

CHAPTER V

CONCLUSION

5.1 Conclusion

Based on the results of research and discussion, it can be concluded as follows:

The implementation of the ABC system in calculating the cost of goods manufactured at A.A Catering can be seen from the difference in results. The results of the calculation of the cost of goods manufactured after using the ABC system obtain smaller results than using the traditional system, so that ABC system provide accurate results. For rendang, the difference with the traditional system has overcosted of IDR 9.332, while dendeng with traditional system has overcosted IDR 10.666. These results indicate that A.A Catering's products get the maximum profit, this is due to differences in the assessment of factory overhead costs, in the traditional system, the number of production units is the only cost driver that is assigned to the factory overhead costs for each product. Conversely, in the ABC system, factory overhead expenses for each product are assigned to a number of cost drivers so that the ABC system may properly allocate activity costs to each product based on the consumption of each activity. Therefore, the ABC system's cost assignment is more accurate than the traditional system.

In using the ABC system, it can determine prices that are more effective and efficient so that they can compete with other competitors. There are some activities that do not contribute to consumer value or to the needs of the organization are called non value added activities. Non-value added activities can be reduced or eliminated activities. Can be seen in table 4.5, the activity of storing raw materials in the freezer is considered a non-value added activity so that it can be eliminated because the meat can be directly used for production without the need to store it, so it can reduce electricity consumption for the freezer.

After the researchers obtained a comparison of the cost of goods manufactured using these 2 systems. A.A Catering is still considering using the ABC system implementation because it is not well known by the knowledge of the company. Apart from that, A.A Catering must re-evaluates from the readiness of human resources, facility IT system, owner decisions, manager and the development of the system is quite expensive. The owner wants to implement this

ABC system using the services of professionals who are experts in their fields.

5.2 Implication

1. For A.A Catering company

a) The cost of goods manufactured at A.A Catering with ABC system shows a smaller result than cost of goods manufactured with traditional cost system so as to get more accurate results. A.A Catering can re-evaluates its costing system in determining the cost of goods manufactured because the cost of goods manufactured will affect the product's position in the market and the maximum profit.

b) The management should begin to consider the calculation of the cost of goods manufactured applying the ABC system for the company while still considering other external factors such as competitor prices and community capabilities.

2. For academics

The conclusions of this study are anticipated to aid the advancement of academic in enriching academic knowledge in the ABC system in determining the cost of goods manufactured and contributing to the intention to use the ABC system literature in manufacturing companies. Based on these benefits, this study also offers a useful initial insight into the reasons why companies use the ABC system in determining product costs and the company will have a positive impact in the preparation of cost of goods manufactured, especially in the assessment of factory overhead costs for each product. Furthermore, this research is expected to encourage more interest in similar fields among other researchers.

5.3 Limitation

The limitation of this study are:

1. The data on the calculation of the cost of goods manufactured was obtained from direct inspection of the financial statements submitted by the catering management and the catering management could not provide a copy of the financial statement documents because there were rules from the company, so the data obtained still tended to be biased.

5.4 Suggestion

Assumed from the conclusions from the research result above, the researchers suggest the following:

1. For further researchers, they can develop the ABC system by making a manual ABC system template to calculate the cost goods manufactured that can be used by MSMEs or company. From the template provided for direct raw material costs consisting of product type, raw materials, total costs, and for labor costs. Direct labor which consists of the production activities involved and monthly salary, lastly factory overhead costs which consist of types of factory overhead costs and total costs. Moreover, users can also understand and use manual templates very well. Using ABC system template can make it easier for MSMEs or company to process data, but it can also increase MSMEs or company effectiveness because using template can process data quickly and accurately. Because the fast and accurate processing of information data will affect decision making by the management.

2. For further researchers, through the use of technology such as software, they can create the ABC system. Creating and using software in calculating the cost of goods manufactured based on activities can determine the cost of goods manufactured, provide a selling price that satisfies customers, still generates profits, increases competitiveness with competitors and can be understood and used properly by users. Using software can make it easier for companies to process data, but it can also increase company effectiveness because using software can process data quickly and accurately. Because the fast and accurate processing of information data will affect decision making by the management.