

ABSTRACT

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ANALYSIS THE EFFECT OF APPLICATION OF ACTIVITY BASED COSTING METHOD ON COMPANY PROFITABILITY

Calculating the exact cost of production is an important thing that must be done by each company. When a company calculates the cost of production of the right product, it is certain that the sale price of the product specified is not overcosted or undercosted. While the main problem of this research is the understanding of accounting related to the Activity Based Costing Method on Think Infinity Screen Printing which evaluates the company's profitability every month. The purpose of this Journal is to discuss the problem and provide solutions to the Research Subject, namely Think of Infinity Screen Printing, which has not been able to use the Activity Based Costing Method so that it has not been optimal in determining the selling price and has not yet produced an optimal profit as well. In taking this journal, the writer took the data by conducting an interview with the founder of the company. Based on the results of the interview, it was agreed that this journal was needed on the application of the Activity Based Costing Method as a solution to increase company profitability.

Keywords: Cost; Cost of Good Sold; Activity Based Costing Method; Profitability.