CALCULATION OF PRODUCTION COST USING THE FULL COSTING METHOD IN DETERMINING THE PRODUCT'S SELLING PRICE (CASE STUDY ON THE SZ.COCONUT ART CRAFT UMKM AND THE PARANG SYAWAL FISH OTAK-OTAK FOOD UMKM)

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ABSTRACT

This study aims to calculate the cost of production and determine the selling price using the full costing method in SZ.Coconut ART MSMEs and Parang Syawal Fish Cake. In an era of increasingly fierce competition, MSMEs must be able to manage costs and determine competitive prices to survive in the market. The full costing method is expected to provide more accurate calculations by considering all elements of production costs, including raw material costs, labor, and overhead. The research method used is descriptive quantitative with a case study approach. Data were collected through interviews and direct observations in both MSMEs, located in Bantan District, Bengkalis Regency, Riau. The results of the study indicate that the use of the full costing method provides more comprehensive information in calculating the cost of production, thus enabling MSMEs to set the right selling price. By implementing this method, it is hoped that SZ.Coconut Art MSMEs and Parang Syawal Fish Cake can increase the competitiveness and profitability of their businesses, as well as assist other MSMEs in determining more competitive prices in the market.

Keywords: Cost of Goods Sold, Determining Selling Price, Full costing, Determining Profit/Gain