ABSTRACT

The increase in production costs and operating costs, followed by net income increased from the previous year, the cigarette company listed on the Stock Exchange in the period 2005-2014 is an interesting phenomenon to be studied, the factors that cause these problems. The study aims to examine the factors that determines the increase in net income based on the cost of production and operational costs.

This study uses descriptive analysis and verification with quantitative approach that is 3 tobacco company listed on the Stock Exchange data obtained are secondary data from the annual publication of financial statements consists of income over 10 years, ie the year 2005 to 2014. Technical analysis of data used is the technique of multiple linear regression analysis.

Based on the results of this study showed that the cost of production and a significant positive effect on net income, which means very dominant Net Income is determined by the cost of production which is listed on the Stock Exchange. Production costs increased financing for determining the partial results in a positive direction, it means an increase in net income is determined by the cost of production is likely to increase. And showed a positive effect on costs operasioanl dab no significant effect on net income, that is very dominant Net Income is determined by operational cost.

Keywords: Production Costs, Operating Expenses and Net Income