

ABSTRACT

Prayudasari, Zelvi Rhizqa. 2013. THESIS. Title: "The Activity-Based Costing System as an Alternative Method for Calculating the Cost of Goods Manufacture in Competitive Superiority Development at PT. INKA (Persero) Madiun in 2010."

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The cost calculation of goods manufacture is crucial for a company. Incorrect calculation may cause financial loss for the company since the aims of the company are to develop and increase the profit from time to time in global competition on determining the price and/or other managerial decision.

The purposes of this research are to analyze the comparison of cost of goods manufacture by using traditional and ABC methods, and to analyze the advantage of their application in calculating the cost of goods manufacture especially related to increasing the competitive superiority.

This research uses descriptive qualitative approach with comparative case study method. The research subjects are three company's products which are Economy Class Train (K3) AC, Economy Class Train (K3) Green Car, and Economy Class Train (KMP3) AC. The data is collected by doing observation, interview and documentation.

The result shows that PT. INKA (Persero) Madiun uses traditional method in calculating the cost of goods manufacture. It calculates direct hours of the employees as the basis of determining the overhead fund of each product. The result of Economy Class Train (K3) AC is IDR 2,522,926,538, Economy Class Train (K3) Green Car is IDR 363,126,214, and Economy Class Train (KMP3) AC is IDR 3,145,136,617. The calculation using ABC method shows that cost of goods manufacture of Economy Class Train (K3) AC is IDR 2,727,987,080, Economy Class Train (K3) Green Car is IDR 360,001,314, and Economy Class Train (KMP3) AC is IDR 3,383,215,414. For comparison, traditional method determine lower cost of goods manufacture (undercosted), for Economy Class Train (K3) AC is IDR 205,060,541 and Economy Class Train (KMP3) AC is IDR 238,078,797. While in Economy Class Train (K3) Green Car, traditional method determines higher cost of goods manufacture (overcosted) compare to the calculation of ABC method which is IDR 3,124,899.

The advantage of ABC method related to the development of competitive superiority is to help the management in making decision of determining the price, determining the strategy of cost leadership, and implementing the Activity Based Management (ABM).