

**The Application of UD DN. Tiga Putra Chips Raw Material Inventory Control
at Besuki Sub-district Situbondo**

Ratih Puspitorini Yekti A, SE, MM as Supervisor

Wenny Dhamayanthi, SE, M.Si as Discussant

ABSTRACT

UD DN. Tiga Putra is a small industry moving in chips supplier business using flour raw material. This research was done with the aim to know raw material inventory control in the company using Economic Order Quantity (EOQ) method. The problem faced by the company is that the company does not have raw material inventory so that the company always orders causing more order cost paid. The method used was Economic Order Quantity (EOQ) using EOQ Optimal purchase analysis technique, safety stock, reorder point, and total cost. The data used were tapioca flour and cassava flour raw material purchasing data in 2019, where the research shows that the tapioca flour raw material purchased in 2019 were 40.500 kilograms and 14.700 for the cassava flour with 1.150 kilograms quantity for each order once in a week, so the purchasing frequency was 48 times in a year. While using EOQ method the company order 27 times in a year with 1.973 kilograms quantity for each order and once in 13 days order as the ordering time. The amount of raw material cost paid by the company is more efficient using EOQ method so the company can consider to use EOQ for its raw material inventory control.

Key words: Raw Material Inventory Control, Economic Order Quantity (EOQ)