ABSTRACT

Title: "Proposed Determination of Cost of Production Method Activity Based Costing In PT. MUTIARA ".

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The development of the global industrial world is now very rapidly, as also happened in Indonesia with a variety of competition in modern industry is heavily influenced by developments in technology, this is an impact to a company to make major changes to the company's survival. Company as an important part in the economy, demanded continue to make changes towards a better, particularly in the economic sector. Various problems and difficulties for companies to get the price of goods manufactured, allegedly due to the understanding of the overhead costs and assignment is still weak.

Based on the description above, the formulation of this research is "How do you calculate the price of goods manufactured by the company today?". "What if the production price calculation using Activity Based Costing system?". "What is the ratio calculation of cost of goods manufactured by the company with ABC system?". Companies surveyed in this report is PT. MUTIARA. The method used in this study is the ABC.

Through the estimates obtained, the conventional management system teryata pricing resulting in disproportionate production of goods, while the ABC calculation produces costing based on cost of goods consumed by each product based on units produced.Results from the second calculation method, that difference is quite significant profits, the produce CaCO M-104 = (14%), CaCO M-107 = (5%), CaCO M-202 = (4%), CaCO M-205 = (5%), CaCO M-207 = (9%), CaCO M-301 = (47%), CaCO M-305 = (64%), CaCO M-403 = 5%, and CaCO M-404 = 4 %. It happened because the company set a base price is too low, so that profits generated less than the maximum.

Keywords: Cost of Production, *Overhead*, *Activity Based Costing.*