

ANALYSIS OF HPP CALCULATION USING FULL COSTING AND VARIABLE COSTING METHODS AS A BASIS FOR DETERMINING THE SELLING PRICE (CASE STUDY CV. ALDIANSYAH BLESSING MANDIRI)

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ABSTRACT

The calculation of the cost of production has a central role for the company especially in paying the selling price of the product. In this context, there are two approaches used the full costing method and variable costing. This study aims to calculate the cost of production using both methods.

Keywords: cost of goods sold 1; full costing 2; variable costing 3.

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Introduction

In this day and age, business development is increasingly characterized by increasingly fierce competition among existing companies. Competition in the business world is becoming increasingly fierce and is felt by business people in Indonesia. Business competition in the struggle for the market has required business units to have advantages in their business both in terms of efficiency, product quality, technology and quality of human resources. So that the company can continue to develop and compete, the company is expected to always be committed to doing business consistently. So that the company's plan will achieve its targets and objectives in developing its business the company must pay attention to every cost incurred in its production costs. Production cost information can be seen from the calculation of the cost of goods manufactured which is used to reflect the total cost of the product produced. There are three groups of production costs, namely, raw material costs, direct labor costs, and factory overhead costs. The calculation of the cost of goods produced can be used to determine the selling price for customers where the price can be adjusted to the costs incurred during the production process.

The company must emphasize production costs so that the cost of goods produced is lower. Production costs that are not properly controlled will result in a higher cost of goods produced so that it is likely that the selling price of the product is also high. This can affect price competition in the market. For this reason, production costs must be recorded properly and calculated correctly so that they can produce the right cost of goods. Cost of goods manufactured is a major factor in assessing the success of a company. Errors in calculating the cost of goods produced must be avoided so that the company can continue to run with its goals. Various types of fashion products on the market cause price competition. Products that already have a well-known trademark are able to withstand high selling prices due to the quality that consumers have trusted so that there is less risk of new competitors. These products usually have loyal consumers and always innovate in providing the best products for consumers. As for new products looking for a market, competing to sell the lowest selling price to attract consumer attention.

Basically, the main goal of a company is to make a profit, determining the right cost of production is influenced by the calculation of production costs and accumulated costs. To generate a more accurate profit, the company can use the determination of the selling price with a method that can be used in calculating the cost of production is the full costing and variable costing methods. According to Mulyadi (2014: 17), the definition of the full costing method is a method of determining the cost of production into the cost of production, which consists of raw material costs, direct labor costs, and factory overhead costs, both variable and fixed, thus the cost of production according to full costing consists of elements of production costs. Mulyadi (2014: 18) in previous research, the variable costing method is a method of determining the cost of production that takes into account variable production costs, into the cost of production, which consists of raw material costs, direct labor costs, and variable factory overhead costs.

Research Method

Types of Research and Data Sources

In this study, data is divided into two types, namely qualitative and quantitative data. The type of data used in this research is quantitative data. Data in the form of cost of goods produced during the period, namely 2022 obtained from CV. Aldiansyah Berkah Mandiri. And in this study the data source used is primary data, primary data is data collected by the company itself by obtaining information, explanations from companies related to this research.

Data Collection Technique

This research uses primary data sources. Primary data sources are types of data obtained and extracted from the main source, both in the form of quantitative and qualitative data. as for some of the techniques used in this study, namely observation, interviews, and documentation.

Data Analysis Method

The data used in this research is non-statistical descriptive analysis, namely the analysis method used to explain the analysis of the cost of goods produced in full costing and variable costing calculations at the CV. Aldiansyah company.

Result

Calculation of the Company's Cost of Goods Manufactured

Table 1. Raw cost of goods of CV. Aldiansyah

No	BB	2022
1	Combed Cotton	553.000.000
2	Beynang	10.000.000
3	Cet sblon	53.000.000
4	Quantity	560.000.000
5	Production Volume	2.999

Data source: CV. Aldiansyah

Table 2. Direct labor

No	Labor	2022	Total employees
1	Cutting	30.000.000	3
2	Obras	80.000.000	3
3	overdek	40.000.000	5
4	packingg	30.000.000	6
5	SIGNING	50.000.000	6
6	Total	230.000.000	35
7	Production Volume	12.000	

Data source: CV.Aldiasnyah

Calculation of HPP and Selling Price Full Costing

Table 3.

Cost Name	2022
Raw material cost:	
Combed Cotton	540.000.000
RIB	40.000.000
Cet Sblon	50.000.000
Variable overhead costs:	
Direct labor costs:	
Cutting	30.000.000
Honing	80.000.000
Tkng overdeck	40.000.000
Tkng sabllon	50.000.000
tkngg packing	30.000.000
Oil	6.000.000
Electricity and telephone	6.000.000
Bnndhra	4.000.000
Pmsarn	2.000.000
Machine depreciation cost:	
Mesn	4.892.000
OBS	4.400.000
Verdeck	2.682.500
Screen printing machine	8.125.500
Total hpp	891.300.000
PT Profit	28%
Profit	231.738.000
Total cost of goods manufactured	1.12.038.000
Total production	10.000
Selling price	112.303,8

Data source: CV.Aldiasnyah

Judging from the nominal figures, the calculation results of the full costing method are very different from the method used by the company. For example, the cost of goods produced by the full costing method in 2020 is IDR 50,711,336, with a selling price obtained of IDR 131,144.9381. In 2021, the cost of goods produced by the full costing method is IDR 38,469,498, with a selling price of IDR 13,178,573.

Calculation of HPP and Selling Price of Variable Costing Method

Table 4.

Costa Name	2022
Cost BB	
Catton combed material	35.000.000
Rib	12.004.000
Screen Printing	88.055.000
Variable ovd cost:	
BTKL:	
Cutter	20.000.000
Obras	30.000.000
Overdeck	40.000.000
Screen Printing	50.000.000
Pcking	70.000.000
Oil	8.000.000
Electricity	2.000.000
Total hpp	90.300.000
PT Profit	16%
Profit	309.637.000
Total profit and HPP	1.012.838.000
Total HPP	10.000
Selling price	101.593,8

Data source: CV.Aldiasnyah

The results of the hpp calculation and the selling price of the variable cost method are very different from the full costing method and the company. For example, the hpp of the variable cost method in 2020 is Rp.81,22,000 and the selling price is Rp.101,102.4. In 2021, the variable cost method hpp is Rp.342,892,000 and the selling price is Rp.101,102.4.

Comparison of HPP and Selling Price of Company Method and Full Costing Method

Table 5.

Method	2022
Full cs	341.350.000
CV.Aldiansyah	67.500.000
Difference	21.534.000

Data Source : CV. Aldiansyah

The results of the calculation of variable cost selling price are very different from the full costing method and the company method. For example, the variable cost method's hpp in 2020 is IDR 577,440,000 and the selling price is IDR 101,102.4. In 2021, the hpp of the variable cost method is Rp.899,892,000 and the selling price is Rp.101,102.4.

Comparison of HPP of Variable Costing Method and Company

Table 6. Difference in HPP

Method	2022
Fll cstng	76.300.000
Varb costing	33300.000
Difference	78.000.000

Data Source : CV. Aldiansyah

The difference in hpp comparison between the full costing method and the variable costing method in 2020 is Rp.49,271,336-,. In 2021, that is Rp.74,577,498-,. In 2022, that is Rp.85,000,000-,. The results of the HPP allowance for the full costing method and variable costing show that there is also an allowance from year to year, namely from 2020 to 2021 there is an allowance of Rp.25,306,169-, while in 2021 to 2022 there is an allowance of Rp.12,822,505-,. The results of the allowance can show that hpp is increasing from year to year.

Table 7.

Method	2022
Full costing	112.303,8
Variable costing	101.593,8
Difference	10.710

Data Source : CV. Aldiansyah

The selling price dispute according to the full costing and variable costing methods in 2020 is IDR.10,346.9805-,. In 2021, that is Rp.10,440.85-,. In 2022 that is Rp.10,710-,.

Analysis of HPP Determination and Selling Price According to Company Method

The analysis of the HPP determination conducted by Pt shows that the company has calculated all the costs of raw materials and direct labor to calculate the HPP of Qwerty T-shirts. Meanwhile, to determine the selling price, the company only needs to divide the total production cost by the production volume and then take 28% of Pt's desired profit.

Analysis of HPP Determination and Selling Price According to Full Costing

The results of the calculation of HPP mrt mtd fls costing sbsar Rp.730,000,000 in 2020, Rp.899,4556,567 in 2021, and Rp.570,000,000 in 2022.

Analysis of HPP Determination and Selling Price According to Variable Costing

The results of the calculation of the cost of production of Qwerty shirts according to the variable costing method in 2022 are Rp.851,300,000,-. While the selling price generated using the variable costing method in 2022 is Rp.101,304 -,

Comparison of HPP Results and Selling Prices According to Company Methods, Full Costing and Variable Costing

There is data on the HPP and selling price of Qwerty shirts using the varbl cstng method for 2020, 2021, and 2022. in these years, the HPP of Qwerty shirts are as follows: Rp. 571,440,000 in 2020, Rp. 45,662,000 in 2021, and Rp. 45,300,000 in 2022. While the sales of Qwerty shirts produced with varbl cstng are: Rp. 114,102.4, - in 2020, Rp. 101,344.88, - in 2021, and Rp. 101,593.8, - in 2022.

Conclusion

Based on the analysis and discussion conducted by the researcher, it can be concluded as follows. The method of determining hpp to determine the selling price done by the company is very irrelevant, because the company only calculates raw material costs and direct labor costs. The variable costing method cannot be used in calculating the cost of production in determining the selling price of the product, because the variable costing method only takes into account variable costs. The full costing method can be used in calculating the cost of production in determining the selling price of Qwerty shirts at CV Aldiasnyah Berkah Mandiri, because the full costing method has taken into account all costs incurred by the company while producing Qwerty shirts, both variable costs and fixed costs. The comparison of the calculation of HPP between the method used by the company, the full costing method and the variable costing method shows that the full costing method has a much higher nominal value than the method used by the company and the variable costing method, because the calculation of HPP in the full costing method includes all costs both variable and fixed.

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