

**ACTIVITY BASED COSTING APPLICATION METHOD IN
DETERMINATION OF COST OF PRODUCTION IN
UD. ELZA PUTRA KABUPATEN JEMBER
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ABSTRACT

This research was conducted at UD. ELZA PUTRA Kabupaten Jember with an object is a whole set of products manufactured UD. ELZA PUTRA. This study has three main objectives. First, it aims to find differences in cost of the product by conventional methods and Activity based costing. Second, determine the activity in the production of value-added and non value-added. Third, know the cost of the product after removing the value-added activity in the Activity based costing method. The results of this study were (a) five of the six products, states that products using Activity based costing higher than with conventional methods. (B) the activity is classified as non-value-added activities at UD. ELZA PUTRA is the activity of the facility. (C) cost of products Activity based costing method after eliminating non-value-added activity have reduced the value of the cost of the product before, but the value is still above the cost of the product by conventional methods.

Keywords : Conventional, Activity based costing.

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