

**APPLICATION OF ACTIVITY BASED COSTING SYSTEM METHOD
FOR DETERMINING THE COST OF PRODUCTION ALTERNATIVES
AT UD. PURNAMA JATI JEMBER**

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ABSTRACT

This research was conducted at UD. Purnama Jati Jember with its research product is a product produced by UD.Purnama Jati Jember. This study has three main objectives. First is a means to explain the cost of production by using the method on UD.Purnama Jati. Second, explain the cost of production by using the method of Activity based costing system in UD.Purnama Jati, Then compare the cost of production by using method two, then which is more appropriate to determine the cost of production, explain the most appropriate method in determining the price principal production at UD.Purnama Jati. The results of this study are (a) Of the five products of prol tape, brownie tapes, tape pia, dodol tape and pie tape, expressed by the price of the product using conventional method higher than the Activity Based Costing method. (b) From product results, by the way. Method Based Costing is lower, with conventional system. (c) The determination of the cost of production by the method of Activity Based Costing lower and more precise results, this is due to the overhead cost of the activity based costing method is adjusted to the activities undertaken in the manufacture of the product, resulting in a more appropriate cost of production and more accurate than conventional calculation systems.

Keywords: Conventional, Activity based costing.

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