ABSTRACT

The purpose of this study was to apply activity accounting system based budgeting, as well as comparing and performance evaluating the budget between activity and conventional method. Research method being used was case study in PT. Sinar Dinamika Kapuas for four months period since April 2001 until July 2001. Descriptive analysis was used to compare activity based budgeting with conventional budgeting. Conventional budgeting was based on one cost driver which is the area of the land (hectare), meanwhile activity based budgeting are driven by several cost drivers, namely Direct Machine Hour, Direct Labour Hour, Kilogram, Hectare, Litre, Kilometre, Metre and Metrecubic. Conventional budgeting provides global information and not comprehensive, as a tariff variance. Therefore management cannot identify and trace accurately for the causing factors and the parties responsible for the variance. On the other hand, the activity based budgeting not only provides the tariff variance information but also include the consumption of the cost driver. According to the information mentioned, management should do more identification and good trace for causing factors and parties responsible for the budget variance. In this case to development the plasma plantation for about 11,200 hectare, the company has suffered cost over for approximately Rp. 19,003,682,000,- compared to the budgeted amount Rp. 41,397,392,000,- Based on conventional budgeting this differences is caused by management failure especially to put lower budget for Rp. 1,696,757,- (tariff budget is lower than real tariff). Meanwhile based on activity budgeting that is beside caused by lower tariff budget is Rp. 501,263,- but also caused by over cost driver consumption for approximately 4,660,510 each. In conclusion, the use of activity accounting system for company budgeting is very helpful for management to make cost controll and manager performance evaluation.