ABSTRACT

Activity Analysis to Determine The Cost of Goods Manufactured and The Performance Measurement of PT Yummy Food Utama

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PT Yummy Food Utama produces soft fresh cheese, cream and yoghurt that are made of cow and goat milk. The company implemented conventional method to allocate overhead cost to products. The products that are made from cow milk are generally processed similarly, while those from goat’s are processed separately. This research tries to determine the company’s overhead cost allocation using ABC (activity based costing) method, and to measure the performance based on the value of the activities.

There are three steps on ABC i.e: (1) To identify the activities that have been consumed by each product; (2) To allocate the overhead cost based on those activities; and (3) to determine the activity rates. The cost of production figures calculated by the company are under stated (under valued), except mascarpone (0.06%) and yoghurt (2.21%). Undervalue 6.96-8.94% mostly occurred to the products of goat milk. The performance measurement shows that there are some added value and non added values activities. Therefore it is suggested that the company reduce or eliminate the non value added activities, and improve the production processing.