

CHAPTER III

RESEARCH METHOD

A. Type of Research

A scientific research should use appropriate research methods so that research results can be accounted for validity. Research is a systematic and scientific activity directed data used must endure, deals, and must be relevant to the issue at hand. Referring to the background, formulation of the problems and the theories that have been described previously, the type of research used in this research is descriptive research with quantitative approach. According to Kothari (2008:2-3), “descriptive research includes survey and fact finding enquiries of different kinds.” The major purpose of descriptive research is description of the state of affairs as it exist at present. The main characteristic of this method is that the researcher no control over the variable, he can only report what has happened or what is happening.

According to Cooper & Schlinder (2006:331) definition of quantitative research are as follows

“Quantitative research is used to determine exact figures and facts; it is also used to answer questions such as “how much, how often, how many, when, and who. Quantitative research is characterized by the use of facts and statistics to answer questions pertaining to how, who, and when. These types of research differ, but they are both widely used”.

B. Research Focus

Research focus aims to provide direction and restrictions on research that examined the object which is not very extends, in order to obtain a clear picture of the stages focused. Thus ensuring the existence of solutions to a problem that has been previously defined. Focus of the research are :

1. Activity is action or work performed in an organization or company in achieving the desired objectives. Activity plays an important role in the imposition of costs to cost objects. Activities causing the work to produce something, then the activity also consumes resources. Activities can be classified into several levels:
 - a. Unit level activities are those that are performed each time a unit is produced
 - b. Batch level activities are those that are performed each time a batch is produced. For example: Setup, inspections (if done by sampling units from a batch), purchasing, material handling
 - c. Product level activities are those performed that enable the various products of a company to be produced. For example: Engineering changes to products, developing product testing procedures, introducing new products, expediting goods.
 - d. Facility level activities are those that sustain a factory's general manufacturing processes. For example: Providing facilities, maintaining grounds, providing plant security.

2. Cost pool is an activity or group of activities as an objective accumulated costs where costs are collected.
3. Cost object is something or activities that are accumulated and measured subsequently charged for management purposes. The activities can be a cost object is a product, a batch of similar units, customer orders, contracts, product lines, processes, departments, divisions, projects, and strategic objectives
4. Cost drivers, namely something that is used as the basis of the change in the total cost to a cost object. For example is the electric charge of a factory, the cost of electricity is a cost drivers that determine the size of the total cost of electricity
5. Pool rate is the overhead rate per unit of cost driver that is calculated for a group activity. Pool rate is calculated by the total overhead costs for the specific activity divided by the measurement bases used by the group activity.

C. Location of Research

Location is the place where the research study conducted by research that includes the collection and retrieval of data and search for information related to the discussion topic both from interviews and existing scientific literature on the research site. Regarding with the background of the problems, the researcher took the place at PG. Kebon Agung Manufacture of Sugar Products located at at Kebon Agung village, Pakisaji sub district, Malang

regency, for about 480 meters above the sea level, 5 km on the south of Malang city, between the main road of Malang and Blitar.

D. Data Sources

Source of data is the subject where the data is obtained. Data obtained from the source of data would give an important role in the success of a research. Type of data used is secondary data that is data obtained in the form of a ready made from of publication. Secondary data can be obtained from the recording company documents. Secondary data in this study can be obtained from:

1. Literature
2. Financial statements
3. Other sources outside the company

E. Research Instrument

Research instrument used to explore data needed are the tools used in research, so that these activities become systematic and efficient. In this research, instruments used is documentation guidelines that is a list that contains the standards or guidelines in tracing a document. The author use official documents from PG. Kebon Agung Malang in accordance with the issues under research.

F. Data Analysis

According to Burn & Grove (2003:479), “data analysis is a mechanism for reducing and organising data to produce findings that require interpretation by the researcher”.

In a research of data analysis is part of the research methods play an important role. Data analysis is an activity after the data from all respondents or other sources of data collected. In this research, researcher used descriptive statistical data analysis. Researcher have only use one company to the description about the funding policy so to measure the data analysis the steps:

1. Analyzing the cost of goods manufactured PG. Kebon Agung Malang by the traditional cost accounting methods
2. Analyzing the cost of goods manufactured PG. Kebon Agung Malang based ABC system in the follows :
 - a. Identify resources and activities

The first stage should be done in designing the ABC system is to identify the cost of resources and perform activity analysis. Resource costs are costs incurred to perform various activities. Activity analysis is the identification and description of the activities within the organization. Companies need to classify all activities according to how these activities consume resources.

- b. Impose resource costs to activities

Resource costs can be charged to the event by way of direct tracing or estimation. On ABC system using the amortized cost driver. This is

because each operating activities of company lead to the cost of the resources used by the activity. Search directly require to measure the actual use of the resources used by the activity. If direct measurement are no possible to use the estimates by estimating the percentage of time or effort issued by the labor force in each activity identified.

c. Charge activity to cost object

If the cost of the activity is already known, then measure the cost per unit of activity. This is done by measuring the cost per unit for the output produced by the activity. Output to a system cost, usually in the form of products, services, customers, projects or business units.

3. A comparison between the cost of goods manufactured calculation of traditional cost accounting with ABC system.

