

## CHAPTER V

### CONCLUSION

Based on the research that has been done, researchers conclude on the implementation of Activity Based Costing (ABC) System at PG. Kebon Agung Malang. Researchers also will give suggestions in order to be useful for PG. Kebon Agung Malang in determining the cost of goods manufactured.

#### A. Conclusion

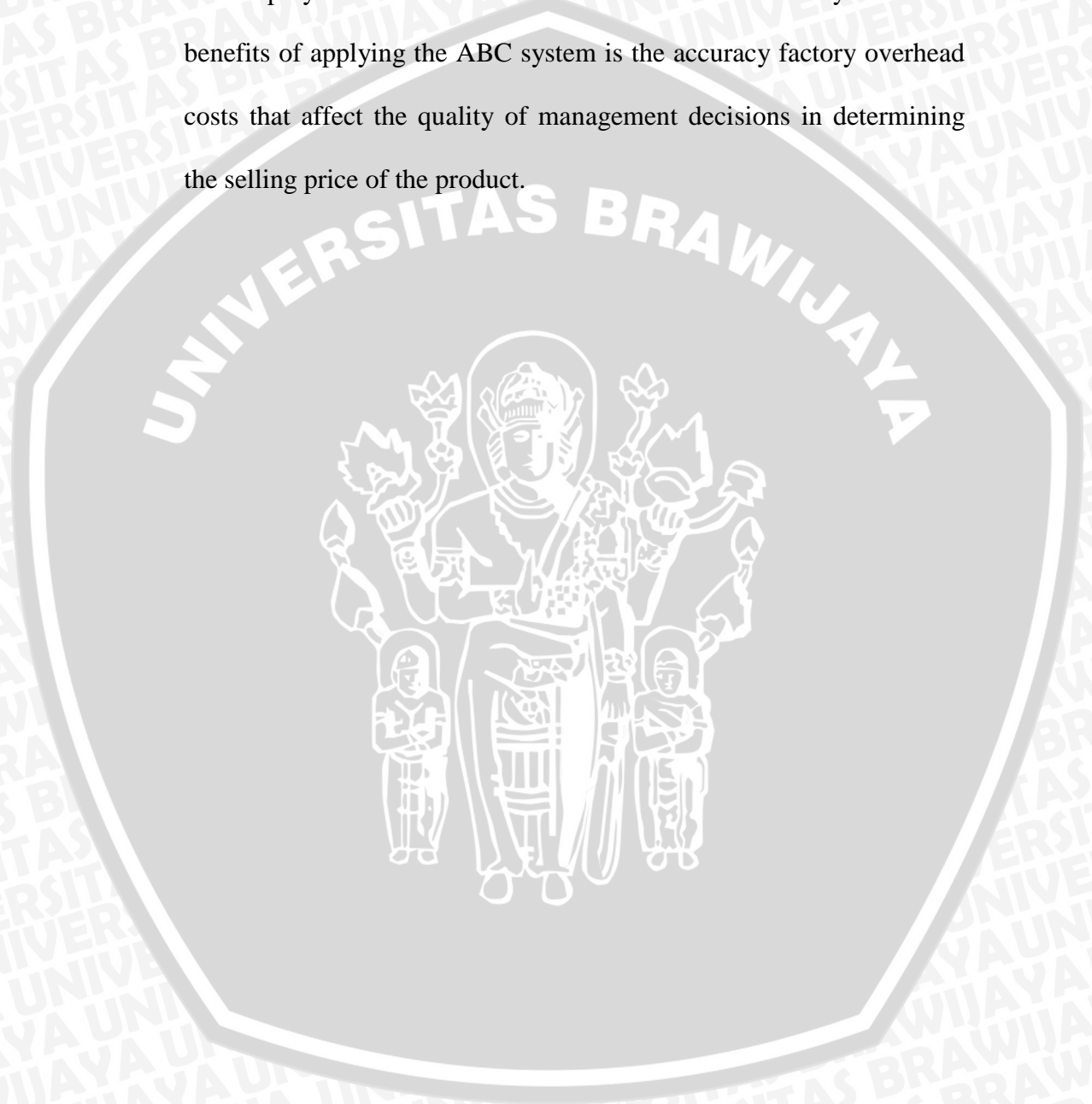
1. PG. Kebon Agung Malang establish cost of goods manufactured are still using traditional method, where the basic is used to assign manufacturing overhead to each product using a single rate which only use one cost driver is the amount of production units. This resulted in the imposition of distorted overhead costs, because the overhead imposition on any type of product manufactured are products that imposed is too big or too small imposed. Inaccuracies in manufacturing overhead imposition of effect on the determination cost of goods manufactured is also affecting the selling price of the product.
2. Traditional cost accounting systems are not able to give actual information on resource consumption occurs. This can be seen by the distortion costs on traditional cost accounting methods when compared to the ABC system.

3. Based on calculations and comparisons are made in chapter IV, it can be seen that there are mistake in the imposition of factory overhead costs by each type of product produced by PG. Kebon Agung Malang. Sugar products had overcosted Rp. 494.723.425, and molasses products had overcosted Rp. 235.564.736, differences in the calculation of the amount cost driver are used as the basis for imposition of factory overhead costs applied by traditional method companies use only one cost driver that is amount of unit production, while ABC system using more cost drivers there are unit production, kilometer usage, machine hours, and direct labor hours.

#### B. Suggestions

1. PG. Kebon Agung Malang need to attention the problem imposition of the factory overhead costs, because if the company is not proper in imposition of factory overhead cost can lead to making the wrong decision by the management company in determining the cost of goods manufactured and also affect the determining the selling price of the product. Then the company will be unable compete with similar companies that have manufacturing overhead accurate information.
2. The appropriateness of applying the ABC system also depends on the policies of the management PG. Kebon Agung Malang. Therefore, company management needs to consider the obstacle and benefits that

will be experienced by the company. Obstacle experienced by the company is need for additional and specific time to conduct training for employees associated with the new established system. The benefits of applying the ABC system is the accuracy factory overhead costs that affect the quality of management decisions in determining the selling price of the product.



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