ABSTRACT

The Analysis of Prevention Costs It is Influence of Return On Investment
At PT Pindad (Persero) Bandung
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Prevention costs are expenditures incurred to prevent the occurrence of quality defects. By controlling the cost of preventing the company will produce high quality products and reduce the level of product defects. High quality products that will affect its profitability will improve the return on investment. This study aimed to know the development cost of prevention, knowing the return on investment and development to determine the effect of prevention cost against return on investment at PT PINDAD (Persero) Bandung.

The method used in this research is descriptive and verification methods. Sample analysis in this study is the income statement and balance sheet on PINDAD PT (Persero) from 2003 to 2009 for seven years. The statistical test used was simple linear regression, Pearson product moment correlation coefficient, determination coefficient and hypothesis test. To perform the analysis and data processing using SPSS 15.0 software writer for windows.

Based on the results of research show that the descriptive analysis for the development of prevention costs are volatile and tend to decrease while the Return on Investment shows that growth tends to fluctuate and decline. Statistical tests showed that there was a strong influence and direction (positive) between the cost of prevention with a Return On Investment, it means if there is an increase of prevention costs will be followed by the increase in return on investment. Effect of prevention cost against return on investment is 44.6%. While 55.4% influenced by other factors such as sales, operational cost, and cost of production.

Keywords:Prevention costs, Return On Investment, Quality Costs