

## ANALYSIS OF TARGET COSTING IMPLEMENTATION IN COST CONTROL FOR PROFIT OPTIMIZATION (Case Study at CV. Jaya Abadi)

Hanum Maulidah <sup>1</sup>, Zaenuddin Imam <sup>2</sup> and Adytira Rachman <sup>3</sup>,

<sup>123</sup>Universitas 17 Agustus Banyuwangi ; author's e-mail [hanummaulidah5@gmail.com](mailto:hanummaulidah5@gmail.com), [zaenuddinimam@untag-banyuwangi.ac.id](mailto:zaenuddinimam@untag-banyuwangi.ac.id) [aditiraa@untag-banyuwangi.ac.id](mailto:aditiraa@untag-banyuwangi.ac.id)

\*Correspondence: Hanum Maulidah  
Email: [hanummaulidah5@gmail.com](mailto:hanummaulidah5@gmail.com)

Published: September, 2024



**Copyright:** © 2024 by the authors. Submitted for possible open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>).

**Abstract:** The application of cost accounting and target costing in optimizing profits has a very big role. Meanwhile, cost control itself also has a very important role for the company. This research aims to find out how to analyze the application of target costing in controlling costs to optimize profits at CV. Jaya Abadi. This research uses descriptive qualitative methods with primary and secondary data sources. The result is that CV. Jaya Abadi has implemented the target costing method since the company was founded and target costing is also included as the company's cost control so that it is able to obtain optimal profits with the profits that occur at CV. Jaya Abadi tends to experience an increase in each cycle or period. Based on the data obtained, the profit earned in 2022 in the Block A pool will be a profit of IDR. 790,726,376.00 Meanwhile, in 2023 the Block A pool will earn a profit of Rp. 1,194,036,216.00

**Keywords:** Target Costing, Cost Control and Profit Optimization

## INTRODUCTION

Shrimp farming, which is included as aquaculture, makes a very po-tential business for the running of the business. Optimal profit in the company is certainly related to the sales incurred by the company and related to the number of products produced by the company. This is certainly related to the amount of costs incurred by the company, the amount of costs incurred by the company will be associated with the value of product sales will directly affect the amount of profit that will be obtained by the company. The increasingly fierce business competition between companies engaged in the provision of goods and services is required to always find solutions to every problem that exists in the company, so that it can help managers from time to time. Therefore, companies must be able to find strategies and also effective ways for the long-term welfare of the company. Cost control is a factor that has an important role in the company's rate of decline in its production activities.

The research that has been conducted by previous researchers only focuses on production costs, not the company's profit where the research objective is to find out the application of target costing applied to the research object company in controlling production costs. Meanwhile, the research that the researchers have researched and have undergone updates that the researchers conducted at CV Jaya Abadi 2023 related to target costing in cost control for optimizing company profits focuses more on the stability and optimization of company profits whether in accordance with the method used or not. The purpose of the research is to find out how to analyze the application of target costing in cost control to optimize profits at CV. Jaya Abadi.

---

## METHOD

The research design that researchers use at CV Jaya Abadi focuses on research objectives. In this study, researchers used a type of qualitative research with data collection methods in the form of observation, interviews, documentation and questionnaires. The explanation regarding the data collection method is as follows:

### Research Location

This research was conducted at CV Jaya Abadi Banyuwangi. Researchers chose the object of research at CV. Jaya Abadi which is a manufacturing company engaged in shrimp farming. The consideration of determining the research location is because there is still no research conducted related to target costing in an effort to control costs for profit optimization, so that the research location is suitable to be used as a research object.

### Data Collection Methods

This research is a type of qualitative research that focuses on the research location as the object of research. This research uses primary data and secondary data obtained based on data collection methods in the form of observation, interviews, documentation and questionnaires.

### Research Instrument

In the qualitative research process, the instrument of the research process is the researcher himself. Where qualitative research is used as a human instrument, which functions to determine the focus of research, select informants as data sources, conduct data collection, assess the quality of data and analyze data then interpret the data and make conclusions.

### Data validity checking technique

The technique of checking the validity of data in research conducted at CV. Jaya Abadi is by carrying out a triangulation process. Where this triangulation can be interpreted as a data collection technique that combines various data collection techniques and existing data sources, Sugiyono (2018: 327). The research was conducted by including three sources of information. Therefore, by using this source triangulation method, the data obtained will be more accurate and more consistent, complete and certain. In this technique, researchers collect different data to get the validity of the same data source. The use of triangulation techniques aims to increase the research understanding of the new findings that have been found.

### Teknik Analisis Data

Data analysis is a step in the process of research activities which consists of the process of systematically searching and compiling data that has been obtained from interviews, notes obtained in the field and documentation. Then the data will enter the data reduction stage where there is a process of grouping similar data. Based on this grouping, a classification will be produced which will be arranged systematically or called a display. Where from the results of these activities conclusions will be drawn so that they are easily understood by oneself and others. Susan Stainback in Sugiono (2018: 332) states that data analysis is critical in qualitative research. In this study, researchers present data analysis in the form of writing in accordance with the analysis that has been carried out, namely by using descriptive qualitative analysis methods.

---

## RESULTS AND DISCUSSION

### Discussion

This study has been able to describe how the analysis of the application of target costing in cost control for profit optimization at the CV. Jaya Abadi company is taken from a series of data collection methods that have been carried out, namely in the form of primary data and secondary data.

The production process / shrimp farming at CV. Jaya Abadi occurs 2 production cycles in 1 year. The results of research that have been conducted based on CV. Jaya Abadi budget data on the production process for 2 years have different results. Where in 2022 CV. Jaya Abadi produced 32,688.638 biomass with total costs incurred of Rp. 1,992,639,744 with a net profit of Rp. 868,690,176. while in 2023 CV. Jaya Abadi produced 76,944.32 biomass with total costs incurred of Rp. 2,446,797,504 with a net profit of Rp. 1,194,036,216. so that the profit of CV. Jaya Abadi increased by Rp. 325,346,040.

### Profit Margin

One of the factors that can be used as a benchmark for the sustainability of a business is the profit margin generated by the company. With the acquisition of a higher profit margin, this can accelerate the company's return on investment. In addition, the company's profit can also be used as a signal for a business whether it is worth developing. business people generally have a profit target or profit target that can be determined by internal factors and external factors.

### Results

Based on the theory and also the acquisition of data during the research implementation, it can be concluded that CV. Jaya Abadi has implemented cost accounting, used the target costing method and connected target costing as a company cost control. The application of the target costing method applied by the company is of course very helpful for the company in planning the cost budgeting used in 1 cycle and even 1 year before the production process is carried out. Cost control itself also has a very important role for the company, where cost control is used as a guideline or material to control the costs incurred by the company so that the budgeted costs are in accordance with the realization and there are no wasted costs.

The relationship between target costing and cost control has a very close relationship, where both are interrelated to obtain optimal results or profit for the company. target costing as material for planning in the production process and cost control serves to control budgeted cost expenditures with realization. So that the budgeted budgeting and realization can run in line with the company's goals and obtain optimal profit results. Optimal profit acquisition is certainly related to how a company is able to carry out cost control in company activities during production. As stated by (Martini, et al) 2022 where the target costing method approach applied is able to describe the efficiency to increase profits in a business being run.

## CONCLUSIONS

Based on the theory that has been analyzed related to target costing, cost control and optimal profit generation. CV. Jaya Abadi company has implemented these two theories and obtained results or goals in accordance with what the company has planned. the use of the target costing method in the CV. Jaya Abadi company is able to obtain optimal profits.

Where with the budgeted budget and included as target costing in company planning as the first step in the production process takes place. In addition, target costing is also included as a cost control that cannot be separated in the company. With this method the company is able to carry out cost control and there is no use of wasted costs, besides that the profit from the budgeted results is also able to obtain optimal benefits or profits every time the production process.

## REFERENCES

- [1] Abdussamad, Zuchri. (2021). Qualitative Research Methods. Syakir Media Press. December 1, 2021. ISBN 978-623-97534-3-6.
- [2] Abdul Mu'ijz, Muhammad and Ita Rakhmawati. (2023). Target Costing Analysis in Profit Optimization of Micro, Small and Medium Enterprises. Volume 2 Number 1 March 2023 <https://journal.ip-mafa.ac.id/index.php/jiose> DOI: <https://doi.org/10.35878/jiose.v2i1.706> (accessed on December 3, 2023).e ISSN: 2829-1719, ISSN: 2962 3812.
- [3] Anugerah, E. G., Wahyuni, N. I., and Mas'ud, I. (2017). Application of Target Costing in Production Cost Management for Profit Optimization. E-Journal of Business Economics and Accounting, 4(1), 19. <https://doi.org/10.19184/ejeba.v4i1.4554> (accessed on December 4, 2023).
- [4] Anugerah Putri, Lilla and Yulinartati, Norita Citra Yuliarti. (2020). Application of Target Costing in an Effort to Control Costs for Achieving Profit Targets (Case Study at Berlian Bakery Kademangan - Bondowoso). Journal of Accounting July 16, 2020.
- [5] Arifin, Z., Indonesia, U. P., and Kejuruan, S. M. (2012). Implementation of Partnership-Based Strategic Management in Improving the Quality of Vocational Schools (Study on Vocational Technology Group in the Field of Oto-motif in Yogyakarta City). UPI Journal of Educational Administration, 14(1), 60-70. <https://doi.org/10.17509/jap.v14i1.6708> (accessed on December 2, 2023).
- [6] Ayu, Putu Cita. Sandrrya Dewi, Ni Luh Putu and Kusuma Dewi, Luh Gde. (2021). Management Accounting Textbook. UD Surya Grafika First Print. Singaraja, Bali.
- [7] Assegaff, A and Assegaf, Akma Syarief. Cost: Accounting and Classification. Paja3336/Module 1.
- [8] Budiarta, Ketut. (2016). Cost Accounting Traditional and Modern Approaches. Faculty of Economics and Business, Udayana University. Second print. Pelawa Sari. Denpasar.
- [9] Bustami, Bastian and Nurlela. 2009. Cost Accounting, 1st edition, Mitra Wacana, Media, Jakarta.
- [10] Creswell, John W. 2016. Research Design: Qualitative, Quantitative and Mixed Methods Approaches. Fourth Edition (First Printing). Yogyakarta: Student library.
- [11] Dewi, Santi Rahma. (2019). Cost Accounting Textbook. UMSIDA Press. First Printing. Sidoarjo. ISBN: 978-623-6833-855-8
- [12] Maya Alvio Dinda, Beta, Yulinartati, Astrid Maharani. (2021) Analysis of the Application of Target Costing in Efforts to Control Production Costs at CV Multi Bangunan. Journal of Research and Development of Science and Humanities Vol 5 (2), pp. 220-228
- [13] Hafid, Chaidir. (2017). Analysis of Cost of Goods Produced and Application of Target Costing at UD Wajuku Makassar. SKRIPSI.
- [14] Hariyani, Diyah S. (2018). Management Accounting. Aditya Media Publishing first print. Malang. ISBN: 978-602-52843-1-1
- [15] Indonesian Accounting Association. 2015. Statement of accounting standards (PSAK) No.69: Agriculture, Jakarta: IAI

- 
- [16] Imeoparia Lawrence and Sanusi Adebisi. 2014. Target Costing and Performance of Manufacturing Industry in South-Western Nigeria Global Journal of Management and Business Research: D Accounting And Auditing Vol 14 Issue 4. Redeemer's University Nigeria.
- [17] Iriyadi and Desi Efriyanti. (2020). Cost Accounting, First Edition. Bogor: Unity Press, 2020. ISBN No. 978-602-7642-89-8.
- [18] Kriekhoff, Shella & Elisabeth Riupassa. (2017). Analysis of the Implementation of Selling Price of Clove Pe-boat Craft Products at Clove Craftsmen in Waemahu Village, Latulat Village, Nusaniwe District, Ambon City. MANEKSI JOURNAL VOL 6, NO. 1, JUNE 2017
- [19] Kusuma, Indra Lili and Ayu Noorida Soerono. 2008. Target Costing: The Best Alternative for Cost Determination. Journal of Spark vol. 89.
- [20] Laily Octaviani, Nurul Mariatul and Nina Dwi Setyaningsih. (2022). Analysis of Target Costing Implementation as Profit Optimization at Batara Batik Banyuwangi. Mau-lana Malik Ibrahim State Islamic University Malang.
- [21] Lateka, Dinamariana and Natalia Y.T Gerungai. (2022). Analysis of Target Costing Implementation as a Production Cost Control System to Increase UD Profit. Elshadai Furniture. urnal LPPM EkoSos-BudKum (Economics, Social, Culture and Law) Vol. 6 No. 1 July December 2022, pages 1043 - 1052
- [22] Mahsunaha, Aniyatul and Hariyati. (2021). The Role of Target Costing in Increasing MSME Profits. Vol 9, No 3, May 2021 AKUNESA: Unesa Accounting Journal <http://journal.unesa.ac.id/index.php/akunesa/>.
- [23] Martini, R., Chaerunisa, M. S., Sarikadarwati, Arifin, K. Z., & Sulaiman. (2022). Recommendations for Determining the Cost of Goods Manufactured Based on Activity Based Costing. Journal of Economic, Management, Accounting and Technology (JEMATech). 5(2), August 2022. 160-166. DOI: <https://doi.org/10.32500/jematech.v5i2.2068>
- [24] Maryana. (2018). Profit and Cash Flow. A Study Related to Investment Opportunity Sets in Manufacturing Companies Listed on the Indonesia Stock Exchange. First print. Sulawesi: Unimal Press.
- [25] Maya Alvio, Yulinartati and Astrid. (2021). Analysis of the Application of Target Costing in Efforts to Control Production Costs at CV Multi Bangunan. Journal of Research and Development of Science and Humanities Vol 5 (2), p.,220-228. <https://ejournal.undiksha.ac.id/index.php/JPPSH> (accessed on November 24, 2023).
- [26] Mukhzarudfa. Wirmi Putra Eka. (2019). Management Accounting An Introduction. Salim Media Indonesia (Member of IKAPI). Jambi. ISBN No.978-602-5724- 80-0.
- [27] Nurfitriana, Silfania. (2020). Application of Target Costing as a Production Cost Control System for Profit Optimization at CV. Eleresas Folding Mats Lamongan. Journal of Accounting and Taxation Analysis, Volume 6, Number 1, March 2022, Pages 52-62
- [28] Rizki, Tia Ulfa. (2022). Application of the Target Costing Method in Optimizing Profit Planning Profit (Case Study at PT. Arma Anugrah Abadi. Journal of Management Economics, Vol. 17. No.1. June 2022
- [29] Salam, M. A. K. (2020). Production Behavior in the Middle of the Global Crisis Due to the Covid-19 Pandemic and Utilizing Facebook Online Media as an Alternative Market. Economics, Management and Accounting, 1-21. <http://eprints.umsida.ac.id/id/eprint/6834> (accessed on November 24, 2023).
- [30] Sugiyono. 2018. Quantitative, Qualitative, and R&D Research Methods, publisher Alfabeta, Bandung.
- [31] Sunaryo Putri, Dyah Puspitasari. (2022). Cost Analysis and Control. First Edition. Pamulang: Unpam Pres, 2022. ISBN No.978-623-5437-9-1

- 
- [32] Supriyono. (2016). Cost Accounting Cost Collection and Determination of Cost Price. BPFE-Yogyakarta. First Printing
  - [33] Tenri Dilasari, Andi, Andika Pramukti, Muhammad Faisal AR Pelu. (2023). Analysis of the Application of Target Costing as a Production Cost Control System. Journal of Economics Vol. 6 No. 3, July 2023 e-ISSN: 2622-6383
  - [34] Uzlifah, Nyoman Putra Yasa, Putu Eka Dianita Marvilianti D. (2018). Analysis of Accounting Treatment of Biological Assets at the Ijo Gading Fish Cultivation Group Organization (Pokdakan) Loloan Ti-mur Village, Jembrana District, Jembrana Regency. Ganesha University of Education, Vol: 9 No: 2 Year 2018
  - [35] Yulianto, Atun. Ani Wijayanti. M. Fathurrahman. Wisnu Hadi. (2021). Cost Control for Ho-tel and Restaurant. First Edition. Yogyakarta.
  - [36] Zahara, Vadilla Mutia, and Cep Jandi Anwar. (2021). Microeconomics (An Introduction). Bandung: Media Sains Indonesia.
  - [37] Zainal Arifin, Kiagus, Widya Pancala Ratri, Sulaiman, Rita Martini, Siti Farrahwati, Yuslin Fitriani. (2023). Analysis of the Application of Target Costing in Optimizing the Profit of PT Kramat Djati Asri Se-jati Palembang Branch. Volume 1 Number 3 Year 2023 pp 214-219.