

DETERMINING THE COST OF RICE AND CORN SOLD AT UD BAROKAH MOJOKERTO

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ABSTRACT

This study aims to determine the calculation of cost of goods sold at UD Barokah. UD Barokah is a trading company engaged in trading food staples such as rice and corn. This research uses data collection methods of observation, interviews, documentation, and literature studies to obtain data on cost of goods sold at UD Barokah. The type of data used is in the form of primary data and secondary data. The results of this study can be concluded that the determination of the selling price at UD Barokah is not appropriate because there is no determination of the cost of goods sold which can be used as a benchmark to determine the selling price and predict profit/loss.

Keywords: *selling price, cost of goods sold.*

INTRODUCTION BACKGROUND

Basically, the activity of every company is carrying out sales and purchase transactions in the form of goods and services, so it can be called the company's main activity. The company must guarantee the availability of goods or services to be sold, so that the company can carry out its main activities. In trading companies, the provision of goods is carried out by purchasing merchandise which is then stored and then resold without changing the goods.

Each company definitely has a different strategy in determining the selling price of goods, because it is impossible for a company to run its business without determining a definite selling price for each item to be sold. Companies must obtain optimal profits or profits by utilizing company resources or assets effectively and efficiently, so that the company can continue to run and maintain company continuity. Making decisions regarding determining the selling price of merchandise is a very important decision for the company to make a profit on the goods sold. The strategy for the company to make a profit is that the selling price set must be higher than the purchasing price, but the company must know the cost of goods sold to set a selling price that is in line with market prices, so that consumers do not buy elsewhere. If the purchase price is higher than the selling price set by the company, the company may experience losses, thereby threatening the company's sustainability.

UD BAROKAH is a business entity that operates in the trading sector and has various kinds of merchandise, so it must pay attention to decision making regarding selling price determination. UD BAROKAH carries out merchandise sales transactions, setting a profit percentage for the selling

price of merchandise ranging from 10% to 20%, where this percentage is not the same for each merchandise to be sold. The percentage of the selling price of the merchandise is determined by the store manager and the owner without considering the conditions in determining the selling price. The specified selling price cannot be lower than the cost of goods sold to optimize profit or profit. This is what can affect the amount of profit or shop profit at the end of the period.

The cost of goods sold in a period depends on the amount of merchandise inventory at the end of the period. The inventory of merchandise in one period is determined at the end of the period by separating the cost of goods available for sale. If there is an error in determining inventory, it will result in an error in calculating the selling price of goods which will then affect the profits the company will get.

In connection with the above, the author is interested in choosing the title "Determining the Cost of Goods Sold for Rice & Corn Merchandise at UD Barokah Mojokerto".

Formulation of the problem

Based on the background explanation above, the author formulated the problem in this research as how to determine the cost of goods sold for rice and corn at UD BAROKAH in Mojokerto.

DISCUSSION

1. Research methods

a) Method of collecting data

1) *Observation*

According to Gunawan (2014: 143), observation is the most basic and oldest method, because in certain ways we are always involved in the process of

observing. The term observation is directed at activities accurately, recording phenomena that arise, and considering the relationship between paying attention to aspects of the phenomenon.

Observation can be concluded as the activity of observing objects or things directly to obtain information which will then be recorded systematically. The author made *observations* at UD Barokah to obtain information or data that will be used as research material. The data that will be used for research is data on purchases of merchandise in the form of rice and corn.

- 2) Interview
According to Moleong (2014: 186), an interview is a conversation with a specific purpose, carried out by two parties, namely the interviewer *who* asks questions and *the interviewee* who provides answers to the questions that have been given.
The definition of an interview that can be concluded by the author is a conversation in the form of questions and answers between 2 (two) people, namely 1 (one) interviewer who acts to ask questions and 2 (two) sources who answer questions asked by the interviewer to obtain information. In the interview data collection method, the author conducted an interview with the supervisor (Mrs. Mardiyah).
- 3) Documentation
According to Indrawan and Poppy (2014: 139) data collection techniques through documentation studies are defined as efforts to obtain data and information in the form of written notes/images stored relating to the problem being studied. Documents are facts and data stored in various materials in the form of documentation. Most of the data available is in the form of letters, reports, regulations, diaries, biographies, symbols, artifacts, photos, sketches and other stored data.
- 4) Literature Study
To obtain data by reading and studying books, journals and sources related to the problem being researched to obtain theories to complete the required data

b) Data Type

1) Qualitative Data

According to Sugiyono (2014: 9), qualitative research methods are research methods that are based on the philosophy of *postpositivism*, used to research the conditions of natural objects (as opposed to experiments) where the researcher is the key instrument, data collection techniques are carried out in combination, analysis the data is inductive/qualitative, and the results of qualitative research emphasize meaning rather than generalization.

2) Quantitative Data

According to Sugiyono (2014: 13), quantitative research methods can be interpreted as research methods that are based on the philosophy of *positivism*, used to research the population of a particular sample, sampling techniques are generally carried out randomly, data collection uses research instruments, data analysis is quantitative or statistical with the aim of testing a predetermined hypothesis

c) Data source

1) Primary data

According to Sugiyono (2016:225), primary data is a data source that directly provides data to data collectors. In this research, primary data is in the form of interviews and direct observations at UD Barokah.

2) Secondary Data

According to Sugiyono (2016:225), secondary data is data that does not directly provide data to data collectors, for example through other people or through documents. Secondary data sources used in this research were obtained by conducting library research looking for books, literature and previous research.

RESEARCH RESULT

Based on the results of research conducted by the author, UD Barokah determines the selling price by purchasing price plus Rp. 30,000.00 for each sack of rice. Meanwhile, to determine the selling price of corn, UD Barokah determines by purchasing price plus Rp. 1,000.00 for every kilogram. UD Barokah does not add shipping costs which are charged when purchasing rice and corn so that shipping costs of Rp. 40,000.00 for purchasing rice and shipping costs of

Rp. 10,000.00 for purchasing corn are not added to the selling price calculation.

This method of determining the selling price can result in the profit obtained not being able to be calculated accurately because there are costs that are not added. Because sometimes the purchase price is not always the same as the purchase price in the next purchase period. If the purchase price in the next period increases, the desired profit will be smaller. Based on the problems that occur based on the information above, the author provides a solution to UD Barokah to determine the cost of goods sold first as a benchmark for determining the selling price. So that the profits obtained can be predicted. To calculate the cost price the author uses the following data:

No	Date	Amount	Price per KG
1	May 4, 2019	7 Quintals	Rp. 9,900,-
2	May 13, 2019	7.5 Quintal	Rp. 9,900,-
3	May 24, 2019	7.5 Quintal	Rp. 9,900,-
4	May 30, 2019	5.5 Quintal	Rp. 9,900,-

Table 3.1 Data on UD Barokah Rice Purchases
Source: UD Barokah (2019)

No	Date	Amount	Price per KG
1	May 3, 2019	1 Quintal	IDR 6,000,-
2	May 17, 2019	1 Quintal	IDR 6,000,-

Table 3.2 Data on UD Barokah Corn Purchases
Source: UD Barokah (2019)

KARTU PERSEDIaan Mei 2019
Nama Barang : Beras

dalam Kilogram

TANGGAL	MASUK			KELUAR (FIFO)			SALDO		
	UNIT	HARGA SATUAN	JUMLAH	UNIT	HARGA SATUAN	JUMLAH	UNIT	HARGA SATUAN	JUMLAH
01/05/2019							400	9,900	3,960,000
03/05/2019				200	9,900	1,980,000	200	9,900	1,980,000
04/05/2019	700	9,900	6,930,000				900	9,900	8,910,000
12/05/2019				675	9,900	6,682,500	225	9,900	2,227,500
13/05/2019	750	9,900	7,425,000				975	9,900	9,652,500
23/05/2019				725	9,900	7,177,500	250	9,900	2,475,000
24/05/2019	750	9,900	7,425,000				1000	9,900	9,900,000
29/05/2019				475	9,900	4,702,500	525	9,900	5,197,500
30/05/2019	550	9,900	5,445,000				1075	9,900	10,642,500
31/05/2019				125	9,900	1,237,500	950	9,900	9,405,000

Source: UD Barokah (2019)

Figure 3.2 UD Barokah Rice Inventory Card

KARTU PERSEDIaan Mei 2019
Nama Barang : Jagung

dalam Kilogram

TANGGAL	MASUK			KELUAR (FIFO)			SALDO		
	UNIT	HARGA SATUAN	JUMLAH	UNIT	HARGA SATUAN	JUMLAH	UNIT	HARGA SATUAN	JUMLAH
01/05/2019							65	6,000	390,000
02/05/2019				20	6,000	120,000	45	6,000	270,000
03/05/2019	100	6,000	600,000				145	6,000	870,000
16/05/2019				135	6,000	810,000	10	6,000	60,000
17/05/2019	100	6,000	600,000				110	6,000	660,000
31/05/2019				80	6,000	480,000	30	6,000	180,000

Source: UD Barokah (2019)

Figure 3.3 UD Barokah Corn Inventory Card

The inventory recording system used by UD Barokah is a perpetual recording system. Meanwhile, UD Barokah uses the *First In First Out (FIFO)* method for recording .

The rice and corn purchase data that the author will use is purchase data in May 2019 with a total rice purchase of 2,750 kg with a price per kilogram of IDR 9,900.00 . Purchase 200 kg of corn with a price per kilogram of IDR 6,000.00 .

Purchasing merchandise in the form of rice, there is a shipping fee charged for each delivery of IDR 40,000.00 per purchase and for purchasing rice in May 2019 there were 4 purchases so that the total shipping fee paid during May 2019 was IDR 160,000.00 Meanwhile, for purchasing merchandise in the form of corn, a delivery fee of IDR 10,000.00 is charged and in May 2019 there were 2 deliveries, so the total delivery fee paid during May 2019 was IDR 20,000.00.

a. Determination of the Cost of Goods Sold for Rice Merchandise :

Initial rice inventory		Rp. 3,960,000.00
Purchase	Rp. 27,225,000.00	
Shipping costs	IDR 160,000.00	
Net purchase		IDR 27,385,000.00
Items available for sale		Rp. 31,345,000.00
Ending rice inventory		(Rp. 9,405,000.00)
)		
Cost of Goods Sold		Rp. 21,940,000.00

b. Determination of the Cost of Goods Sold for Corn Merchandise :

Initial corn inventory		Rp. 390,000.00
Purchase	Rp. 1,200,000.00	
Shipping costs	IDR 20,000.00	
Net purchase	Rp. 1,220,000.00	
Items available for sale	Rp. 1,610,000.00	
Ending corn inventory		(Rp. 180,000.00)
Cost of goods sold		Rp. 1,430,000.00

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