business decisions, such as whether to continue or stop a project, purchase or manufacture components yourself, or accept or reject a special order. If it is more profitable for the company to sell directly, then the decision taken is to sell. If further processing of the company's product results in large profits, then the company is advised to further process the product.

RESULTS AND DISCUSSION

This research aims to determine the relevant cost calculations carried out by companies in selling or further processing. Routine decision making generally occurs and is related to

regular company operational activities. Relevant costs arise in situations where decision makers must choose between two or more options. Decision making will require information on relevant costs. When choosing between different alternatives, managers should concentrate only on the costs and revenues that fall between the decision alternatives.

These costs play an important role in the analysis of important decisions, such as whether to continue or stop a project, purchase or manufacture components yourself, or accept or reject a special order. Determining the company's progress in the future must have an important role from management. Management must make the right decisions, the decisions made will also have an impact on the survival of the company. The company wants large profits, which is the basis for the company, namely producing effectively and efficiently.

Relevant costs are used for decision making involving the selection of various alternative management actions. Management is expected to be able to calculate production costs in order to increase efficiency and effectiveness in producing PT. FORWARD TOGETHER. Relevant costs are the principal company in this research. It is hoped that by applying relevant costs, it will be easier for companies to make decisions.

Research result:

Table 1.1 PT Sales Data.Moving Forward with the Book of the Month November 2023

Product name	Quantity	Unit price	Amount
Learning Book	8,000	Rp. 7,000	Rp. 56,000,000
Educational Book	5,500	Rp. 25,000	Rp. 137,000,000
Magazine Book	2,800	Rp. 14,000	Rp. 39,000,000
Total	16,300		Rp. 232,000,000

Table 1 shows the sales data of all products of PT. Moving includes special orders during November 2023, namely with the number of books produced 16,300 with a total revenue of Rp. 232,000,000. With information on the quantity or number of production, it can be obtained from learning books of 400 books/day, education books of 275 books/day, magazine books of 140/day multiplied by 20 working days/production.

Table 1.2 Raw Materials Do not place orders as VIP PT. Moving Forward with Books for November 2023

Name	Quantity	Unit	Price per unit	Mark
Ivory Paper	275	Lbr	Rp. 4,500	Rp. 1,237,500
HVS Paper	280	Lbr	Rp. 2,500	Rp. 700,000
Karton 63x85	130	30 gsm	Rp. 7000	Rp. 910, 000
Glue	15	500 gr	Rp. 12,000	Rp. 180, 000
Rope	10	Roll	Rp. 17,000	Rp. 170,000
Ink	21	150 MI	Rp. 21,000	Rp. 441,000
Total				Rp. 3, 638,500

Table 2 can be seen the cost of raw materials without special orders: ivory paper = 20 books (5,500/20 = 275) 275x4,500 = Rp.1,237,500, HVS Paper 1 sheet = 10 books (2,800/10 = 280) 280 x 25,500 = Rp. 700,000, carton 63 x 85 30 gsm 1 sheet = 20 books

$(5,500/20 = 275) 130 \times 7000 = \text{Rp. } 910,000$, glue Rp. 180,000, rope Rp. 170,000, ink Rp. 441,000. So the total cost of raw materials without special orders in November 2023 amounted to Rp. 3,638,500.

Table 1.3 Direct Labor Costs (Not using VIP orders) PT. Moving Forward Together in November 2023

Information	Quantity	Amount	Total
Workers use 3 types of books and use type of VIP order book	3	2,500,000	Rp. 7,500,000

Table 3 shows the direct labor cost of making 2 types of books, namely learning books, educational books and 1 type of magazine book which is a special order, namely 3 people with a salary of Rp. 2,500,000 each for making 3 book orders. So the total labor cost with special orders amounts to Rp. 7,500,000.

Table 1.4 Factory Overhead Costs (Not using VIP orders) PT.Moving Forward with Books for November 2023

Information	Fixed cost	Amount (Rp)	Total (Rp)
Cashier		2,200,000	
Machine Maintenance		240,000	
Machine Shrinkage		55,000	
			2,495,000
Variable Costs			
Electricity		710,000	
			710,000

Table 4 shows the overhead costs of PT. Moving forward is a fixed cost in which cashier Rp. 2,200,000 machine maintenance Rp. 240,000/month, machine shrinkage Rp. 55,000/20 working days, so the total variable cost is Rp. 710,000.

Table 1.5 Cost of goods sold for VIP orders from PT.Moving Forward with Books for November 2023

Product name	Quantity	Price (Rp)	Amount (Rp)
Learning Book	8,000	7,000	56,000,000
Total			56,000,000

Table 5 can be seen the cost of selling special orders (learning books), namely the quantity of 400 books/day multiplied by 20 days of production to 8000/month multiplied by the unit price of RP products. 7000. So the cost of selling special orders in November 2023 is Rp. 56,000,000.

CONCLUSION

The support of decision-making tools has brought about a revolution in cost management, giving companies more accurate and comprehensive insight into the distribution of costs across products or services. Enables companies to identify and analyze various activities that

consume resources, and allocate costs more precisely based on the use of these activities. The use of decision-making tools, such as specialized software, has made the implementation process faster and easier. These tools help and collect data, calculate activity-based costs, and provide in-depth, real-time analysis. With the support of this technology, companies can easily identify inefficient activities, enabling them to take corrective steps that can reduce costs and increase productivity.

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