

ABSTRACT

Halima Tusa'dia Abdul Rajab. 2015, Thesis. Title: " raw material inventories Optimization of cassava flour if used EOQ (*Economic Order Quantity*) USING EOQ (Economic Order Quantity) (Case Study On Chip Factory of UD Surya Manalagi Kediri" Supervisor: Zuraidah, SE., MSA

Keywords: Purchasing, Inventory Security, Hold Time, Time Booking and Total Cost

The purpose of this study was to find out how to optimize raw material inventories of cassava flour if used EOQ (*Economic Order Quantity*) USING EOQ (Economic Order Quantity) (Case Study On Chip Factory of UD Surya Manalagi Kediri"

The basic method used in this research was quantitative descriptive. The research location was determined intentionally (*purposive*) that chip Factory of UD Surya Manalagi with the consideration that the chip factory of UD Surya Manalagi was a factory that producing processed food made from cassava flour, which cassava flour is a commodity that was seasonal so it is necessary to apply a systematic method to ensure the smooth production.

The results showed that the purchase of raw materials of cassava flour according to the method of *Economic Order Quantity* for 2013/2014 period was greater than the policy of chip factory of UD Surya Manalagi. The total cost of inventories of raw materials during the year 2013/2014 according to the method of *Economic Order Quantity* was smaller than the policy of chip factory of UD Surya Manalagi. From the research that has been conducted showed that raw material inventory control of cassava flour in the chip factory of UD Surya Manalagi during the period 2013/2014 has not been efficient.