

Research.

Production Cost Control Analysis with Standard Cost System

Faridatul Choiriyah¹⁾, Sri Kantun²⁾, Dwi Herlindawati^{3*)}

Economic Education, Faculty of Teacher Training and Education, University of Jember

¹⁾faridatulchoiriyah24@gmail.com; ²⁾srikantun.fkip@unej.ac.id;

^{3*)}dwiherlindawati@unej.ac.id

corresponding author*

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Abstract: This research purposes to analyze production cost control with a standard cost system at UD. Central Jaya Springbed in Probolinggo City. This research is a quantitative research with a descriptive approach. Data collection methods used are documents, interviews and observation. Data analysis methods are presented in the form of descriptions and numerical calculations using a standard costing system. The results showed that controlling production costs at UD. Sentral Jaya Springbed in January 2022 for springbed products with a size of 200 x 140 cm with specifications for springbed mattresses only, full sets, and full sets of purple foam which are profitable as shown by the cost of raw materials each showing a favorable difference (favorable) of IDR 111,000.00; IDR 311,000.00; and IDR 80,000.00. Direct labor costs show normal differences while factory overhead costs respectively show unfavorable differences of IDR 23,190.00; IDR 26,810.00; and IDR 5,337.00. Profitable difference in production costs at UD. Sentral Jaya Springbed Probolinggo City is caused by the standard production costs that are determined to be greater than the actual costs.

Keywords: Production costs, cost control, standard cost systems.

INTRODUCTION

Every company must have a predetermined goal for each production activity. Generally, the company's goal is to get maximum profit continuously. Therefore, companies must be able to make good quality products at low production costs. As business grows faster, companies are required to be able to plan and control production costs, especially during the Covid-19 pandemic. Raw materials during the Covid-19 pandemic resulted in an increase in prices so that production costs were high. Thus, companies are required to calculate production costs properly so as to reduce costs incurred.

The exact calculation of production costs is conducted from the process of processing raw materials to products that are ready to be marketed. One company that needs to pay attention to the calculation of production costs is a manufacturing company. Production cost calculations are used by manufacturing companies to measure the level of efficiency and effectiveness of production costs. Calculation of product costs can be used as a means of controlling production costs. As revealed by Aprilia and Dzulkirom (2018) that controlling production costs has an important role in the production process, namely as a determinant of the appropriate method of managing production costs which will later be used to determine the success and failure of the company.

Production cost control is needed by companies so that production costs are in accordance with the previous budget so that they can achieve maximum profits (Nurazizah et al., 2015). Production cost adjustments can describe the costs incurred by the company not exceeding the predetermined budget. This statement is confirmed by the opinion of Salmon and Runtut (2016) that controlling production costs is conducted by looking at the differences in actual production costs and previously determined production costs. If the company is unable to control production costs, then the cost of goods produced will be high, which can result in waste.

The standard cost system is one method that can be used to control production costs. The standard cost system describes the calculation of the costs that the company spends in the production of goods that are determined at the start of each element of the cost including raw material costs, labor costs and factory overhead costs. Dunia & Abdullah (2012: 338) reveal that standard costing is a costing method that has the objective of controlling costs. The standard cost system is used as a reference by management regarding the amount of costs that are incurred to conduct certain activities so that production costs become efficient.

Standard costing consists of three components including raw material costing, direct labor costs and factory overhead costs. Setting standard costs must be made realistically or adjust to current conditions so that their realization can run effectively. This determination must also be made at the beginning before the production process activities are conducted. Standard costs are used as a measure of the company's production costs, so that they do not exceed the costs previously calculated (Palupi et al., 2016). If standard costing is done properly, the cost of producing goods can be appropriate and the cost of production will be lower and have the ability to compete in the market (Junita, 2017).

One of the business actors affected by the Covid-19 pandemic at that time was UD. Central Jaya Springbed Probolinggo City. According to interviews with the business owner, namely Mr. Yahya, the impact felt by UD. Sentral Jaya Springbed, Probolinggo City, namely a decrease in sales levels. In addition, there was an increase in the price of raw materials, especially foam, which was originally IDR 25,000/sheet, increased to IDR 26,000/sheet.

The increase in raw material prices that occurred caused production costs to be higher, so that UD. Sentral Jaya Springbed Probolinggo City needs to control production costs properly. However, according to the facts that have occurred, it shows that UD. Sentral Jaya Springbed, Probolinggo City, has not properly controlled production costs. According to the results of interviews with the owner that UD. Sentral Jaya Springbed Probolinggo City has planned production costs. This planning is shown by designing production costs incurred before carrying out springbed production activities.

The calculation of the production cost budget that has been designed earlier by the business owner is used as the standard cost for producing springbed. The production cost budget made by the owner in each process is always the same without making price adjustments to the elements of production costs, so that production costs are high. If this continues to happen, it will result in the benefits that UD will get. Sentral Jaya Springbed Probolinggo City is not optimal.

From the problems above, this research has a goal, namely to analyze production cost control with a standard cost system at UD. Central Jaya Springbed in Probolinggo City.

Formulation of the Problem

The main problem in this research is to analyze production cost control with a standard cost system. According to the description of the problems described above, the formulation of the research problem is *"How to control production costs with a standard cost system at UD. Central Jaya Springbed in Probolinggo City?"*.

LITERATURE REVIEW

Production Cost

Costs that have a direct relationship with the production process are referred to as production costs. As stated by Harnanto (2017: 28) production costs, namely all expenses attached to the product, namely direct and indirect costs can be traced through the process of processing raw materials into goods ready for sale. Production costs include direct material costs, direct labor costs, and factory overhead costs (Dunia & Abdullah, 2012:30). Examples of production costs in the springbed business are the cost of purchasing springbed raw materials, wages for employees in the production department and other costs that support production activities.

Direct material costs are derived from all materials needed to produce finished goods. For example: per round needed to make a springbed. Direct labor costs are the wages of workers who are directly involved in production activities both physically and as machine operators to produce finished goods. For example: the wages of laborers who have the task of making springbed mattress frames. Meanwhile, factory overhead costs are all expenses used in producing products other than raw materials and direct labor. There are three elements in factory overhead costs, namely indirect raw materials, indirect labor, and indirect production.

Indirect material costs (indirect material costs) are material costs that are not easy to trace to finished products. For example, the nails used to make the springbed mattress frame from wood. Indirect labor costs, namely the wages of workers who are not directly involved in production activities. for example the wages of employees delivering products. Other indirect production costs are expenses other than indirect raw material costs and indirect labor costs. For example, costs for equipment maintenance, vehicle insurance and so on.

Production Cost Control

Hartati (2017: 198) says that cost control can be done through a comparison of actual costs with standard costs. The results of the analysis emerge as a result of identifying controllable causes and making decisions to improve or adjust planning and control in the future. Production cost control requires benchmarks in determining the actual costs incurred to produce the product. Measuring tools or guidelines are referred to as standards. According to Cornel (in Pingan, 2013: 20.2) that the theory of cost control is "modern value chain (modern value chain theory)", namely creating value and ending at maximum customer value - expenses incurred to create value and costs that must be postponed to create value. The theory of cost control is also expressed by Yu and Zuo (2022), namely the classic cost control theory which consists of three stages, namely measurement and control, standard cost control, and activity cost control. With this comparison, both adverse and beneficial deviations can be evaluated (Massie et al., 2018).

Standard Cost

Mulyadi (2015: 387) states that the standard cost system is the initial cost determination which describes the amount of costs that must be incurred in producing per unit of product and financing certain activities. If the costs incurred by the company experience deviations from standard costing, then what is stated correctly is the standard cost. The standard cost will then be compared with the actual cost. As revealed by Dunia & Abdullah (2012: 338) that the standard cost calculation is a cost calculation method that has the goal of controlling costs. Standard costing requires a valid standard benchmark to be used to compare predetermined plans with execution. According to Bustami & Nurlela (2013: 280) Standard costing in manufacturing companies consists of three types, namely: 1) Standard direct material costing; 2) Determination of standard direct labor costs; and Determination of standard factory overhead costs.

Deviations from costs occur as a result of the difference between the standard costs and the actual costs. The difference arises because of a comparison called the difference (variance) (Mulyadi, 2015: 395). Difference analysis can help companies

describe the causes of differences, so that company management can be improved (Megawati et al., 2016). The difference can be profitable if the standard costs are greater than the actual costs, and vice versa. The cause of the emergence of a discrepancy that is detrimental must be investigated so that it does not continuously cause losses to the company. The production cost analysis formula uses the two differences model analysis according to Mulyadi (2015: 395) as follows:

- 1) Analysis of the difference in direct material costs and labor costs

$$\text{Price Difference} = (\text{Standard Price} - \text{Actual Price}) \times \text{Actual Quantity}$$

$$\text{Quantity Difference} = (\text{Standard Quantity} - \text{Actual Quantity}) \times \text{Standard Price}$$

- 2) Analysis of the difference in factory overhead costs (FOC)

$$\text{Controlled Difference} = \text{Actual FOC} - (\text{Normal Capacity Fixed FOC} + \text{Standard Capacity Variable FOC})$$

$$\text{Volume Difference} = (\text{Normal Working Hours} - \text{Standard Working Hours}) \times \text{Fixed FOC Rate}$$

RESEARCH METHODS

This research is a type of quantitative research with a descriptive approach to analyze production cost control with a standard cost system at UD. Central Jaya Springbed. The subject of this research is the business owner of UD. Sentral Jaya Springbed who understands springbed production costs. Determining the research location using the purposive area method which is located on Jl. Mayor Gatot, RT. 01 RW. 06, Kanigaran Village, Kanigaran District, Probolinggo City. The types and sources of data used in this research are the main data in the form of production cost report documents, proof of purchase of raw and auxiliary materials and supporting data in the form of information about the company and records relating to company activities at UD. Central Jaya Springbed. Data collection methods used are documents, interviews and observation. Methods of data analysis are presented in the form of descriptions and numerical calculations using a standard cost system with the following steps: 1) Collecting information on production costs at UD. Central Jaya Springbed; 2) Categorize and classify what is included in the standard costs and actual costs of each element of production costs at UD. Central Jaya Springbed; 3) Analyze the comparison of standard costs with actual costs at UD. Sentral Jaya Springbed uses a two-difference model calculation analysis; 4) Drawing conclusions from the results of the analysis of the difference between the standard production costs and the actual costs at UD. Central Jaya Springbed; and 5) Describe the causes of the unfavorable difference in UD. Central Jaya Springbed.

RESULTS AND DISCUSSION

UD. Sentral Jaya Springbed Probolinggo City in January 2022 produced 3 types of springbeds, namely 2 units of springbed only, 4 full sets of 4 units and 1 unit of purple foam full set. Springbed mattress only, which is a type of springbed that is produced only for the mattress without a divan and backrest. Full Set, which is a type of spring bed that is produced complete with a divan and backrest with the raw materials commonly used by UD. Central Jaya Springbed Probolinggo City. While the full set of purple foam is a type of spring bed that is produced complete with a divan and backrest, but has a difference in the material used, namely using full purple foam according to what is requested from consumers. To know the analysis of production cost control at UD. Sentral Jaya Springbed Probolinggo City for the three types of springbeds, the following steps are taken:

1. Determination of Standard Cost of Raw Materials

Determination of standard raw material costs for springbeds measuring 200 x 140 cm with three types of springbeds prepared by UD. Sentral Jaya Springbed Probolinggo City consists of:

a. Determination of Standard Price of Raw Materials

The preparation of raw material price standards is determined by UD. Sentral Jaya Springbed according to the purchase price of raw materials from suppliers in January 2022.

b. Determination of Standard Quantity of Raw Materials

The quantity of standard raw materials used is according to the total use of raw materials in January 2022 where there are differences in the quantity of each type of springbed produced by UD. Central Jaya Springbed.

2. Determination of Direct Labor Cost Standards

At UD. Sentral Jaya Springbed, Probolinggo City, standard direct labor costs are set according to predetermined working hours, namely 7 hours per day for the handyman section and 4 hours per day for the sewing section which starts at 09.00 am and gets a day off on Sundays.

3. Determination of Standard Factory Overhead Costs

Standard factory overhead costs are set according to the type of springbed produced. The larger the size of the springbed to be produced, the greater the required factory overhead costs, and vice versa the smaller the size of the springbed produced, the smaller the required factory overhead costs.

ACTUAL PRODUCTION COSTS UD. CENTRAL JAYA SPRINGBED PROBOLINGGO CITY

1. Actual Cost of Raw Materials

At UD. Sentral Jaya Springbed, Probolinggo City, the cost of raw materials is determined according to the actual expenses that occur each month and is used as a benchmark for further production.

2. Actual Direct Labor Costs

At UD. Sentral Jaya Springbed, Probolinggo City, direct labor costs are determined according to the units produced in that month. Labor costs are paid to employees on a monthly basis according to 27 working days and 4 days off in January.

3. Actual Factory Overhead Costs

At UD. Sentral Jaya Springbed, Probolinggo City, factory overhead costs are determined according to actual expenses incurred in that month which are accumulated and will be used as a reference in preparing the budget for springbed production in the following month.

CALCULATION OF PRODUCTION COST ANALYSIS AT UD. CENTRAL JAYA SPRINGBED

1. Analysis of Differences in Raw Material Costs

Table 1 shows that the analysis of raw material prices at UD. Sentral Jaya Springbed for the type of mattress, there is only one raw material that produces an unfavorable difference, namely purple foam 6 cm thick in the amount of IDR 30,000.00

Table 1 Analysis of Differences in Prices for Mattress Raw Material Costs Only

Raw Material	Analysis of Differences in Raw Material Prices for Springbed Mattresses Only				
	Standard Price (IDR)	Actual Price (IDR)	Actual Quantity	Difference (IDR)	F/UF
Round spring height 15 cm	700.00	650.00	660	33,000.00	F
Spring M	2,000.00	1,500.00	48	24,000.00	F
M spring angle	3,000.00	2,000.00	8	8,000.00	F
Screw spring	2,000.00	2,000.00	92	0.00	-
Spring Clamps	5,500.00	5,000.00	6	3,000.00	F
6" steel	36,000.00	35,000.00	4	4,000.00	F
6 cm thick purple foam	125,000.00	128,000.00	10	-	UF
4 cm thick black foam	55,000.00	50,000.00	2	10,000.00	F
Springbed / Knit fabric	70,000.00	65,000.00	5	25,000.00	F
Sewing thread	5,000.00	4,000.00	2	2,000.00	F

Source: (Primary data processed, 2022)

Table 2 shows that the analysis of the difference in the quantity of raw materials at UD. Sentral Jaya Springbed only type of mattress, there are three raw materials that produce a profitable difference, namely a 15 cm high round spring of IDR 14,000.00; Spring m IDR 4,000.00; and screw spring IDR 16,000.00. While the others are normal.

Table 2 Analysis of Differences in Quantity for Mattress Raw Material Costs Only

Raw Material	Analysis of Differences in the Quantity of Springbed Mattress Raw Materials Only				
	Standard Quantity	Actual Quantity	Standard Price (IDR)	Difference (IDR)	(F/UF)
Round spring height 15 cm	680	660	700.00	14,000.00	F
Spring M	50	48	2,000.00	4,000.00	F
M spring angle	8	8	3,000.00	0.00	-
Screw spring	100	92	2,000.00	16,000.00	F
Spring Clamps	6	6	5,500.00	0.00	-
6" steel	4	4	36,000.00	0.00	-
6 cm thick purple foam	10	10	125,000.00	0.00	-
4 cm thick black foam	2	2	55,000.00	0.00	-
Springbed / Knit fabric	5	5	70,000.00	0.00	-
Sewing thread	2	2	5,000.00	0.00	-

Source: (Primary data processed, 2022)

Table 3 shows that the analysis of raw material prices at UD. Sentral Jaya Springbed full set type, there are three raw materials that produce an unfavorable difference, namely purple foam 6 cm thick in the amount of IDR 24,000.00; 2 cm thick black foam IDR 8,000.00; and IDR 3,000.00 for Kaci fabric.

Table 3 Analysis of Price Differences for Full Set Raw Material Costs

Analysis of Price Differences for Springbed Full Set Raw Materials					
Raw Material	Standard Price (IDR)	Actual Price (IDR)	Actual Quantity	Difference (IDR)	(F/UF)
Round spring height 15 cm	700,00	650,00	1.320	66.000,00	F
Spring M	2.000,00	1.500,00	96	48.000,00	F
M spring angle	3.000,00	2.000,00	16	16.000,00	F
Screw spring	2.000,00	2.000,00	184	0,00	-
Spring Clamps	5.500,00	5.000,00	12	6.000,00	F
6" steel	36.000,00	35.000,00	8	8.000,00	F
Wood	65.000,00	60.000,00	8	40.000,00	F
6 cm thick purple foam	125.000,00	128.000,00	8	-24.000,00	UF
4 cm thick black foam	55.000,00	50.000	4	20.000,00	F
2 cm thick black foam	25.000,00	26.000,00	8	-8.000,00	UF
Springbed / Knit fabric	70.000,00	65.000,00	6	30.000,00	F
Oscar/Clio fabric	50.000,00	44.000,00	6	36.000,00	F
Kaci fabric	5.000,00	6.000,00	3	-3.000,00	UF
Sewing thread	5.000,00	4.000,00	8	8.000,00	F

Source: (Primary data processed, 2022)

Table 4 shows that the analysis of the difference in the quantity of raw materials at UD. Sentral Jaya Springbed full set type all produce normal differences. The difference is normal because the difference value of IDR 0.00 means that it has no effect on profit.

Table 4 Analysis of Differences in Quantity of Full Set Raw Material Costs

Analysis of Differences in the Quantity of Springbed Full Set Raw Materials					
Raw Material	Standard Quantity	Actual Quantity	Standard Price (IDR)	Difference (IDR)	(F/UF)
Round spring height 15 cm	1,360	1,320	700.00	28,000.00	F
Spring M	100	96	2,000.00	8,000.00	F
M spring angle	16	16	3,000.00	0.00	-
Screw spring	200	184	2,000.00	32,000.00	F
Spring Clamps	12	12	5,500.00	0.00	-
6" steel	8	8	36,000.00	0.00	-
Wood	8	8	65,000.00	0.00	-
6 cm thick purple foam	8	8	125,000.00	0.00	-
4 cm thick black foam	4	4	55,000.00	0.00	-
2 cm thick black foam	8	8	25,000.00	0.00	-
Springbed / Knit fabric	6	6	70,000.00	0.00	-
Oscar/Clio fabric	6	6	50,000.00	0.00	-
Kaci fabric	3	3	5,000.00	0.00	-
Sewing thread	8	8	5,000.00	0.00	-

Source: (Primary data processed, 2022)

Table 5 shows that the analysis of raw material prices at UD. Sentral jaya Springbed type full set of purple foam has two raw materials that produce an unfavorable difference, namely 6 cm thick purple foam for IDR 15,000.00 and kaci cloth for IDR 3,000.00

Table 5 Analysis of Price Differences on the Cost of Raw Materials for Purple Foam Full Sets

Raw Material	Analysis of Differences in Raw Material Prices for Purple Foam Springbed Full Set				
	Standard Price (IDR)	Actual Price (IDR)	Actual Quantity	Difference (IDR)	(F/UF)
Round spring height 15 cm	700.00	650.00	330	16,500.00	F
Spring M	2,000.00	1,500.00	24	12,000.00	F
M spring angle	3,000.00	2,000.00	4	4,000.00	F
Screw spring	2,000.00	2,000.00	46	0.00	-
Spring Clamps	5,500.00	5,000.00	3	1,500.00	F
6" steel	36,000.00	35,000.00	2	2,000.00	F
Wood	65,000.00	60,000.00	2	10,000.00	F
6 cm thick purple foam	125,000.00	128,000.00	5	-15,000.00	UF
Springbed / Knit fabric	70,000.00	65,000.00	3	15,000.00	F
Oscar/Clio fabric	50,000.00	44,000.00	3	18,000.00	F
Kaci fabric	5,000.00	6,000.00	3	-3,000.00	UF
Sewing thread	5,000.00	4,000.00	2	2,000.00	F

Source: (Primary data processed, 2022)

. Table 6 shows that the analysis of the difference in the quantity of raw materials at UD. Sentral Jaya Springbed is just a mattress type, there are three raw materials that produce a profitable difference, namely a 15 cm high round spring of IDR 7,000.00; Spring m IDR 2,000.00; and screw spring IDR 8,000.00.

Table 6 Analysis of Differences in Quantity Cost of Purple Foam Full Set Raw Materials

Raw Material	Analysis of Differences in the Quantity of Raw Materials for Purple Foam Springbed Full Set				
	Standard Quantity	Actual Quantity	Standard Price (IDR)	Difference (IDR)	(F/UF)
Round spring height 15 cm	340	330	700.00	7,000.00	F
Spring M	25	24	2,000.00	2,000.00	F
M spring angle	4	4	3,000.00	0.00	-
Screw spring	50	46	2,000.00	8,000.00	F
Spring Clamps	3	3	5,500.00	0.00	-
6" steel	2	2	36,000.00	0.00	-
Wood	2	2	65,000.00	0.00	-
6 cm thick purple foam	5	5	125,000.00	0.00	-
Springbed / Knit fabric	3	3	70,000.00	0.00	-
Oscar/Clio fabric	3	3	50,000.00	0.00	-
Kaci fabric	3	3	5,000.00	0.00	-
Sewing thread	2	2	5,000.00	0.00	-

Source: (Primary data processed, 2022)

According to some of the tables above, it can be concluded that the cost of raw materials at UD. Sentral Jaya Springbed, Probolinggo City, each type of springbed is profitable, because the actual cost of raw materials does not exceed the budget that has been made previously or is the standard cost. This is in accordance with the opinion of Simamora (2012: 344) the difference in costs is said to be favorable (favorable) if the actual costs are less than the standard costs. So that the raw material cost control conducted by UD. Sentral Jaya Springbed Probolinggo City is sufficient. However, there is still something that needs to be considered because there are components that are unfavorable. In accordance with what was said by Heckert, et al (2016: 243) standard costs need to be reviewed and revised according to certain conditions, so that the standards used as benchmarks become relevant.

The unfavorable difference in the raw material component was caused by a price increase that occurred in January 2022. The following is an explanation given by the owner of UD. Sentral Jaya Springbed Probolinggo City regarding the increase in raw material prices in January 2022:

“The cost of raw materials for 6 cm thick purple foam and 2 cm thick black foam increased in prices in January. The 6 cm thick purple foam previously cost IDR 125,000.00 per sheet, rising to IDR 128,000.00 per sheet. Meanwhile, the 2 cm thick black foam costs IDR 25,000.00 per sheet, increasing to IDR 26,000.00. If the kaci cloth previously cost IDR 5,000.00 per meter, it would increase to IDR 6,000.00”. (Owner of UD. Sentral Jaya Springbed, Probolinggo City).

2. Analysis of Differences in Direct Labor Costs

Table 7 Analysis of Differences in Labor Wage Rates

Analysis of Differences in Labor Wage Rates					
Labor	Standard Wage Rate (IDR)	Actual Wage Rate (IDR)	Actual Working Hours	Difference (IDR)	(F/UF)
Builder Section	1,750,000.00	1,750,000.00	189	0.00	-
Sewing Section	525,000.00	525,000.00	108	0.00	-

Source: (Primary data processed, 2022)

Table 8 Analysis of Labor Cost Efficiency Differences

Labor Efficiency Difference Analysis					
Labor	Standard Working Hours	Actual Working Hours	Standard Wage Rate (IDR)	Difference (IDR)	(F/UF)
Builder Section	189	189	1.750.000,00	0.00	-
Sewing Section	108	108	525.000,00	0.00	-

Source: (Primary data processed, 2022)

Direct labor costs at UD. Sentral Jaya Springbed Probolinggo City in January 2022 shows that labor cost control is normal both from the analysis of differences in wage rates and analysis of differences in efficiency. This is because the results of the difference show IDR 0.00. This figure cannot show changes to profits from UD. Sentral Jaya Springbed Probolinggo City because the value produced is the same. If this continues to happen, then in the next production can cause a difference that is not profitable. As said by Hongren (2006: 263) that profitable differences can increase profits while unfavorable differences can reduce profits. Therefore, the difference that is not profitable needs to be adjusted as well as the difference that is normal, so that the profit obtained is optimal.

It is normal for direct labor costs at UD. Sentral Jaya Springbed Probolinggo City in January 2022 because of the payroll system conducted by UD. Sentral Jaya Springbed, Probolinggo City, according to the number of units produced in that month. The following is an explanation expressed by the owner of UD. Sentral Jaya Springbed regarding direct labor costs in January 2022:

“The labor cost given in January was IDR 1,750,000.00 for the builders' part and IDR 525,000.00 for the sewing part. The nominal given was that big because the springbed units produced in January were 7 units for a size of 200 x 140 cm. payroll system that is conducted according to the units produced in one month. (Owner of UD. Sentral Jaya Springbed, Probolinggo City).

Analysis of Differences in Factory Overhead Costs

Table 9 Analysis of Differences in Mattress Factory Overhead Costs Only

Controlled differences	IDR 532.610,00 – (IDR 82.600,00 + IDR 423.200,00) = (IDR 23.190,00)	UF
Volume differences	(84,8 Jam – 84,8 Jam) x IDR 5.965,00 = IDR 0,00	-

Source: (Data processed, 2022)

Table 10 Analysis of Differences in Springbed Full Set Factory Overhead Costs

Controlled differences	IDR 1.223.820,00 – (IDR 165.680,00 + IDR 1.036.400,00) = (IDR 26.810,00)	UF
Volume differences	(169,6 Jam – 169,6 Jam) x IDR 7.088,00 = IDR 0,00	-

Source: (Data processed, 2022)

Table 11 Analysis of Differences in Factory Overhead Springbed Full Set Purple Foam

Controlled differences	IDR 305.957,00 – (IDR 41.520,00 + IDR 259.100,00) = (IDR 5.337,00)	UF
Volume differences	(42,4 Jam – 42,4 Jam) x IDR 7.090,00 = IDR 0,00	-

Source: (Primary data processed, 2022)

Factory overhead costs at UD. Sentral Jaya Springbed Probolinggo City in January 2022 each shows an unfavorable difference. According to Mulyadi (2015: 395) if the results of the analysis show a realization cost that is greater than the standard, it is said to be unfavorable because the profit value does not increase. The three types of springbed at UD. Sentral Jaya Springbed Probolinggo City each shows the difference in factory overhead costs is unfavorable. The unfavorable difference lies in the results of the analysis of controlled differences. Whereas the volume difference shows a normal difference because the results show the number 0.

The results of the analysis of the difference in the type of full set springbed are greater than the other types of springbeds because of differences in the use of supporting materials, where the supporting materials of the type of springbed are less than the other types of springbeds. In addition, the number of units ordered in January 2022 was different, namely 2 units for springbed mattresses only, 4 springbeds for the full set and 1 unit for the full set of purple foam, so this caused a different difference.

The unfavorable nature of factory overhead costs in January 2022 was caused by an increase in the price of the factory overhead component, especially in the cost of auxiliary materials, depreciation costs for equipment and vehicles. The following is an explanation expressed by the owner of UD. Sentral Jaya Springbed Probolinggo City regarding factory overhead costs in January 2022:

"In January 2022 there was an increase in the price of the supporting materials. The price of glue was previously IDR 40,000.00 per can to IDR 4,500.00 wooden nails, previously IDR 25,000.00 per ounce increased to IDR 28,000.00 a foot of fiber, previously IDR 3,000.00 per seed, increased to IDR 4,000.00 and the previous sakura bolt IDR 1,500.00 per seed increased to IDR 4,000.00" (Owner of UD. Sentral Jaya Springbed, Probolinggo City).

Results of Analysis of the Difference in Production Costs UD. Central Jaya Springbed Probolinggo City

From the results of the analysis of the difference in production costs on Table 12, it shows that controlling production costs with a standard cost system at UD. Sentral Jaya Springbed, Probolinggo City, for springbed products measuring 200 x 140 cm consisting of only springbed mattresses, full sets, and full sets of purple foam in January 2022, it is

included in the profitable category (favorable) seen from the calculation of the cost of raw materials, each produces a difference more than what was budgeted with what actually happened, namely IDR 111,000.00 for the raw material costs for the springbed type mattress only, IDR 311,000.00 for the full set type and IDR 80,000.00 for the purple foam full set type. This is greater than the calculation of the difference in factory overhead costs where each experienced an unfavorable difference of Rp.23. 190.00 for the type of mattress only, IDR 26,810.00 for the full set type, and IDR 5,337.00 for the purple foam full set type. Meanwhile, labor costs experienced normal differences. A favorable difference can increase the profit from UD. Central Jaya Springbed Probolinggo City. The unfavorable difference must be repaired to the production cost budget, because if left unchecked it will have an impact on business continuity.

Table 12 Summary of Difference Analysis Results UD. Central Jaya Springbed Probolinggo City

Costs	Difference Analysis Results (Rp)	Remarks
Raw Material Costs		
Springbed Mattress Raw Material Costs Only	111,000.00	Favorable
Springbed Full Set Raw Material Costs	311,000.00	Favorable
Purple Foam Springbed Full Set Raw Material Costs	80,000.00	Favorable
Direct Labor Costs	0.00	Normal
Factory Overhead Cost		
Mattress Manufacturing Overhead Only	(23,190.00)	Unfavorable
Full Set Factory Overhead Cost	(26,810.00)	Unfavorable
Purple Foam Factory Overhead Full Set	(5,337.00)	Unfavorable

Source: (Primary data processed, 2022)

CONCLUSIONS AND RECOMMENDATIONS

UD. Sentral Jaya Springbed Probolinggo City controls production costs with a standard cost system that is good, so as to minimize production cost deviations. UD. Sentral Jaya Springbed Probolinggo City in January 2022 on a springbed product with a size of 200 x 140 cm with only springbed mattresses, full sets and full sets of purple foam as a whole showing favorable results (favorable). This is because the actual production costs are less than the budgeted costs. The results of the analysis on the cost of each raw material show that the difference is favorable. Direct labor costs show normal differences, while factory overhead costs respectively show unfavorable differences.

UD. Sentral Jaya Springbed Probolinggo City needs to be re-adjusted every month, especially to the factory overhead budget, so that it allows for a more accurate and relevant cost reference.

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