

**PRODUCTION COST ANALYSIS IN DETERMINING SELLING PRICES
AT PDAM TIRTA JE'NEBERANG GOWA DISTRICT**

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Abstract

This research aims to determine the calculation of the basic price of PDAM Tirta Je'neberang water production, Gowa Regency in 2018-2022. The data collection techniques used in this research were interviews, decision studies, and documentation. The data analysis method used is descriptive quantitative using the full costing method calculation. The results of this research show that the cost of water production for 2018-2022 at PDAM Tirta Je'neberang, Gowa Regency, based on the full costing method theory, changes every year. This happened because of an increase in total business costs followed by an increase in the amount of water production (M³). In calculating the selling price/water tariff for PDAM Tirta Je'neberang, Gowa Regency, the basic tariff is used. It can be seen that the selling price of PDAM Tirta Je'neberang, Gowa Regency water from 2018-2022 also changes every year. Every year the cost of water production and the selling price of water change. It can be seen that the selling price is above the cost of production so that the selling price can cover the costs in full, which means the company makes a profit.

Keywords: Cost of Production and Selling Prices.

INTRODUCTION

In the current era, the business world is increasingly faced with various kinds challenge. These challenges can come from within or from outside company. To realize the vision and mission of a company Good cooperation between decision makers (Stakeholders) is required in managing the company.

In carrying out the production process of an item, one thing is necessary getting more attention by a company is strength financial resources they have, such as production costs. To achieve things Therefore, there must be an understanding of production costs, because when If a company wants to produce a product, production costs are a factor the most important thing is needed. By understanding production costs, A company can take into account any costs needed to produce an item.

Production costs are all expenses made by the company to obtain production factors and raw materials that will be used used to create the goods produced. Where the large production costs have an influence on price determination selling (Sukirno 2014). The greater the production costs incurred, the greater the the higher the determined selling price will be (Putong 2013).

Based on data from PDAM Tirta Je'neberang, the tariff amount is charged to consumers are grouped into six, namely home household, social, commercial, industrial, government agencies, and water tanks. Determination the amount of tariff applied in the Je'neberang area, Gowa Regency not only is it the authority of PDAM Je'neberang Gowa Regency, but it is also influenced by local government decisions. The aim is to protect PDAM customers from becoming too involved burdened by high water prices. One way to deal with things This is by setting different water rates for groups customers who differ according to the size of their income and water usage. In determining the selling price/tariff at PDAM, it is greatly influenced by costs desired production and profit levels. Drinking water rates apply PDAM must be able to cover production costs and provide profits for consumers company. Production costs incurred by PDAM are too high. Matter This causes the selling price of PDAM water issued by the government to remain low too high for some people in the middle to middle economic class lower. Therefore, companies need to make cost efficiencies to can reduce production costs, such as operating costs for water sources, processing, as well as transmission & distribution.

RESEARCH METHOD

The type of research used in this research is type descriptive research which includes data collection, identifying elements of raw materials, labor costs, factory overhead costs and carrying out determining production costs, determining the cost price and then determining the price sell.

The data analysis technique used in this research is descriptive quantitative. Quantitative analysis is analysis that is measured on a scale numeric or numbers.

Quantitative analysis here involves carrying out calculations cost of production using the full costing method. The Full costing method is determining the cost price that takes into account all elements of production costs which consists of raw material costs, direct labor costs, and costs variable or fixed factory overhead.

RESULT AND DISCUSSION

Production costs or factory costs are all costs issued by producers related to production activities products (production) in which there are components or cost elements, both direct and indirect costs. Typical production costs is defined as the sum of three cost elements, namely: raw materials direct labor, direct labor, and factory overhead.

Based on the results of calculating the cost of production and selling prices, It can be seen that the cost of water production in 2018 was IDR. 2,060.94/m³, in 2019 it was IDR 2,176.20/m³, in 2020 it was IDR 2,677.13/m³, in 2021 it is 2,405.08/m³, in 2022 it is Rp.2,464.60/m³. Based on the results of the basic price calculation, you can It is known that the cost of water production in 2018 to 2018 2020 experienced an increase, this was due to the high The increase in costs is not followed by an increase in volume production. And in 2021, this will decrease because the number of costs soared high followed by the number of volumes production also increases.

The selling price of water in 2018 was IDR 2,160.10/m³, in 2019 amounting to Rp.2,283.41/m³, in 2020 amounting to Rp.2,801.72/m³, in 2021 amounting to IDR 2,520.09/m³, in 2022 it will amount to IDR 2,603.74/m³. Selling price water from 2018 to 2020 has increased, p This was caused by the high increase in total business costs not followed by an increase in the amount of water production and the number of leaks water. And in 2021 there will be a decline, this is because total business costs soared, followed by the amount of dam water production the number of water leaks also increases Thus, the selling price of water in 2018-2022 is already above basic water price for 2018-2022, so the average tariff applies can already cover costs in full (full cost recovery). This matter shows that it means the company made a profit in 2018 amounting to Rp.99.16/m³, in 2019 amounting to Rp.107.21/m³, in 2020 amounting to IDR 124.59/m³, in 2021 it will amount to IDR 115.01/m³, and in 2022 amounting to IDR 139.14/m³.

CONCLUSION

Based on the data analysis that has been carried out and explained in chapter previously, it can be concluded that the results of this research shows that the cost of water production for 2018-2022 PDAM Tirta Je'neberang, Gowa Regency is based on the full costing method theory experiences changes every year. This happens because of an increase total business costs followed by an increase in the amount of water production (M³). In calculate the selling price/water tariff for PDAM Tirta Je'neberang,

Gowa Regency use the basic rate. It can be seen that the selling price of PDAM Tirta water Je'neberang, Gowa Regency in 2018-2022 also experiences every year change. Every year the cost of water production and the selling price of water experiencing changes. It can be seen that the selling price is above the cost price production so that the selling price can cover expenses in full, which means the company makes a profit.

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