

SOCIALIZATION OF SELLING PRICES FOR HEALTHY FOOD PRODUCTS USING FULL COSTING METHOD IN MERUYA UTARA DISTRICT, WEST JAKARTA

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ABSTRACT

Micro, small and medium enterprises are recognized as very strategic and important, not only for economic growth but also for equitable distribution of income. MSMEs also experience limited human resources. Most MSMEs have low education with minimal technical skills, entrepreneurial and management competencies. Through training in determining the cost of production, selling prices are expected to provide provisions for strengthening competitiveness in product sales. This article aims to describe the total costs incurred to produce a product to determine the selling price. The results of this activity are direct practice in calculating the cost of production which affects the selling price to MSMEs in the North Meruya Village area, West Jakarta.

Keywords: Production Costs, Selling Prices, MSMEs

1. INTRODUCTION

1.1. Background

Micro, Small and Medium Enterprises or known as MSMEs have many roles in eradicating poverty, reducing unemployment, and increasing people's income so that they can be independent in supporting their economy. MSME players must be able to develop and survive in line with intense business competition. The ability to compete in trade is important so that the Indonesian economy remains strong, especially in facing the ASEAN Economic Community (AEC). For this reason, the government continues to strive so that MSMEs in various regions can develop so as to support the economy of small communities by providing various conveniences in terms of funding, marketing, licensing and other supporting facilities.

Companies that produce goods need information on the amount of costs incurred to produce the product. Production costs such as raw materials, labor and other factory overhead are used as the basis for calculating the cost of production. With business competition between companies that produce similar products, companies must be able to face existing demands and challenges both in terms of quantity and quality. Calculating the cost of goods manufactured is a measuring tool for determining the cost of goods sold. Likewise, other MSME players, especially tofu production, must be able to truly calculate the production costs incurred to determine the selling price. Errors in calculating the cost of production affect the selling price. MSMEs are required to be more effective and efficient in running their business so that the products produced are of good quality so that they are competitive with competitors among MSMEs. Apart from quality, the selling price must be determined at a reasonable price, neither too low nor too high. If the price is too high, the company will have difficulty competing, whereas if the price is too low, the expected profit will be less than optimal. For this reason, selling price determination must be done using accurate and precise calculations in producing the product.

The objectives of determining the selling price carried out by the company for the products produced include (1) Survival of the company. Companies set this goal when they face excess production capacity, intense competition or changes in consumer tastes. In this case, survival is more important than making a profit. For the sake of the company's survival, a strategy was developed to set a low selling price with the assumption that the market would be price sensitive; (2) Increased profit flow. Companies can maximize short-term profits if the company prioritizes short-term financial achievements rather than long-term. Companies have the advantage of setting prices that can maximize short-term profits with the assumption that there is a relationship between demand and costs with a price level that will produce the maximum profit to be achieved; (3) Product quality leadership. In this case, the company sets high prices so that production quality is guaranteed. It is possible that the company has a desire to market high quality products or wants to become a leader in product quality in its market. In general, companies like this set high prices with the aim of covering the high costs of producing high quality products; (4) Increase sales. Increased sales will affect company revenues, production volume and company profits. Companies always want high sales numbers to support their survival. Increased sales can be achieved through an aggressive marketing mix. Product development by updating or offering new

products can increase sales. On the one hand, the company can increase sales volume while maintaining its profit level. Meanwhile, on the other hand, management can decide to increase sales volume through price cutting strategies or aggressive pricing by bearing risk; (5) Maintain and increase market share. One strategy that a company can take is to maintain and increase market share. Many companies set low prices to maintain and increase market share. 6. Stabilize prices. Companies try to stabilize prices with the aim of avoiding price wars when demand increases or decreases (unstable) (Kotler, 1996).

1.2. Focus on Community Service

Meruya Utara Subdistrict is one of the densely populated residential areas in Kembangan District, West Jakarta with an area of 476 ha and is dominated by residential zones and several mixed zones as well as public and social service zones. Most of the residents have household businesses, such as food stalls, laundry businesses, drinking water refill kiosks, workshops, vegetable stalls and many more. All of these businesses are carried out on a part-time basis and are still managed traditionally, including in terms of record keeping.

The COVID-19 pandemic has made things worse, especially in terms of income because most of their businesses cannot survive and have closed. This problem needs attention so that people can start businesses with more optimal management so that they can increase income and business continuity. Optimal business management can be done through calculating the cost of production so that a profitable selling price can be determined.

1.3. Justification And Targets

To increase knowledge regarding product selling prices, residents in North Meruya Village must understand the method of calculating the cost of production. This training is important so that residents can practice it so that they can increase family income and business continuity and can compete in the market.

1.4. Identification of Problems

From the identification of these problems, several important points were obtained, namely that residents of Meruya Utara Subdistrict, West Jakarta still manage their businesses traditionally so that they are not yet optimal in generating profits that can increase family income, business continuity and be able to compete in the market.

1.5. Relevance

This community service is expected to help the community to manage their business through knowledge of methods for calculating the cost of production to increase family economic income, business continuity and be able to compete in the market.

2. METHOD

To overcome the problem of understanding MSME owners about determining the selling price of MSMEs within the residents of Meruya Utara Subdistrict, it is necessary to provide counseling and training on how to calculate the cost of production in order to determine the selling price for MSME owners. Training and practice on how to calculate the cost of production for MSME owners in North Meruya Village was carried out in the multi-purpose hall of North Meruya Village by providing materials and tips as well as practice in calculating the correct and good cost of production and determining product selling prices. Through training and practice in calculating the cost of production and tips for determining selling prices, it is hoped that local residents as owners of MSMEs will be able to practice this in their respective business activities.

The initial stage of this activity is a field survey to collect information and categorize the problems faced by residents, especially business actors in the North Meruya sub-district area, matching with the resources owned by the Community Service Team, developing a priority scale based on opportunities for implementing activities. The second stage is the preparation of activities by preparing work plans and program implementation instruments, determining the implementation team and their work descriptions according to their expertise as well as discussing/debriefing the team in terms of technical implementation. The third stage is implementation, including the distribution of materials in softcopy and hardcopy form, a general explanation of the procedures for calculating the cost of production and determining the selling price of products, workshops on procedures for calculating the cost of production and determining the selling price of products to MSME management members in Meruya Utara Subdistrict. . The final stage of this activity is evaluation. Evaluation is carried out for two purposes, namely, as feedback for early improvements in the implementation phase and as feedback for subsequent training. There are two modes of evaluation carried out. The first mode is during the training implementation and the second mode is at the end of the training implementation. The first

mode is for evaluation purposes to carry out early improvements and the second mode is for subsequent program improvements. The results at the evaluation stage are used as the basis for compiling a service program implementation report, which includes a description of program implementation, obstacles in implementation, achievements of the targets set and solutions implemented to overcome obstacles. In the end, the program implementation report is used as the basis for accountability for the implementation of service to interested parties.

3. RESULTS AND DISCUSSIONS

3.1. Results

Table 1. Output Achievement Target Plan

<i>No</i>	<i>Type of Output</i>	<i>Achievement Indicators</i>
1	Scientific publications in ISSN journals/proceedings 1)	Draft
2	Publication in print/online/repository media 6)	Reached
3	Increasing competitiveness (increasing quality, quantity, and value-added of goods, services, product diversification, or other resources 4)	Reached
4	Improvement of science and technology in society (mechanization, IT, and management) 4)	-
5	Improvement of community values (cultural, social, political, security, security, education, health) 2)	Reached
6	Publication in international journal 1)	Reached
7	Services, social engineering, methods or systems, products / goods 5)	Reached
8	New Innovation atau TTG 5)	-
9	Intellectual property rights (Patents, simple patents, copyrights, trademarks, trade secrets, industrial product design, protection of plant varieties, protection of integrated circuit toography designs) 3)	-
10	Book with ISBN 6)	-

3.2. Discussion

Implementation at the RW 06 Training Center, Meruya Utara Subdistrict, Community Service activities will be held on Friday 5 May 2023 starting from 13:30 to 17:00 WIB. This event began with an opening with remarks from Mr. Agustawan, Head of the People's Welfare Section (Kesra), who provided motivation to MSME players to continue carrying out business activities. Welcome speech from Mercu Buana University, represented by the Head of the Research and Community Engagement Group, Dr. Deden Tarmidi SE., MSi, who has established a good cooperative relationship with Meruya Utara Subdistrict and will continue to ground the academic field with society in reducing the mismatch between the world of education and the world of industry.

Training materials were distributed to participants regarding theoretical material in the form of PPT. The training material is presented in power point form as well as practice in making nuggets. Each participant received material. The training material is explained interactively in the form of presentations, questions and answers. Evaluation of this activity was carried out through a questionnaire distributed to the participants who came, namely 45 participants. The purpose of this questionnaire is that participants can understand the purpose of the activity, can calculate the cost of production and selling price and the team can get feedback regarding the theme of the next activity carried out.

4. CONCLUSIONS

The community service implementation was carried out online and it turned out that participants were able to take part. The results of the questionnaire for implementing Community Service, 95% of participants felt very satisfied, 5% felt satisfied with the material presented because participants felt it was very useful in gaining knowledge.

This socialization activity on the method of calculating the cost of production is expected to allow residents in the North Meruya Village area to understand the method for calculating the cost of production so that the residents of North Meruya Village, especially business actors, can practice this method directly so that they can determine selling prices that can increase profits. This increase in sales profits can increase family income, business continuity and be able to compete with other business actors.

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