

## PRODUCTION COSTS IN MAINTAINING THE EXISTENCE OF BUSINESS QUALITY AT KIFA BAKERY AND CAKE

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### ABSTRACT

*The cost of production is important to determining the selling price of products which can provide profits for the company, so that it is able to compete with other competitors. Good product quality can support the sustainability of a business. Therefore, there are quality costs for companies to produce the best quality to provide satisfaction to consumers who buy. The aim of this research is to explain the production costs used by Kifa Bakery and Cake in maintaining business existence in an era of increasing competition in the bakery business. This research uses descriptive qualitative methods with primary data sources in the form of interviews with Kifa Bakery and Cake business owners. Apart from that, the use of secondary data originating from literature reviews to strengthen the results of research analysis. The results of the research state that the cost of production used by Kifa Bakery and Cake is quite high in maintaining product quality and business existence, so that Kifa Bakery and Cake always provides a sense of satisfaction to customers and a business existence that is widely known to the public.*

**Keywords:** *Production Costs, Price, Quality*

### INTRODUCTION

The rapid development of business is now caused by the emergence of creative and innovative ideas that are always created by entrepreneurs, one of which is in the business sector that is currently experiencing development, namely businesses in the bakery and cake sector. According to Firnanda et al. (2023) bakery and cake have become popular foods for various events or activities. Tight competition in the manufacturing industry, especially in the bakery and cake business sector, has an impact on technological and scientific progress. Therefore, it has become mandatory for every bakery and cake company to always improve the efficiency and effectiveness of its production process to increase the company's competitiveness (Affandi et al., 2021).

In general, the main goal of a company carrying out operational activities is to obtain the maximum possible profit or profits. This is done to ensure the survival of the company is guaranteed and can provide benefits to the general public. The importance of understanding the production process in running a business cannot be ignored. The production process is the core of adding value to the goods produced and determines the success of the business (Bertus Yeri & Achmadi, 2024).

Companies that want to continue to survive and develop must be able to produce good quality products. Therefore, companies must be able to find and create new innovations to market. According to Ch et al. (2020) in cost accounting, production cost calculations function to determine, analyze and report various costs which contain financial reports which can be used to show reasonable data. According to Ismail et al., (2022) production costs are related to a product, including elements of raw material costs, direct labor costs and factory overhead costs. Production costs are also the basis that provides protection for the company from possible losses. Therefore, the standard costs set by the company will be compared with the actual costs for the production process that occurs (Hidayat & Salim, 2013).

Kifa Bakery and Cake is a business that produces various kinds of bakery and cakes. Kifa Bakery and Cake was founded in 2014 by Mr. Agung Nugroho, who has been in this business for 10 years now. The Kifa Bakery and Cake business is one of the many businesses that produce bread in a home industry located at Dukuh 1/9, Ponowaren, Tawang Sari, Sukoharjo. Kifa Bakery and Cake produces various types of bread such as rolled cakes, brownies, dry bread, and others.

While running the bakery and cake business, Mr. Agung Nugroho always thought about the best solution for rising raw material prices so that he could continue to produce without reducing quality and get proper profits. Analysis of production cost calculations is an important step in the Kifa Bakery and Cake business so that production cost efficiency calculations become more optimal. The better this business understands and manages production costs, the greater the opportunity for the Kifa Bakery and Cake business to develop and compete in the market (Saputra et al., 2024).

Kifa Bakery and Cake already has two outlets located in Tawang Sari and Sukoharjo. The opening of this outlet makes it easier for customers to buy Kifa Bakery and Cake bread and cakes. Kifa Bakery and Cake in the production of bread and cakes uses high quality raw materials at affordable prices to maintain consumer satisfaction and trust. In one production, Kifa Bakery and Cake can produce several types of bread with a quantity of more than 30 units of each type of bread and cake. Prices for bread and cakes sold at Kifa Bakery and Cake start from IDR 10,000 to IDR 70,000 depending on the type of bread and cake. Apart from that, Kifa Bakery and Cake also accepts orders for bread and cakes for various events (Asri Mulya, 2021).

In the Kifa Bakery and Cake business, production costs are a determinant of the company's success in producing goods. Kifa Bakery and Cake continues to monitor raw material prices every day to see if raw materials experience price increases. Kifa Bakery and Cake is still able to maintain the stability of the production process and maintain the quality of bread and cakes without having to increase the selling price. According to Potter and Hotchkiss (2017), good quality characteristics of food are acceptable to consumers. Kifa Bakery and Cake also

continues to calculate the costs of the production process to maintain the quality of bread and cakes so that the company continues to get proper profits so that there are no losses at Kifa Bakery and Cake. While running the bread and cake business, Kifa Bakery and Cake continues to experience quite rapid development with high profits (Bertus Yeri & Achmadi, 2024).

This research has the main objective of analyzing in depth the production costs to increase profits in the Kifa Bakery and Cake business. This research will dig deeper into the calculation of production costs which will be the basis for determining quality that can increase customer satisfaction and loyalty which leads to maximum profit generation. Through this research, the author will explain in more detail the costs and production process of Kifa Bakery and Cake which play a role in determining product quality and selling price (Zahri, 2018). **TEORI**

### **Cost accounting**

According to Mulyadi (2018:7), cost accounting is the process of recording, classifying, summarizing and presenting the costs of making and selling products and services in certain ways and interpreting them. According to Abdullah, & Sasongko (2019:4), cost accounting is a part of management accounting that emphasizes determining and controlling costs. In simple terms, cost accounting is the process of calculating the value of inventory listed on the balance sheet and the value of the cost of goods sold listed on the profit report. loss which is information for the company (Agustina Rais & Kamelia Fiel Afroh, 2021).

### **Production**

According to Zulian Yamit (2003:5), production is an activity to process input through a transformation or change process in such a way that it becomes output in the form of goods and services. According to Basu Swasta and Ibnu Sukotjo (2002:198) the function of production is to create goods or services according to people's needs at the right price and quantity (Sahat Tua Manula & Dewanti, 2021).

### **Biaya**

According to Iryane and Handayani (2019), cost is a quantity with a value that must be spent by consumers to own a product, both goods and services, this can be by reducing assets or increasing liabilities in a production process. According to Hansen and Mowen (2012:47), costs are the value of cash or cash equivalents sacrificed to obtain goods or services that are expected to provide current or future benefits for the organization. According to Mulyadi (2009:8), costs are sacrifices of economic resources measured in units of money, which have occurred or which are likely to occur to achieve certain goals. Based on the definition above, it can be concluded that costs are sacrifices of cash or cash equivalents measured in units of money with the aim of obtaining benefits in the present and future (Zahri, 2018).

### **Production cost**

According to Mulyadi (2018:14), production costs are the costs incurred to process raw materials into finished products that are ready to be sold. Broadly speaking, production costs are divided into raw material costs, direct labor and overhead costs." According to Nursanty et al (2022:20), production costs are the costs used to process raw materials into finished products that are ready to be sold. According to Syamsul Rivai (2019:49), production costs are the costs incurred to process raw materials into finished products that are ready for sale (Watupongoh & Tinangon, 2022).

### **Production process**

According to Assauri (2011:75), the production process is the means, methods and techniques for creating or increasing the usefulness of a good or service using existing resources (labor, machines, materials, funds). The production process is the most important form of activity in the implementation of production in a company (Hidayat & Salim, 2013).

According to Assauri (2008; 105), the production process can be divided into two types, namely:

#### *1. Continuous Processes*

This continuous production process is often called a continuous production process. In the continuous production process there is the same pattern or sequence in the production implementation of the company concerned. The pattern or sequence of production implementation will always be the same between production implementation in the past, now and in the future. For example, shoe factories and beverage factories. In this process there is a long period of time without any changes in the arrangement and use of machines and equipment. Processes like this exist in factories that produce products for the market.

#### *2. Intermittent Processes*

This discontinuous production process is often called an intermittent production process. In this production process there will be several patterns or sequences of production that vary within the company concerned. The production pattern or sequence used today will be different from the pattern or sequence used last month, generally the products produced tend to have high variations when compared to the number of units of product produced. For example, car factories and welding workshops. In this process there is a short time in preparing equipment for appropriate changes to be able to deal with changing product variations, for example seen in factories that produce products for or based on orders.

## Production Cost

Production costs are one of the important things to achieve high quality production results that can compete in the market, so more attention is needed in planning and controlling the production process. Production costs are all costs that a company or business must incur to produce products and services. Production costs can be said to be efficient if these costs do not result in waste and are able to produce product output with good quantity and quality, for this reason a systematic effort is needed in the company by comparing work performance with plans and taking appropriate action for the differences (Zahri, 2018).

According to Mulyadi (2015:14), production costs are the costs incurred to process raw materials into finished products that are ready to be sold. According to Bustami et al. (2013: 54), production costs are the costs incurred to make a number of goods or services which consist of raw material costs, direct labor costs and factory overhead costs. Meanwhile, according to Ahman (2004: 169), production costs are costs that are always related to existing needs in manufacturing companies in accordance with the subjects and objects in a production in the company and in accordance with the criteria and various types of company expenditure costs (Zakia Harun et al. al., 2023).

The types of production costs according to Carter (2017:40-42) are as follows:

1. Direct Material Costs (Direct Material)

Direct raw material costs are all raw material costs that form an integral part of the finished product and are included explicitly in the product cost calculation.

2. Direct Labor Costs

Direct labor costs are labor that converts raw materials directly into finished products and can be appropriately charged to certain products.

3. Factory Overhead Costs

Factory overhead costs are costs that consist of all manufacturing costs that are not traced directly to a specific output. Factory overhead usually includes all manufacturing costs except direct materials and direct labor.

According to Rudianto (2006:272), the types of production costs are generally categorized into 3, namely:

1. Direct Material Costs

Costs that form a comprehensive part of the finished product and can be physically identified with the product and can be traced to the finished goods economically. Direct material costs are all costs incurred to obtain direct materials until the materials are ready for use. According to Carter (2014:40) direct material costs are all raw materials that form an integral part of the finished product and are included explicitly in the production cost calculation. Meanwhile, according to Mulyadi (2016:275) raw material

costs are the main materials which are a complete part of the finished product, so they can be identified directly in the finished product and their value is quite large.

2. *Direct Labour Cost*

Direct labor costs are quite large production costs, because they are a form of company compensation for employee energy and performance, so it is very important and necessary to supervise and control labor costs. According to Dunia and Abdullah (2012:23), direct labor costs are the wages of all direct labor who specifically use both hands and machines, take part in the production process to produce a product or finished goods.

According to Mulyadi (2016:319), direct labor costs are the labor used in changing or converting raw materials into finished products and can be traced directly to the finished product. The main objective of monitoring and controlling labor costs is to achieve labor efficiency, including the issue of determining adequate compensation levels, ensuring that the quality of the products produced meets standards and achieving optimal production volumes.

3. *Factory Overhead*

Factory overhead costs are generally defined as indirect materials, indirect labor, and other factory expenses that are not easily identified or assigned directly to workers, products or cost end purposes. According to Salman (2013: 26), factory overhead costs are production costs incurred by the company apart from raw material costs and direct labor costs. According to Harnanto (2017: 151), factory overhead costs are an element of production costs other than raw material costs and direct labor costs which consist of various types of costs and all of which cannot be traced directly to products or other activities in the company's efforts to realize income.

a. *Cost of Auxiliary Materials*

These are materials that are not part of the finished product or materials that, although they are part of the finished product, have relatively small value when compared to the cost of production.

b. *Indirect Labor Costs*

These are factory workers whose wages cannot be calculated directly for certain products or orders.

c. *Other Indirect Materials*

Other indirect costs are costs other than indirect materials and indirect labor that assist in the processing of the finished product, but cannot be traced directly to the finished product.

### **Cost of goods sold**

The cost of production is the costs incurred to produce a product from the initial process until it becomes a finished product. Determining the cost of production can be done using two methods (Badriah & Nurwanda, 2019):

1. Full costing method

The full costing method is determining the cost of production which takes into account all components of production costs, namely raw material costs, direct labor costs, and factory overhead costs, including fixed and variable factory overhead costs.

2. Variable costing method

The variable costing method is determining the cost of production which takes into account the production cost components consisting of raw material costs, direct labor costs and variable factory overhead costs only.

## **RESEARCH METHODS**

This research uses descriptive qualitative methods (descriptive research). According to Abdussamad (2021) qualitative research is research that focuses on describing certain circumstances, phenomena or events with in-depth analysis. This research was carried out by collecting primary data by asking questions (interviews) related to production costs to the resource person, namely the owner of Kifa Bakery and Cake whose address is Dukuh 1/9, Ponowaren, Tawang Sari, Sukoharjo, Central Java. The next step is collecting secondary data by collecting data or sources (literature review) relating to the topic of production prices and product quality, then analyzing the results of interviews with library sources obtained to produce clearer and more systematic data.

## **RESULTS AND DISCUSSION**

Kifa Bakery and Cake produces various types of bread and cakes which are very popular with the public. The process of making cakes and bakeries goes through several stages, including weighing the ingredients, the kneading process, weighing the bread dough according to size, adding toppings, the proofing process or letting the dough sit for 2 hours so that it expands, the oven process, and finally the process of packaging and distributing the product to consumers. location of the outlet or consumer placing the order.

The cost of production is used to determine the selling price and costs that can be used to compete with competitors. According to Mardiasmo (2019:9), the cost of production is the use of various economic resources used to produce products, obtain assets. According to Saputra, et al. (2024), the cost of production is divided into three elements, namely raw material costs, direct labor costs and factory

overhead costs. Kifa Bakery and Cake produces various types of cakes and bread, which means the production costs incurred are quite large every month.

### I. Direct Material Costs

In manufacturing businesses, material costs are divided into direct material costs and auxiliary material costs. Direct raw material costs are the materials contained in the finished product. These raw materials are processed with the help of other supporting materials to produce quality products. Ordering materials must also be considered to avoid risks. Kifa Bakery and Cake has a trusted supplier to provide the main ingredients for the continuity of the production process (Siregar et al., 2016).

**Tabel I. Description of direct raw material costs**

Raw Materials	Quantity	Price	Total price
Flour	12.500 kg	Rp 8.960/kg	Rp 112.000.000
Egg	1.800 kg	Rp 15.000/kg	Rp 27.000.000
<b>Total</b>			<b>Rp 139.000.000</b>

Based on the cost description above, the raw material costs incurred by Kifa Bakery are Rp. 139,000,000 per month January 2024. Wheat flour is the main ingredient in making bread, while eggs are the raw material in making cakes.

### 2. Direct labor costs

Labor is a human resource capable of creating production to produce products for distribution to the market. The workforce at the Kifa Bakery and Cake business is tasked with carrying out all operational processes from start to finish. Effective and efficient HR performance brings success to the company in seeking maximum profits. Wages or salaries are one of the drivers of work productivity to produce maximum output. Salaries are labor costs that are paid regularly, while wages are labor costs that are paid for hours, days or parts of work. Kifa Bakery and Cake uses salaries to pay labor costs in the production department (Purwaji et al., 2016).

In the production process, Kifa Bakery and Cake has direct labor costs of 25 employees with a monthly salary of IDR 2,000,000 per person, where the workforce is divided into 6 operational sections with a working period of 30 days. So, the daily salary for each employee who works at Kifa Bakery and Cake is IDR 66,700.



**Tabel 2. Description of direct labor costs**

Types of Labor	Quantity of Labor	Salaries	Salary Amount
Dough Measuring	4 People	Rp 2.000.000/ People	Rp 8.000.000
Kneading	4 People	Rp 2.000.000/ People	Rp 8.000.000
Weighing Employees	3 People	Rp 2.000.000/ People	Rp 6.000.000
Cake Decorates	5 People	Rp 2.000.000/ People	Rp 10.000.000
Bread Formed	4 People	Rp 2.000.000/ People	Rp 8.000.000
Baker	5 People	Rp 2.000.000/ People	Rp 10.000.000
<b>Total</b>	<b>25 People</b>	<b>Rp 2.000.000/ People</b>	<b>Rp 50.000.000</b>

Based on the description above, the total production labor costs incurred by Kifa Bakery and Cake for salaries are IDR. 50,000,000 per month January 2024. Production employees at Kifa Bakery and Cake are divided into 6 operational sections, such as 4 dough measuring employees, 4 kneading employees, 3 dough weighing employees, 5 topping employees, 5 employees There are 4 people in bread molding, and 5 oven employees. The monthly salary for each employee which is divided into 6 operational sections is the same, namely IDR 2,000,000/person. *Biaya Overhead* Pabrik

#### I. Overhead Cost

Is a cost component other than raw material costs and direct labor costs. Overhead costs include auxiliary costs, water costs, electricity, taxes, depreciation costs, repairs, and others. Factory overhead costs at Kifa Bakery and Cake are divided into auxiliary costs, indirect labor costs, and other costs (Purwaji et al., 2016).

Overhead costs vary from time to time. Overhead costs consist of fixed overhead costs and variable overhead costs. Usually overhead costs will be known at the end of the month or end of the period (Siregar et al., 2016).a. *Biaya Penolong*

**Tabel 3. Description of supporting materials costs**

Types	Quantity	Price	Total Price
Sugar	750 kg	Rp 32.000/kg	Rp 24.000.000

Margarine	25 kg	Rp 50.000/kg	Rp 1.250.000
Cooking oil	30 kg	Rp 15.000/kg	Rp 450.000
Pengembang	5 kg	Rp 20.000/kg	Rp 100.000
Milk	30 kg	Rp 25.000/kg	Rp 750.000
Jam	50 kg	Rp 14.000/kg	Rp 700.000
Packaging	-	Rp 50.000/kg	Rp 55.000.000
<b>Total</b>			<b>Rp 82.250.000</b>

Based on the table above, the cost of help used by Kifa Bakery and Cake within one month is Rp. 82,250,000 per month January 2024. In the month-long production process, Kifa Bakery and Cake uses 750 kg of sugar at a price of IDR 32,000/kg, 25 kg of margarine at a price of IDR 50,000/kg, 30 kg of cooking oil at a price of IDR 15,000/kg, 5 kg of developer at a price of IDR 20,000/kg, 30 kg of white milk at a price of IDR 25,000/kg, 50 kg of jam at a price of IDR 14,000/kg, and packaging for IDR 55,000,000.

### 3. Indirect Labor Costs

Indirect labor is labor that is outside the production process. Kifa Bakery and Cake has several non-production employees, such as admin, accounting, who participate in ensuring the smooth production process and the process of marketing products to consumers.

**Tabel 4. Description of indirect labor costs**

Types of Labor	Quantity	Salaries	Amount Salay
<i>Accounting</i>	1 People	Rp 3.750.000/ People	Rp 3.750.000
Social Media Admin	1 People	Rp 3.750.000/ People	Rp 3.750.000
courier	2 People	Rp 3.500.000/ People	Rp 7.000.000
Packaging personnel	3 People	Rp 3.500.000 /People	Rp 10.500.000
<b>Total</b>			<b>Rp 25.000.000</b>

Based on the table description above, indirect or non-production or operational labor costs at Kifa Bakery and Cake are Rp. 25,000,000 per month January 2024. Kifa Bakery and Cake non-production or operational employees consist of 1 person as an accounting person with a salary of IDR 3,750,000, 1 person as a social media admin with a salary of IDR 3,750,000, 2 delivery workers

with a salary of IDR 3,500,000 per person, then 3 people as bread and cake packaging employees with a salary of IDR 3,500,000 per person.

#### 4. Other Costs

Other costs in factory overhead at Kifa Bakery and Cake consist of water costs, electricity costs, transportation costs, rental costs, advertising, and asset depreciation costs. Other costs in factory overhead costs are still divided into variable factory overhead and fixed factory overhead.

**Tabel 5. Description of other costs**

<b>Types of Costs</b>	<b>Total</b>
electricity cost	Rp 1.000.000
Water costs	Rp 250.000
Rental costs for 2 outlet locations	Rp 4.167.000
Transportation	Rp 3.000.000
<b>Total</b>	<b>Rp 8.417.000</b>

Based on the description above, the total other costs besides depreciation costs at Kifa Bakery and Cake are IDR 8,417,000 per month January 2024. The total costs come from electricity costs of IDR 1,000,000, water costs of IDR 250,000, rental costs 2 outlet locations amounting to IDR 4,167,000, and transportation costs amounting to IDR 3,000,000.

Depreciation is a systematic and rational process for allocating the cost of fixed assets during the interpretation of benefits and expenses in the period in which the benefits of the fixed assets are received. According to Hery (2016: 169) depreciation generally occurs when fixed assets have been used and is an expense for the period in which the fixed assets are used. According to Rudianto (2012: 260), depreciation is the allocation of the acquisition price of fixed assets as an expense to the accounting period in which the benefits of the fixed assets are enjoyed. The accumulated depreciation is not an asset replacement fund but rather the total cost of assets that have been charged through use in previous periods (Prastianto & Rostiani, 2020).

The depreciation used by Kifa Bakery and Cake is depreciation using the straight line method. According to Maulana Yusuf et al., (2021), straight-line depreciation is a systematic method of assigning/allocating the cost of acquisition (purchase price) of fixed assets to depreciation expense in the profit and loss statement on a constant/fixed basis over the useful life of the fixed assets. The size of the depreciation charge applied to each asset depends on the asset price,

economic life, and the method used for depreciation. According to Hery (2014), the straight-line method is a combination of cost allocation over time and recognizes the same periodic charges throughout the life of the asset (Hartati & Kanivia, 2023).

According to Indah Sari (2018), the assumption underlying the straight line method is that the asset in question provides the same benefits in each period throughout the life of the asset and the charges are not influenced by changes in the asset's productivity and efficiency. Economic life estimates are made in monthly or annual periods. The difference between the asset's acquisition price and its residual value divided by the asset's useful life will produce a periodic depreciation expense (Vialny & Doni, 2022).

**Tabel 6. Description of asset depreciation costs within one month**

Information	Qty	Price	Total Price	Period Use (Year)	Depreciation Cost
Cars	2	Rp. 200.000.000	Rp. 400.000.000	8	Rp. 4.167.000/month
Oven	5	Rp. 200.000.000	Rp. 1.000.000.000	5	Rp. 16.667.000/month
<b>Total Depreciation Cost</b>					<b>Rp. 20.834.000/month</b>

From the table description above, Kifa Bakery and Cake has a total asset depreciation expense of Rp. 20,834,000 per month. The total depreciation costs for 2 cars that have a service life of 8 years are IDR 4,167,000 per month, where 1 car has depreciation costs of IDR 2,083,000 per month. The total depreciation cost for 5 ovens that have a service life of 5 years is IDR 16,667,000 per month, of which 1 oven has a depreciation value of IDR 3,333,400 per month. Then the total other costs are added to the asset depreciation costs of Rp. 29,251,000 per month.

Variable factory overhead costs are factory overhead costs that increase and decrease in proportion to changes in production volume. Fixed factory overhead costs are costs that are fixed or the same amount and within certain limits will not be affected by changes in production volume. The fixed BOP amount will always remain the same even if the production volume changes, conversely the BOP per unit will always change, inversely proportional to changes in production volume (Arifin et al., 2016).

**Tabel 7. Fixed and variable factory overhead costs**

Fixed Cost	Price	Variabel Cost	Price
Accounting Salary	Rp 3.750.000	Sugar	Rp 24.000.000
Admin Social Media Salary	Rp 3.750.000	Transportation	Rp 3.000.000
Courier Salary	Rp 3.500.000	Packaging	Rp 55.000.000
Packaging Personnel Salary	Rp 3.500.000	Electrical cost	Rp 1.000.000
Cars Depreciation	Rp 4.167.000	Water cost	Rp 250.000
Oven Depreciation	Rp 16.667.000	Cooking Oil	Rp 450.000
Rent	Rp 4.167.000	Margarine	Rp 1.250.000
		Jam	Rp 700.000
		Milk	Rp 750.000
		Developer	Rp 100.000
<b>Total</b>	<b>Rp 39.501.000</b>		<b>Rp 86.500.000</b>

From the description of the table above, the total fixed factory overhead costs for Kifa Bakery and Cake for January 2024 are IDR 39,501,000 and the total variable factory overhead costs for Kifa Bakery and Cake for January 2024 are IDR 86,500.00. If you add up the total fixed and variable factory overhead costs, it amounts to IDR 126,001,000 per month.

**Tabel 8. Total production costs for Kifa Bakery and Cake**

<b>Types of Cost</b>	<b>Total Price</b>
Direct raw material costs	Rp 139.000.000
Direct labor costs	Rp 50.000.000
Factory overhead costs	Rp 82.250.000
• Helper costs	Rp 25.000.000
• Indirect labor costs	Rp 29.251.000
<b>Total production costs</b>	<b>Rp 325.501.000</b>

Based on the table above, the total production costs of Kifa Bakery and Cake consist of direct raw material costs of IDR 139,000,000, direct labor costs of IDR 50,000,000, auxiliary costs of IDR 82,250,000, indirect labor costs of IDR 25,000,000, and other costs of IDR 29,251,000, which if added together will be worth IDR 325,501,000 per month.

The quality of the products produced is superior, able to build a high business image so that it attracts consumers. Consumers can feel satisfied with the product. The quality of Kifa Bakery and Cake products is quite superior in terms of product attributes, namely branding, packaging, labeling and guarantees. These four attributes are fulfilled carefully, resulting in customer loyalty and satisfaction (Firnanda et al., 2023).

The Kifa Bakery and Cake brand is well known to the people of Sukoharjo and its surroundings. With the motto "Halal Food at Your Every Moment" it can certainly attract consumers, especially Muslim consumers who are looking for bread or cake dishes. The packaging for Kifa Bakery and Cake products is also strengthened, the design is safe to carry, and contains information about the Kifa Bakery and Cake business.

The Kifa Bakery and Cake product label is always included on the product packaging to show business identity, the Kifa Bakery and Cake label also includes a halal label, because Kifa Bakery and Cake has been certified halal by the MUI in 2020. The form of guarantee applied by Kifa Bakery and Cake is Guaranteed delivery of product orders by the Kifa Bakery and Cake team, so that customers do not need to worry about the condition of the product being damaged during delivery, because the Kifa Bakery and Cake team has ensured product safety until it reaches the consumer's hands (Weny, 2023).

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusion

Based on the results of research and discussions conducted at Kifa Bakery and Cake, it can be concluded that accurate production cost calculations really help companies in determining selling prices and getting the maximum possible profit. In running a business, it is very necessary to calculate production costs from direct raw materials, direct labor and factory overhead costs to control these costs so that they remain stable and the quality of Kifa Bakery and Cake bread and cakes is maintained. From this production cost calculation, we can get an idea of the profits earned by Kifa Bakery and Cake in January 2024 and can develop sales in the business to increase Kifa Bakery and Cake's profit every month.

### Suggestion

1. For readers

This research can be used as additional material for wider knowledge regarding production costs in concrete examples. Apart from that, readers are expected to be able to use this research as reference material for further study and research.

2. For future researchers

This research can be used as material or reference on the same topic, but with different objects and locations. Future research can also develop additional variables that are relevant to this topic. Apart from that, future researchers are expected to be able to make observations on an object that can display data in detail, so that the research results are broader and deeper.

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