

ABSTRACT

M. Udin Harianto. 2014, *Thesis*. Title: “*Anaylisis The Implementation Of Target Costing Through The Selling Prices Determined To Optimize The Company Profit (Case Study On UD Al-Amin)*”

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keywords : *target costing, value engineering, price, profit*

Target costing is a process of cost management and profit planning that systematically and effective when applied at the planning stage so that can be help management to optimizing profits.

This research is descriptive quantitative. The data used is primary data and secondary data such as documentation, with data analysis methode includes the calculation of the cost of production and implementation of target costing. Results of the analysis can be conclude that the target costing can be applied to UD.Al-Amin for determine the prices for their products and can be instrument to optimize the company profits. Target costing at UD.Al-Amin can be reached with value engineering, by: 1) change the ranks of the production employees; 2) replcease the homemade indirect materials with ready use indirect materials; 3) increasing the minimum standards of production; and 4) improved accounting system. By performing value engineering the company can reduce the cost of production, from Rp. 11.496.100,- for each production with traditional methods to Rp. 11.416.400,- with target costing methods, so company can save the production cost of Rp. 79.900,- for each production. With these cost saving, UD.Al-Amin can lowered the selling price from Rp. 80.000,- for each tong to Rp. 79.500,- for each tong., and can increase the profits of Rp. 46.200,- for once production.