ANALYSIS PLANNING AND COST CONTROL FOR ASSESSING THE USE OF PRODUCTION COSTS (Case Study In March Mira Block Building Industrial Lda Dili East Timor)

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ABSTRACT

Thesis Title Analysis planning and cost control to assess the use of the cost of production at the company Mira March Block Building Industry, in principle Planning is the company's activities can be run well and coordination is needed in the company plans to be done by the company , The theory used in this study there are three theories namely planning, cost control and the use of production costs as well as the theoretical framework based on existing titles, and Also the type of research is descriptive quantitative research. The population used in this study is the actual the data from the company's inception until today, as well as the sample of the lift only from 2010-2012.

In 2010 the results of the calculation of the break-even sales revenue of $ 186,400.35 adobe A variable cost of $ 51,455.00 and a flat fee of $ 28,160.00. Breakeven of $ 38,575.35. and a safety margin percentage was 79%, while sales revenue adobe B of $ 308,096.40, the variable cost of $ 51,455.00, a flat fee of $ 28,160.00. Break-even point is $ 33,523.80. Safety margin percentage was 89%.

In 2011 from the calculation of the break-even sales revenue on a brick for $ 187,862.40, the variable costs of $ 62,485.00 and a flat fee of $ 28,160.00 and a net profit of $ 97,217.40. Break-even point is $ 42,029.85, with a safety margin percentage of 77%. While brick and sales revenue amounted to $ 313,308.80, the variable cost of $ 62,485.00, a flat fee of $ 28.160.00, as well as a net profit of $ 222,658.80. break-even point is $ 34,765.43, a safety margin percentage of 88%.

In 2012 from the calculation of the break-even sales revenue on a brick for $ 205,112.04, the variable costs of $ 62,710.00 and a flat fee of $ 28.160.00 and a net profit of $ 114,242.04. Break-even point is $ 40,228.57, a safety margin percentage was 80%. While brick and sales revenue of $ 360,112.05, the variable cost of $ 62,710.00, a flat fee of $ 28,160.00 and a net profit of $ 269,242.05. Break-even point is $ 33,928.71. Safety margin percentage was 90%.

Keywords: planning and cost control production costs.

INTRODUCTION

This current era of technological advancements business competition becomes very tight, both in the domestic market (national) as well as international market. Business competition are endless and growing. If the orientation of the company is competitive, then the company would run out of energy to optimize the company's performance just to compete so the main focus is the win of the competition. Whereas the orientation of the company should prioritize the best performance to satisfy the customers. In order to survive in this business competition, the company is required to be able to produce goods or services that have quality, have the advantage or the characteristics and the price is relatively cheaper so that goods and services are in demand by consumers. With the increasing interest of consumers for goods and services of the company, it will increase sales and revenues so as to maintain its viability.

Many companies can not last long because it is not able to compete with companies emerging. To face the stiff competition, companies are required to work effectively and efficiently. Then the company needs a good working plan. The work plan can be a good handling and good corporate governance as well, usually carried out by management. Management is required to produce decisions that can support the development of the company so as to achieve the company's goals.

Companies generally have the same goal of getting profit. Profit is the result obtained from income after deducting expenses. Profit is an important component in running the company, because it is the management company must make efforts or actions to obtain the maximum profit. If the company makes a profit, the maximum positive growth will occur. If the positive growth occurs then companies will experience growth. The existence of a maximum profit, the company was able to expand its business and is able to maintain its viability. But in fact often the company experienced a decline in profits and even suffered losses.

Company Mira March Block is one of the private companies engaged in the manufacturing industry, particularly in the field of building materials products, which realized that the company relies on customer satisfaction where the quality of products and services in accordance with the wishes and expectations of consumers. Where the company Mira March Block in operations add value to the product before or in other words to process the raw materials into finished products ready to be marketed and the products produced by the Company in March Mira Block in the form of bricks, loster, paving and pillars.

But the problems that often occur in manufacturing companies like Mira Mar Block is about the costs incurred to meet the needs of companies that are not accompanied by an increase in profit. Profit achievement fickle and tend to decline if allowed to continue would jeopardize the company's existence. This is because the activities or operations of each company must always require earnings. Profit is one of the most important component in running the company. Therefore, the management company must make efforts or corrective actions to get the optimal profit.

The operational costs are economic resources in order to maintain and get the highest revenue. Operational costs are costs that are affected by the activities of the company, therefore increasing the level of activity, it is also increasing operating costs. Because operating costs are costs directly involved in the activities of the company, then in determining the cost of the operation can not be conducted separately with a series of activities of the company. In order to achieve the maximum profit management can only control components because the components of cost of sales quantity that will affect revenue, the amount is very dependent on the consumer.

Cash flow statement is a statement that can provide more complete information, ie the amount of cash available in the company. With a cash flow statement, the cash flow of information can help supplement existence as an indicator of the company's financial situation. Besides the cash flow from operating activities is an indicator to determine whether the resulting cash flows sufficient to repay loans, maintain the operating capability and invest without relying on outside funding. Cash flow statement should be presented detailing the components of cash flow from operating activities, investing, and pendanaaan.

The company's ability can be measured by looking at the profit generated by using the ratio of profitability. Profitability is the ratio that indicates the ability of the capital invested in total assets to generate profits for all investors. Profitability ratios can be measured by several indicators, namely, Return on Assets (ROA), Return on Investment (ROI) Return on Equity (ROE) Net Profit Margin (NPM) and the Gross Profit Margin (GPM). The ratio used by manufacturing companies to assess whether the company can benefit from the overall assets is Return On Asset (ROA) for the ability to generate earnings will depend on the ability of management to manage existing assets. Assets used in the form of machinery for producing goods. Return on Assets (ROA) can be calculated by comparing the profit before tax to average total assets.

The company's ability to remain competitive in the competition with other companies, require the company to improve profitability. Not easy company to improve profitability. All sorts of ways by the company to improve profitability, for example by maintaining market share by increasing product quality, improving employee performance, as well as reduce the costs incurred but remains concerned about the quality of products produced.

LITERATURE REVIEW

Understanding Costs

Bastian Bustami and Nurlela (2007: 4), said "the cost is the sacrifice of economic resources is measured in units of money that has happened or will follow to achieve certain objectives" These costs are not yet exhausted its useful life, and are classified as assets included in the balance sheet.

Horngren, Flat and Foeter (2005: 34), defines "cost (cost) as a resource money sacrificed (sacrified) or released (forgone) to achieve certain goals."

Sunarto (2003: 4) mengenmukakan that "Cost is the principal or parts that have been used or consumed to obtain opinions."

Mulyadi (2000: 8), said "the cost is the sacrifice of economic resources, measured in units of money, which has occurred or is likely to occur for a particular purpose."

World And Wasilah Ahmad Firdaus Abdullah (2012: 22), suggests the cost (cost) is expenses or the value of sacrifice to obtain goods or services that are useful for the future or have benefits beyond an accounting period. "

Accountants define costs (cost) as a resource sacrificed or removed in order to achieve certain goals. A fee is usually measured in units of money that must be spent in order to obtain goods or services.

Based on the notions costs have been proposed by the experts above it can be concluded that the cost of the sacrifice of economic resources is measured in units of money that has occurred or is potentially going to happen to the company's goals.

Definition of Operating Costs

Sudarsono and Edillius (2001: 201), the operating costs are costs incurred for the cost of a company's business operations.

Mulyadi (2000: 84), defines the operational costs as the costs incurred for processing raw materials into finished products ready for sale.

Sugiri And Bogat Agus Slamet Riyono (2002: 70), Definition Operating costs are "the operating costs are expenses incurred for business activities (operating) companies.

Jopie Joseph (2006: 33), the definition of operating costs are "the operating costs or operating expenses are costs that are not directly related to the company's products but with regard to activities of daily company operations.
Hongren, Foster And Datar dialihbahsakan by Desi Adhariani (2008: 35), giving a definition that distinguishes operating costs are "direct operating costs is an object costs associated with a cost object and can be traced to a cost object specified in a way that is economically feasible (cost-effectiveness) ".
Based on the above understanding, it can be concluded that the operational costs of a number of costs incurred by the company to finance the operational activities of the company during a certain period.

Pengolongan Operational Costs
Supriyono (2004: 209), the operating costs are grouped into 2 groups and can be interpreted as follows: (1) direct costs (direct costs) are costs incurred or benefits can be identified to the object or the center of certain fees and (2) Indirect costs (indirect costs) are costs incurred or benefits can not be diididentifikasi on an object or a particular cost center, or cost of the benefits enjoyed by some object or a cost center.

Cash flow statement
Sofyan Syafri Harahap (2008: 257), says: "cash flow (cash flow) is a report that provides relevant information about the cash receipts and disbursements in a given period by classifying transactions on activities: operational, financing and investment."
Henry Simamora (2000: 488), reports "cash flow (cash flow statement) is a financial statement that shows the influence of the activities of operating, financing and investing company against cash flow for the accounting period specified in a way that reconciles the beginning and ending balances of cash. "
Ridwan S. Sundjaya And Inge Diamond (2001: 61), defines "cash flow as cash flow summary for a given period of this report kadan called sources and investment firms operating pengunaanya and cash flow financing and shows the changes in cash and marketable securities during the period . "
Harry Supangkat (2003: 33), proposed "cash flow is a summary of the transaction in the form of cash from three kinds of activities that the company is operating activities investing activities financing activities."
Darsono And Ashari (2005: 90), defines "cash flow as a report containing information about the sources and use of the company's cash during a certain period."
Based on the above understanding can be concluded cash flow is a summary of financial transactions berhungan with sources inflows and outflows of cash and without regard hubuganya with revenue earned and expenses incurred, the focus of concern for the cash receipts and disbursements of a company at a certain period ,

Benefits of Cash Flow Statement
Cash flow statement was assessed as providing information about the company's ability to earn a profit and the company's liquidity condition in the future.
Sofyan Syafri Harahap (2008: 257), the benefits of the cash flow statement is as follows: (1) The company's ability menglola treasury, planning, control incoming and outgoing cash the company in the past, (2) Possible keadan cash flows in and out, the current net cash including the ability to pay dividends in the future, (3) Information for investors, credit projecting back from the source of the company's assets, (4) The ability of the company to the inclusion of the company's cash in the future dantang, (5) The reason for the difference between profit clean the

cash receipts and disbursements, and (6) The influence of a good investment for the company's financial position during a certain period ".

Profitability

Every company that is profit oriented will certainly try to use every asset owned to generate optimal profit. Company wants sdioperasikan some of their funds, so as to increase the profitability or the optimum gain.

G.Sugiyarso and F. Winarni (2005: 118), profitability is: the company's ability to obtain profit in relation to total sales of assets and own capital.

Michelle and megawati (2005), defines profitability as the company's ability to generate profits or profit that would be the basis of dividend companies.

Munawir (2007: 33), stating that the profitability or profitability is to show the company's ability to generate profits for a certain period ".

Bambang RJ (2001: 35), states that: "The profitability of a company shows a comparison between the earnings of capital assets that generate such profits. In other words, profitability is the ability of a company to generate profit for a certain period.

Simamora (2000: 528), profitability is: the size of the overall success of the company's principal.

The company will always try to maximize profits earned, but more important is the effort to enhance profitability. This is because that the huge profits bukanlahmenjadi absolute indicator that the company has been operating in efisien.tingkat efficiency can be measured by comparing the profits obtained by wealth or capital to generate such profits.

To measure the company's ability to earn income with operating capital employed, can be used one measure of accounting, ie profitability, or so-called profitability.

Based on the explanation above, the experts can be deduced about the profitability of that: the company's ability to earn income with total sales of assets, capital owned by the company as a basis for the distribution of dividends on the company's success.

Profitability Ratios

To find out the correct information and focused on the ability of the company's profit, the analyzer requires the existence of a certain size to help analyze and interpret the financial position of a company, to further communicated to the various stakeholders on the state of progress and development of the company.

For that is often used in the analysis is the ratio of the financial statements. Ratio describes a relationship or consideration (mathematical relationship) between a certain number with another number.

Munawir (2007: 65), "Using the ratio analysis it is possible to determine the level of liquidity, solvency, operating effectiveness and the degree of profit of an enterprise (company profitability)". And in this study, analysis of the ratio used is the analysis of return on assets.

Agus Sartono (2002: 64), defines: Ratios of profitability is an activity of the overall management addressed by the size of the level of benefits in relation to sales, assets, capital and investment ". Profitability can be measured using ratios. Ratios that can be used to measure profitability.

Darsono And Ashari (2005; 56), there are four profitafilitas ratios used are:

1. Gross profit margin (GPM)

   The ratio of gross profit margin or gross profit margin sought by the net sales less cost of sales divided by net sales. This ratio is useful to know the company's gross profit from each item sold. So knowing this ratio, we can know that for every single item that is sold, the company earned gross profit of x rupiah.

2. Net Profit Margin (NPM)

Net income divided by net sales. This ratio illustrates the magnitude of the net profit earned practiced by the company on any sales made. This ratio does not describe the magnitude of the percentage of net profit obtained by the company for each sale because of the elements of income and non-operating costs.

3. Return on Assets (ROA)

   Net income divided by average total assets. Average total assets acquired from the beginning of the year total assets plus total assets year-end divided by two. Return on assets can be obtained from the net profit margin multiplied by asset turnover. Asset turnover is net sales divided by average total assets. This ratio illustrates the company's ability to generate profits from every single rupiah assets used.

4. Return On Equity (ROE)

   Net income divided by average equity. Average equity obtained from the beginning of the period plus equity at end of period divided by two. This ratio is useful. To determine the amount of change given by the company for every rupiah of capital and owners.

This ratio indicates management's success in maximizing the rate of return to shareholders. The higher this ratio, the better because it provides a greater level of return to shareholders.

RESEARCH METHODS

Population

Population is the object or subject that has certain characteristics that have been determined to be researched and studied to subsequently drawn conclusions. Meanwhile, according to Sugiyono (2009: 115) is a generalization of the region's population is composed of objects or subjects that have certain qualities and characteristics defined by the researchers to be studied and then withdrawn kesimpulannya.Populasi targeted in this study is in the form of financial statement data Block Mira company in March that the data on the balance sheet, an income statement.

Samples

Samples are part of the population wanted to study, but all the elements in the population has a chance to be representative of the population.

Sugiyono (2009: 116) states that the sample is part of the number and characteristics possessed by this population.

Based on the above statement, the authors take a sample of 4 years of financial statements for 2010 to 2013.

RESULT AND DISCUSSION

Discussion and Analysis of Operating Costs

Operational costs are costs that are not directly related to the company's products but with regard to activities of daily company operations . To see the use of the company's operating costs Mira Block Bulding Industry from 2010 to 2013 can be seen in Table 1 below:

Table 1. Final results BOPO Ratio Calculation
On March Mira Company Block Of The Year 2010-2013

Year	BOPO (%)
2010	22
2011	22
2012	21
2013	17

Analysis and Discussion Profitability Ratios
Profitability ratios are the activities of the overall management addressed by the size of the level of benefits in the sales , assets , capital and investment " . Based on the ratios that exist in this study the ratio used to process the data that there are researchers using a ratio as follows :

Table 2. Ratio Calculation Results and Discussion

No	Ratio	Year			
		2010	2011	2012	2013
1	Gross Profit Margin	0.64	0.64	0.65	0.76
2	Net Profit Margin	0.53	0.53	0.54	0.66
3	Return On Assets	0.66	0.62	0.57	0.68
4	Return On Equity	0.66	0.63	0.57	0.68

CONCLUSION
Conclusion
Based on the results of the analysis and discussion of operating costs and cash flow to measure the profitability of the company in March Mira Block Building Industry. Then at the end of these researchers can draw conclusions as well as providing advice and recommendations in this study are as follows:
1. The ratio BOPO of the calculation in the company in March Mira Block from 2010 through 2013 showed a downward trend with the development of the decline in the ratio BOPO from year to year shows a good thing because the ratio of ROA will cover operating expenses of existing and indicates management efficiency in using operating costs.
2. Profitability Ratios
To find out the correct information and focused on the ability of the company's profit, the analyzer requires the existence of a certain size to help analyze and interpret the financial position of a company, to further communicated to the various stakeholders on the state of progress and development of the company.
For that is often used in the analysis is the ratio of the financial statements. Ratio describes a relationship or consideration (mathematical relationship) between a certain number with another number.
a. GPM calculation results of the year 2010, 2011, 2012 and 2013 may be an increase in the gross margin keutungan which means there is an increase in the management get the highest margin sales made by the company.
b. NPM calculation results of the year 2010, 2011, 2012 and 2013 show the developments with increasing trend, which means an increase in financial performance in the use of sales made, and NPM are steeper obtained in 2013 because the company earned high returns on assets employed.
c. ROA calculation results of the year 2010, 2011, 2012, and 2013 showed progress with fluctuating trend shows that financial performance kuran well as the management is not maximized in using total assets held to generate a net profit.
d. ROE calculation results of the year 2010, 2011, 2012 and 2013 showed progress with fluctuating trend which means a poor financial performance as management in a company is not maximized in the average use existing capital to get the highest net income.

Suggestion
Based on the above conclusion, the writer can suggest several things that are expected to be considered and improvements in the use of operational costs and cash flow to measure the

profitability of the company in March Mira Block for the foreseeable future. As for suggestions that question is as follows:

1. The profitability of the company experienced volatile, the company is expected to increase profit every year by increasing sales and minimize expenses.
2. To generate profitability (ROA) is large, then the company must optimize all the potential total assets owned so there is no waste, so it can produce high profits.
3. To generate profitability (ROE) is large then the company should be avoiding the inefficiencies in the use of capital owned so there is no waste, so that it can generate high profits.
4. Keep enhanced management capabilities by using all the resources, both human resources, facilities and infrastructure available and owned capital effectively and efficiently so that the company can more maximum profit.

Recommendations Research Upcoming

Recommendations for further research preformance researchers , free variable that is used should not only operating costs and cash flow just because there are many factors that could affect the company 's profitability . in addition, the number of samples and the studied company should be propagated to strengthen the research results .

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