



COST STRUCTURE ANALYSIS IN DETERMINING SELLING PRICES USING THE COST PLUS PRICING METHOD IN THE DEPULA ADZRA FOOD BUSINESS IN GORONTALO CITY

ANALISIS STRUKTUR BIAYA DALAM PENENTUAN HARGA JUAL DENGAN METODE COST PLUS PRICING PADA USAHA MAKANAN DEPULA ADZRA KOTA GORONTALO

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Abstract

This study aims to determine the Cost Structure in Determining Selling Prices using the Cost Plus Pricing method in the Depula Adzra food business in Gorontalo City. The type of research used in this study is a Quantitative method with a Descriptive approach. The data used are primary data in the form of interviews, Observations and Documentation with the owner of the Depula Adzra business. The results of the study show that the calculation of selling prices using the cost plus pricing method shows a difference with the selling price set by the business. The selling price of goat kabuli rice according to Depula Adzra is IDR 1,000,000, while based on the cost plus pricing method it is obtained at IDR 1,269,055. Conversely, on the beef kabuli rice menu, the selling price according to Depula Adzra is IDR 800,000, while the calculation result of the cost plus pricing method is IDR 1,037,673. This difference shows that the determination of selling prices in the business is not entirely based on systematic cost calculations.

Keywords : Cost Structure, Selling Price, Full Costing, Cost Plus Pricing.

Abstrak

Penelitian ini bertujuan untuk mengetahui bagaimana Struktur Biaya dalam Penentuan Harga Jual dengan metode Cost Plus Pricing pada usaha makanan Depula Adzra Kota Gorontalo. Jenis Penelitian yang digunakan dalam penelitian ini metode Kuantitatif dengan pendekatan Deskriptif. Data yang digunakan adalah data primer berupa wawancara, Observasi dan Dokumentasi dengan pemilik usaha Depula Adzra. Hasil penelitian menunjukkan bahwa Perhitungan harga jual menggunakan metode *cost plus pricing* menunjukkan adanya perbedaan dengan harga jual yang ditetapkan oleh usaha. Harga jual nasi kabuli kambing menurut Depula Adzra sebesar Rp1.000.000, sedangkan berdasarkan metode *cost plus pricing* diperoleh sebesar Rp1.269.055. Sebaliknya, pada menu nasi kabuli sapi, harga jual menurut Depula Adzra sebesar Rp800.000, sedangkan hasil perhitungan metode *cost plus pricing*



sebesar Rp1.037.673. Perbedaan ini menunjukkan bahwa penetapan harga jual pada usaha belum sepenuhnya didasarkan pada perhitungan biaya yang sistematis.

Kata Kunci : Struktur Biaya, Harga Jual, Full Costing, Cost Plus Pricing.

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are the business units that dominate business activity and provide employment in Indonesia. MSMEs encompass various forms of business, including individual, group, household, and small-scale enterprises. As a developing country, Indonesia prioritizes MSMEs as a sector within the national economy. This effort aims to enhance the capacity and independence of the community in supporting development, particularly in the economic sector. MSMEs can be either privately owned businesses or entities established by citizens. By strengthening the local economy, MSMEs play a vital role in making a significant contribution to the national economy. (Lubis & Salsabila, 2024).

Every Micro, Small, and Medium Enterprise (MSME) is required to be able to calculate the production costs for each product or service they produce. Accurate production cost calculations are crucial because they directly impact selling price determination. These two aspects play a crucial role in determining the profitability of a product or service and influence the company's strategic decision-making. Problems often faced by MSMEs are generally related to financial management, particularly in calculating costs incurred during the production process. Therefore, companies need to implement appropriate methods for determining the cost of goods manufactured to achieve competitive profits and support long-term business growth. (Amalia & Idrus, 2024)

Determining a product's selling price is a crucial decision that management must make in an effort to maintain, develop, and increase company profits. When determining a selling price, companies need to consider various influencing factors. The selling price cannot be set solely based on estimates, but must be based on accurate and careful calculations. Furthermore, the selling price set must be able to cover all costs incurred and provide the company's desired profit level. (Tongkad et al., 2022).

Setting the correct selling price is done by adding a markup to the cost of production according to the company's desired profit level. The markup amount is determined based on non-production costs and the desired profit, which is generally expressed as a percentage. This approach is known as the cost-plus pricing method. The cost-plus pricing method is relatively simple yet effective in supporting business sustainability because it can cover all costs while generating profits according to the company's targets. (Taroreh et al., 2021).

Current trends indicate that some MSMEs have not yet implemented comprehensive cost of goods sold calculations, potentially impacting the accuracy of selling price determination. A similar situation was also found at Depula Adzra, where not all production cost components were taken into account in the pricing process. To ensure the selling price covers all costs and generates the desired profit, the company needs to include all production expenses in its calculations. Determining the correct selling price should utilize a systematic method to avoid the risk of loss, one of which is the cost-plus pricing method.

Depula Adzra was chosen as the research object because it has not yet implemented a systematic pricing method. Based on initial observations, Depula Adzra's business still determines its selling price simply (based on cost estimates). Depula Adzra only calculates the costs of raw materials, indirect materials, and direct labor. Depula Adzra only uses labor when receiving large orders.

Based on the description above, the researcher felt the need to conduct research on how to determine the appropriate selling price for food by taking into account all cost components in the Depula Adzra business. Considering that this business has not yet implemented a systematic selling price calculation method, the researcher was interested in analyzing it using the cost-plus pricing



method to determine how the actual selling price is calculated based on all production cost components.

2. RESEARCH METHOD

This research is a quantitative method with a descriptive approach. The location of this research was carried out at the Depula Adzra food business located at Jalan Gunung Semeru No. 8, Siendeng Village, Hulonthalangi District, Gorontalo City. The research period was from October to April. The object of this research is the cost plus pricing method in determining the selling price of food at the Depula Adzra food business, with a focus on the components of production costs and profit margins..

The types and sources of data used are primary sources. The data collection techniques used are observation, interviews, and documentation. The data analysis techniques used are:

- Identify the costs incurred by the Depula Adzra UMKM in producing.
- Explaining the calculation of selling prices according to UMKM Depula Adzra.
- Calculate the cost of production using the full costing method with the formula:

cost of goods sold	
raw material costs	xxx
direct labor costs	xxx
fixed factory overhead costs	xxx
variable factory overhead costs	xxx
total production costs	xxx

- Calculate the selling price using the cost plus pricing method with the following formula:

$$\text{Selling Price} = \text{cost} + (\text{persentase markup} \times \text{cost})$$

- draw conclusions

3. RESULT AND DISCUSSION

cost classification

1. direct raw materials

- raw materials for Kabuli rice, grilled goat, Balanga

Table 1. Balanga Grilled goat kabuli rice for one large portion

No	raw material	raw material	unit price (Rp)	amount
1.	rice	2 Liters	14.000	28.000
2.	Lamb	3 Kg	150.000	450.000
3.	Kabuli Spices/ Ready to use	1 pack	40.000	40.000
4.	Balanga grilled goat spice seasoning/ready to use	1,5 pack	40.000	60.000
5.	Soy sauce	1 pack	2.500	2.500
6.	Royco	1 pack	500.00	500.00
amount				581.000

Source: Depula Adzra Business

- Raw materials for grilled beef kebuli rice in Balanga

Table 2. Balanga grilled beef kebuli rice for one large portion

No	raw material	raw material	unit price (Rp)	amount
1.	rice	2 Liters	14.000	28.000
2.	beef	3 Kg	130.000	390.000
3.	Kabuli Spices/ Ready to use	1 pack	40.000	40.000



4.	Balanga grilled beef spices/ready to use	1,5 pack	40.000	60.000
5.	Soy sauce	1 pack	2.500	2.500
6.	Royco	1 pack	500.00	500.00
amount				521.000

Source: Depula Adzra Business

2. direct labor costs

Direct labor costs at Depula Adzra are variable, as additional labor is only required for large orders, particularly for special events. Therefore, in this case, Depula Adzra's labor costs for each additional labor required are Rp 50,000 per large portion.

3. semi-variable costs

a. electricity cost

Based on the data obtained, the electricity cost using the token system is IDR 50,000 for each purchase. The token runs out within 3 days of use. Assuming one month consists of 30 days, then in one month token purchases are made as follows: 30 days : 3 days = 10 purchases. Thus, the total electricity cost in one month is: IDR 50,000 x 10 = IDR 500,000 / month. Of the total electricity cost, 40% is allocated for production activities, so the electricity cost for production is: IDR 500,000 x 40% = IDR 200,000 / month. Furthermore, in one month the Depula Adzra business carries out production activities 20 times. Therefore, the electricity cost charged for each production is: IDR 200,000 : 20 = IDR 10,000 / production.

b. Water Costs

Water costs in this study were calculated based on the use of an electrically powered water pump. With a pump power of 125 watts and a daily usage time of 6 hours, the electricity consumption was 0.75 kWh. With an electricity tariff of Rp. 1,444/kWh, the electricity cost per unit was Rp. 1,083.

4. variable costs

Regarding the cost of gas used by Depula Adzra, based on interviews, it was found that in the large portion production process (panstup), the use of gas to produce 6 large portions (panstup) requires one gas cylinder at a cost of Rp18,000. Therefore, the gas cost is Rp3,000/unit.

5. fixed costs

Table 3. Equipment Depreciation Expenses

equipment	Price (Rp)	economic life	age (months)	depreciation/month
Blender	700.000	5 years	60	Rp11.667
Freezer	3.800.000	8 years	60	Rp63.333
gas stove	600.000	5 years	60	Rp10.000
large frying pan	460.000	4 years	48	Rp9.583
big pan	160.000	5 years	60	Rp2.667
amount				Rp97.250

data analysis

1. Calculation of Selling Price according to Depula Adzra's business

menu name	raw material costs (Rp)	labor costs (Rp)	total production costs (Rp)	selling price of MSMEs	Profits earned by MSMEs (Rp)
Large portion package (panstup)	581.000	50.000	631.000	Rp1.000.000	369.000



of grilled goat in Balanga					
Large portion package (panstup) of grilled beef in Balanga	521.000	50.000	571.000	Rp800.000	229.000

Source: Depula Adzra Business

2. Calculation of production costs using the Full Costing Method

Table 4. Calculation of production costs for grilled goat kabuli rice with Balanga sauce

cost of goods sold	
raw material costs	Rp581.000
direct labor costs	Rp50.000
fixed factory overhead costs	Rp97.250
variable factory overhead costs	Rp14.083
total production costs	Rp742.333

Table 5. Calculation of production costs for grilled beef kabuli rice with Balanga sauce

cost of goods sold	
raw material costs	Rp521.000
direct labor costs	Rp50.000
fixed factory overhead costs	Rp97.250
variable factory overhead costs	Rp14.083
total production costs	Rp682.333

Depula Adzra's operational costs are incurred during large-scale production, namely 6 large portions. The total operational costs are Rp350,000, consisting of Rp150,000 for marketing, Rp100,000 for finance, and Rp100,000 for distribution. To calculate the cost per large portion, $Rp350,000 : 6 = Rp58,333/\text{large portion}$.

So the total cost of Depula Adzra's business is:

- Balanga grilled goat kabuli rice
 $Rp742.333 + Rp58.333 = \mathbf{Rp800.666}$
- Balanga grilled beef kabuli rice
 $Rp682.333 + Rp58.333 = \mathbf{Rp740.666}$

3. Production costs are calculated using the cost-plus pricing method with a full costing approach.

Before calculating the selling price using the cost-plus pricing method, the markup percentage to be used must first be determined..

- Markup for Kabuli rice, Balanga grilled goat
total production costs = Rp631.000
Profit = Rp369.000 So,
 $\frac{369.000}{631.000} \times 100\% = 58,5\%$

- Markup for Kabuli rice, grilled beef, Balanga
total production costs = Rp571.000
Profit = Rp229.000 So,
 $\frac{229.000}{571.000} \times 100\% = 40,1$

The markup percentage is used as a basis for determining the selling price which is calculated systematically.

- Selling price for grilled goat kabuli rice with Balanga sauce
Selling Price = Cost + (persentase markup x cost)



$$= \text{Rp}800.666 + (58,5\% \times \text{Rp}800.666)$$

$$= \text{Rp}800.666 + \text{Rp}468.389$$

$$= \text{Rp}1.269.055$$

2) Selling price for grilled beef kabuli rice with balanga

$$\text{Selling Price} = \text{Cost} + (\text{persentase markup} \times \text{cost})$$

$$= \text{Rp}740.666 + (40,1\% \times \text{Rp}740.666)$$

$$= \text{Rp}740.666 + \text{Rp}297.007$$

$$= \text{Rp}1.037.673$$

Based on the calculation results using the cost plus pricing method, the selling price of a large portion of Balanga grilled goat panstup package was obtained at Rp1,269,055, which was calculated from the total production cost of Rp800,666 with an additional markup of 58.5%. Meanwhile, the selling price of Balanga grilled beef panstup package was obtained at Rp1,037,673, which was calculated from the total production cost of Rp740,666 with an additional markup of 40.1%.

Discussion

1. Comparative analysis of production costs

After calculating the cost of goods manufactured using the full costing method and comparing it with the calculation according to Depula Adzra's business, it was found that the cost of goods manufactured based on the full costing method was higher than the calculation applied by the business. This difference occurred because Depula Adzra had not included all components of production costs comprehensively, especially factory overhead costs such as equipment depreciation, operational costs, and other supporting costs. As a result, the cost calculation carried out was still simple and only focused on the main costs, resulting in a relatively lower cost of goods manufactured compared to the calculation using the full costing method which systematically takes into account all elements of production costs.

2. Cost Structure Analysis

Based on the analysis of the production cost structure at Depula Adzra, it was found that raw material costs constitute the largest cost component, compared to direct labor and factory overhead costs. This indicates that raw materials are the primary factor influencing the cost of goods manufactured (COGS) for each menu item. Meanwhile, direct labor and factory overhead costs act as supporting costs in the production process, contributing relatively less than raw material costs.

Furthermore, there is a difference in the cost structure between the goat kabuli rice and beef kabuli rice menus due to differences in the price of the main raw materials, with the goat menu having a higher total production cost than the beef menu. This confirms that the type of main raw material significantly determines the production cost of each menu item. Meanwhile, operational costs such as marketing, finance, and distribution are not included in the COGS calculation but are still taken into account in determining the total business costs. Therefore, changes in raw material prices will significantly impact total production costs, making raw material cost control a crucial aspect in cost efficiency efforts and product pricing.

3. Analysis of Selling Price Calculation using the Cost Plus Pricing Method

Based on the calculation results using the cost plus pricing method with a full costing approach, the selling price of the Balanga roasted goat panstup package was Rp1,269,055 and the Balanga roasted beef panstup package was Rp1,037,673. The selling price was obtained by adding markup percentages of 58.5% and 40.1%, respectively, to the total production costs that had been calculated in full.

Using the full costing approach, all production cost components, including raw materials, direct labor, and fixed and variable overhead, are accounted for. This results in total production costs being higher than those calculated for MSMEs, resulting in higher selling prices when the cost-plus pricing method is applied.

Analytical results show that the cost-plus pricing method, combined with the full costing approach, produces selling prices that more closely reflect the true total cost of production. If MSMEs



set prices below this calculation, there is the potential for lower profits than expected or even the risk of not covering all production costs in the long run.

4. Comparison of Selling Prices of Depula Adzra's Business Using the Cost Plus Pricing Method

Based on the results of the comparison of selling prices between the calculations applied by the Depula Adzra business and calculations using the cost plus pricing method with a full costing approach, it was found that there were differences in the selling price value of each menu. At the Depula Adzra business, the selling price of goat kabuli rice was set at IDR 1,000,000, while beef kabuli rice was IDR 800,000. Meanwhile, based on calculations using the cost plus pricing method with a full costing approach, the selling price of goat kabuli rice was IDR 1,269,055 and beef kabuli rice was IDR 1,037,673. The comparison shows that the selling price according to Depula Adzra for the goat kabuli rice menu was lower than the calculation results of the cost plus pricing method, with a difference of IDR 269,055. Likewise, for the beef kabuli rice menu, the selling price set at IDR 800,000 was also lower than the calculation results of the cost plus pricing method, with a difference of IDR 237,673.

5. Determination of Selling Price for Depula Adzra

Based on the research results, it was found that there is a difference between the selling price set by Depula Adzra and the selling price calculated using the cost plus pricing method with a full costing approach. This difference indicates that the selling price determination in the business is not fully based on a structured and comprehensive cost calculation. In the context of pricing strategy, this finding implies that the application of the cost plus pricing method can help businesses determine more rational selling prices because all components of production costs, including raw material costs, direct labor, and factory overhead costs, have been systematically calculated before adding the profit margin.

4. CONCLUSION

1. Calculating the cost of production using the full costing approach produces a more comprehensive value because it takes into account all components of production costs systematically..
2. The calculation of selling prices using the cost plus pricing method shows a difference from the selling price set by the business. The selling price of goat kabuli rice according to the business is Rp1,000,000, while based on the cost plus pricing method, it is Rp1,269,055. Conversely, for the beef kabuli rice menu, the selling price according to the business is Rp800,000, while the calculation result of the cost plus pricing method is Rp1,037,673. This difference indicates that the determination of selling prices in the business is not entirely based on systematic cost calculations..
3. It is recommended that business owners begin recording production costs more comprehensively to generate more accurate cost information. Furthermore, the cost-plus pricing method can be used as an evaluation tool for determining selling prices without having to implement it fully, allowing businesses to adjust prices to market conditions and desired profit targets.

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