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# COMPARATIVE ANALYSIS OF SELLING PRICE DETERMINATION WITH THE COST PLUS PRICING METHOD IN MEKARSARI UMKM

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#### Abstract

Effective selling price determination is one of the crucial aspects in the sustainability of MSME businesses. The background of this study is the various challenges faced by MSMEs in setting competitive selling prices in the market while providing optimal profits. The main problem lies in the lack of understanding of MSME actors regarding strategic pricing methods, such as cost plus pricing which integrates all cost components and profit margins in determining selling prices. The study focuses on a comparative analysis of selling price determination using the cost plus pricing method with traditional practices that have been carried out by MSME Mekarsari. The novelty of the study lies in the provision of an application model that supports MSME actors in adopting a practical cost-based pricing method that is relevant to local market dynamics. The phenomenon studied shows a gap between production costs and selling prices which results in profit margins not being measured accurately. The qualitative descriptive method was used in this study and the primary data sources were the results of observations and interviews with MSME Mekarsari. The data analysis method uses the calculation of selling price determination using the cost plus pricing method, the full costing approach and variable costing. Empirical findings show that the application of the cost plus pricing method can produce more competitive and measurable selling prices compared to traditional methods. In addition, this study found that the understanding of MSME actors regarding the structure of production costs plays a major role in the success of implementing this method. The results of the study provide strategic recommendations for MSMEs to increase competitive advantage through data-based price and cost analysis.

#### **Article Info**

**Keywords:** MSME; Traditional Method; Cost plus pricing method

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#### 1. Introduction

Micro, Small and Medium Enterprises (MSMEs) are part of the independent Indonesian economy and have great potential in improving people's welfare (Sinaga & Sitorus, 2023).

The contribution of MSMEs to the national economy reaches 61% of Indonesia's Gross Domestic Product (GDP) or equivalent to IDR 9,580 trillion, and absorbs around 117 million workers (97%) of the total workforce (Supriadi et al., 2024). The following is data on MSME growth from 2018-2023:

Table 1. MSME Data 2018-2023						
Year	Year20182019202020212022202					
Number of MSMEs         64.19         65.47         64         65.46         65         65						66
Growth (%) 1.98% -2.24% 2.28% -0.70% 1						1.52%

Source: https://kadin.id/data-dan-statistik/umkm-indonesia/

From the description above, it can be seen that the number of MSMEs has increased and decreased every year. MSMEs are predicted to continue to grow and develop, in addition to this development, there are also often deaths in MSMEs caused by various challenges, one of which is the lack of knowledge of financial management, for example in determining the right selling price for products (Sopian et al., 2024).

Determining the selling price is a crucial decision that can affect the sustainability and growth of MSMEs, because prices that are too high can result in decreased demand, while prices that are too low can threaten profitability and business sustainability (Marshelindy et al., 2024). Therefore, a pricing method is needed that is in accordance with the characteristics and needs of MSMEs. One of the selling price determinations that can be considered by MSMEs is cost plus pricing (Kurniawan et al., 2022).

This method takes into account the cost of production plus a certain percentage as the desired profit in determining the selling price. The advantage of this method is its simplicity, which makes it potential to be applied by MSMEs with limited resources and financial management knowledge (Fahiraningtyas, 2024). In addition, accurate information and collection of production costs will greatly determine the calculation of the correct cost of production and produce the determination of the appropriate selling price, not too high or too low, so that it will later produce the expected profit (Fatihah et al., 2024).

UMKM Mekarsari is a business that produces 3 (three) types of ready-to-eat snacks, namely simping, semprong and emping. Simping Mekarsari is located in Kp. Cipangasaman RT.009 RW. 003 Legokhuni Village, Wanayasa District, Purwakarta Regency. It was established in 2000 and already has many customers from various regions. However, this development is not in line with the recording system carried out by UMKM Simping Mekarsari. The determination of the selling price of UMKM Mekarsari still uses the traditional method, where the price is set based on estimates and comparing prices between competitors in the same industry. In this case, the accuracy in determining the selling price must be considered and applied to get the right selling price and be able to compete in the market (Rachman & Rachmat, 2020).

The importance of calculating the selling price for business sustainability, the author is interested in analyzing the selling price problem set by UMKM Simping Mekarsari using the cost plus pricing method, full costing approach and variable costing as a comparative analysis because it is considered effective in calculating the selling price. Based on the background that has been stated above, the title raised in this writing is "Comparative Analysis of Selling Price Determination Using the Cost Plus Pricing Method at UMKM Mekarsari". Based on this, the formulation of the problem can be obtained, namely How do UMKM Mekarsari calculate and set selling prices? How is the selling price determined using

the cost plus pricing method, full costing approach? How is the calculation of selling prices determined using the cost plus pricing method, variable costing approach? The purpose of this study is to determine the calculation of UMKM Mekarsari in determining selling prices, to determine the results of the calculation of selling prices calculated using the cost plus pricing method, full costing approach and variable costing approach.

#### LITERATURE REVIEW

**Traditional Methods** 

Traditional cost accounting method is to calculate product cost based on the function of charging the cost of direct materials and direct labor to the product using direct tracing (Rahma et al., 2024). Based on the above understanding, it can be concluded that the traditional method is a measurement of factory overhead costs related to the amount of production, in order to calculate the price of each unit of its product and assumes that all costs are classified as fixed or variable, in the traditional system only the unit activity driver is used for charging product costs, namely the cost of raw materials and labor (Khadijah & Aisyah, 2024).

Costing by function or activity assigns costs to cost objects, such as products, customers, suppliers, raw materials and marketing. When costs are assigned to cost objects, the cost per unit can be calculated by dividing the total cost by the number of units (Almeida & Cunha, 2017).



**Cost Plus Pricing Method** 

(Nurhaliza, 2022) explains that the cost plus pricing method is a selling price that is determined by adding the expected profit with all production and marketing costs of the product. Based on this understanding, it can be concluded that the cost plus pricing method is a selling price determination method by adding all costs incurred and adding the expected profit (Priyatama et al., 2022).

There are two approaches in calculating pricing using the cost plus pricing method, namely the full costing approach and the variable costing approach (Barusman et al., 2020): 1. Full costing selling price approach

The full costing approach is used in calculating product costs, by calculating production and non-production costs plus fair profit. In this approach, this method uses future costs and assets to determine the selling price under normal circumstances (Leo & Apsari, 2024). Here is the formula for determining the selling price with the full costing approach:

Selling price = Production cost + % Mark-up
% Mark-up= Non-production costs + Expected profit
Production cost

- 2. Selling price approach based on variable cost (variable costing)
  - The variable costing approach is used in product costing by calculating variable costs and fixed costs that will be incurred plus a reasonable profit. The selling price in this strategy must be able to cover all anticipated costs. Determining the selling price using the variable costing method can be calculated using the following formula:

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Selling Price = Variable Cost + % Mark-up
% Mark-up = <u>Fixed costs + Expected profit</u>
Variable costs
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# 2. Methods

This study uses a qualitative research type with a case study approach that emphasizes descriptive and comparative explanations of the problems studied. In qualitative research, data is obtained from data sources using data collection techniques, namely interviews, observations, documentation and literature studies (Thomann & Maggetti, 2020).

Data analysis techniques use a combination of qualitative and descriptive analysis techniques (Bergin, 2018). For this type of data, various sources can be used. This qualitative data analysis is inductive, meaning that the analysis begins by collecting data and then building patterns of relationships or hypotheses. The three elements of data analysis that are combined together to form this statistical analysis are Data Reduction, Data Presentation, and Conclusion Drawing (Avianti, Widiya, et al., 2023).

# 3. Result and Discussion

# **Calculation of Selling Price Determination Using Traditional Method (For Simping Products)**

The following is data on the costs incurred for simping products at Mekarsari UMKM, consisting of:

1) Raw Material Cost

The raw materials needed to produce simping are sago starch, flour, coconut, spring onions, kencur, and salt. Here are the details of the raw material costs to produce 8 kg of simping: Table 2 Baw Material Costs

	Table.		3
Raw material	Unit	Unit Quantity	Amount Per Production
	Price		(Rp)
	(Rp)		
Sago starch	10,000	7 kg	70,000
Wheat	10,000	2 kg	20,000
Coconut	5,000	5 grains	25,000
Spring onion	30,000	¼ kg	7,500
Aromatic ginger	30,000	¼ kg	7,500
Salt	5,000	½ pack	2,500
	Amount		132,500

#### Source: Mekarsari UMKM

UMKM Mekarsari produces 8 kg of simping in one production, with a total cost of raw materials required of Rp. 132,500.

2) Direct Labor Cost

The wage payment system at UMKM Mekarsari is for one print equivalent to 8 kg of simping per day, employees are paid Rp. 40,000 in one day. So the total direct labor costs incurred are Rp. 80,000.

3) Factory Overhead Costs

The factory overhead costs calculated by UMKM Mekarsari in making simping in one

production consist of electricity costs, water costs, and gas costs. The following is the calculation of UMKM Mekarsari's factory overhead costs:

No	Type of Fee	Amount (Rp)
1.	Gas Cost	25,000
2.	Electricity cost	10,000
3.	Water Cost	2,000
	Total Factory Overhead Cost	37,000
	_	

#### Table 3. Factory Overhead Costs

Source: Mekarsari UMKM

Electricity costs are used to pay for electricity once a month for lighting, coconut graters, scales. The electricity costs for production incurred by Mekarsari UMKM every month are IDR 120,000. So IDR 120,000 divided by 12 = IDR 10,000, because in one month Mekarsari UMKM produces 12 times. While for water costs, Mekarsari UMKM uses PDAM with a monthly cost of IDR 24,000. So, for one production the costs incurred are IDR 24,000 divided by 12 = IDR 2,000.

4) Calculation of COGS and Determination of Selling Price with Traditional Method Table 4. Cost of Goods Sold Traditional Method

	Amount		
Type of Fee	Qty		
		(кр)	(кр)
Raw Material Cost	10 kg	10,000	70,000
a) Sago starch	2 kg	10,000	20,000
b) Wheat	5	5,000	25,000
c) Coconut	grain	30,000	7,500
d) Spring onion	S	30,000	7,500
e) Aromatic ginger	¼ kg	5,000	2,500
f) Salt	¼ kg		
	½ pcs		
Total Cost of Raw			132,500
Materials			
Direct Labor Cost	2	40,000	80,000
	person		
<b>Factory Overhead Costs</b>		10,000	10,000
a) Electricity cost		2,000	2,000
b) Water Cost		25,000	
c) Gas Cost			
Total Overhead Cost			37,000
Factory			
Total Cost of Production of 8kg Simping249,20			

Source: Mekarsari UMKM

Calculation of the Cost of Production above, in one production for 8 kg of simping the cost incurred by UMKM Mekarsari is Rp. 249,200. So, the cost per kilogram of simping is Rp. 249,200 divided by 8 = Rp. 31,150. With the market price as a consideration, the current selling price set by UMKM Mekarsari is Rp. 40,000 / kg, from this price UMKM Mekarsari earns a profit of Rp. 8,850 / kg or if expressed as a percentage of 22%.

# Calculation of Selling Price with Cost Plus Pricing Method Full Costing Approach (For **Simping Products**)

UMKM Mekarsari produces 8 kg of simping in one day with an expected profit of 10% of the total cost. In the cost plus pricing method with a full costing approach to produce simping, production costs and non-production costs are required. The following is the calculation of the selling price with the cost plus pricing method with a full costing approach: 1) Production cost

Production costs are costs incurred to process raw materials into finished products ready for sale. The costs included in production costs are as follows:

a. Raw Material Cost

Raw material costs are the costs of acquiring all materials that will eventually become part of the cost object (work in process and then finished goods) and that can be traced to the cost object in an economical way. The raw materials needed by Mekarsari UMKM in one production to produce 8 kg of simping, as follows:

	Table 5. Raw M	aterial Costs	
Raw material	Unit price (Rp)	Unit Quantity	Amount Per Productio
	(np)		n (Rp)
Sago starch	10,000	7 kg	70,000
Wheat	10,000	2 kg	20,000
Coconut	5,000	5 grains	25,000
Spring onion	30,000	¼ kg	7,500
Aromatic ginger	30,000	¼ kg	7,500
Salt	5,000	½ pack	2,500
	Amount		132,500

### Source: Mekarsari UMKM

UMKM Mekarsari produces 8 kg of simping, with a total cost of raw materials required of Rp. 132,500.

#### b. Direct Labor Cost

Direct labor costs are wages given by UMKM Simping Mekarsari to pay workers who are directly involved in the production process. There are 2 (two) employees who work and are directly involved in the production process of UMKM Simping Mekarsari, with a wage payment system for one day of Rp. 40,000. So that the total direct labor costs incurred by UMKM Mekrsari are Rp. 80,000.

- c. Fixed Factory Overhead Costs
- Fixed factory overhead costs are overhead costs that do not change within a certain range of activity volume changes. The fixed factory overhead costs used by Mekarsari UMKM are as follows: - J T - -+ ~

Table 6. Fixed Factory Overhead Costs				
No Type of Fee	Qty Amount (Rp)			
1. Small Basin	1	5,000		
	piece			

# T-l-lo ( Ei

2.	Big Basin	1	10,000
		piece	
3.	Storage Tank	1	20,000
		piece	
4.	Dough Bake	1	20,000
		piece	
5.	Gloves	2 Pairs	5,000
6.	Water		1,000
7.	Electricity		5,000
То	tal Factory Overhead Cost		66,000

Source: Mekarsari UMKM 2023

The electricity costs used to pay for electricity once a month for lighting, coconut graters, scales. The electricity costs for production incurred by Mekarsari UMKM every month are IDR 60,000. So IDR 60,000 divided by 12 results in IDR 5,000, because in one month Mekarsari UMKM produces 12 times. While for water costs, Mekarsari UMKM uses PDAM with a monthly cost of IDR 12,000. So, for one production the costs incurred are IDR 12,000 divided by 12 = IDR 1,000.

d. Variable Factory Overhead Costs

Variable factory overhead costs are factory overhead costs that change in proportion to changes in activity volume. The costs incurred by UMKM Mekarsari for simping products include:

1) Building maintenance costs

The building used in production is a room like a fairly large kitchen. So the owner of UMKM Mekarsari must ensure that the place used for production remains in good condition. The cost used for building maintenance such as roof tiles and wooden doors is IDR 250,000 in one year. While the product produced in one year for simping products is 1,152 kg. So, for 8 kg of simping, building maintenance costs of IDR 1,736 are required.

- 2) Simping Mold Maintenance Costs
- UMKM Mekarsari has 16 scallop molds, the cost incurred for the maintenance of the scallop mold is IDR 150,000/year, while the product produced in one year is 1,152 kg of scallops. So, for 8 kg of scallops, the cost is IDR 1,040.

Variable factory overhead costs for simping production at Mekarsari UMKM can be seen in the following table :

	Table 7. Variable Factory Overhead Costs			
No	Variable Factory Overhead Costs	Amount		
	-	(Rp)		
1.	Building Maintenance	1,736		
2.	Simping Mold Maintenance	1,040		
3.	Packaging Cost	8,000		
4.	Gas	25,000		
Total Variable Factory Overhead Costs				

Source: Mekarsari UMKM 2023

#### 2) Non-Production Costs

- 1. Depreciation Expense
  - a. Building Depreciation Cost

The building used for the product manufacturing process is integrated with the

residence of the UMKM owner, but is made specifically for production with a shape like a kitchen located at the back of the house. UMKM Mekarsari spent Rp. 10,000,000 to build the building.

b. Simping Mold Depreciation Cost

UMKM Mekarsari has 16 simping molds, the price of 1 unit is Rp. 150,000,-.

c. Stove Depreciation Cost

UMKM Mekarsari has 2 stoves for production activities, consisting of 1 unit of 1 burner stove and 1 unit of 2 burner stove with a purchase price of Rp. 500,000. Depreciation costs for the Mekarsari UMKM simping product can be seen in the following table:

_	Table 8. Depreciation Expenses	
No	Cost	Amount (Rp)
1.	Building Depreciation	148
2.	Shrinkage of Simping Mold	972
3.	Stove Shrinkage	148
Total Non-Production Costs		1.268

Source: UMKM Mekarsari 2023

After all cost elements are calculated and entered using the cost plus pricing method, the full costing approach, the results are as follows:

Table 9. Cost of Production of Simping Cost Plus Pricing Method Full Costing Approach

Costs	Amount (Rp)		
Production cost	132,500		
- Raw Material Cost	80,000		
- Labor costs	66,000		
- Fixed Factory Overhead Costs	35,776		
- Variable Factory Overhead Costs			
Total Production Cost	314,276		
Non-Production Costs	1.268		
- CostDepreciation			
Total Non-Production Costs	1.268		
HPP of Simping Products	315,544		
ource: Processed data 2023			

The calculation of the Cost of Goods Sold (HPP) for 8 kg of simping produces a total cost of Rp. 315,544 with the HPP per kilogram of Rp. 315,544 divided by 8 = Rp. 39,443/kg, and the expected profit of UMKM Mekarsari is 10% of the total cost of Rp. 31,544.

- 3) Calculation of Selling Price Determination
  - a. Selling price = Production costs + % mark-up
     %Mark-up = Non-production costs + expected profit
     Production cost

 $= \frac{1,268 - 31,544}{314,276} = \frac{32,822}{314,276}$ = 0.1044 = 10.44%Selling price = 314,276 + 10.44\%

b. Selling price/kg = 
$$347,086$$

The calculation above produces a selling price per unit (kg) of Rp. 43,387/kg which is rounded up to Rp. 43,500/kg. With the current selling price of UMKM Mekarsari, of course there is a fairly large difference of Rp. 3,500,-.

### Calculation of Selling Price Determination Using Cost Plus Pricing Method Variable Costing Approach (For Simping Products)

UMKM Mekarsari produces 8 kg of simping in one day, with an expected profit of 10% of the total cost. In the cost plus pricing method with a variable costing approach to producing simping, fixed costs and variable costs are needed. The following is the calculation of the selling price using the cost plus pricing method with a variable costing approach:

1) Variable Costs

Variable costs are costs whose total amount changes in proportion to changes in activity volume. The costs that are variable costs are as follows :

a. Raw Material Cost

Raw material costs are the total cost of acquiring materials that will ultimately become part of the cost object (goods in process and then finished goods) that can be traced to the cost object in an economical manner. The cost of raw materials needed by Mekarsari UMKM in one production to produce 8 kg of simping, as follows:

Table 10. Raw Material Costs				
	Uni	t Drico	Unit	Amount Per
Raw material	UIII	(Pp)		Production
		(ĸp)	У	(Rp)
Sago starch		10,000	7 kg	70,000
Wheat		10,000	2 kg	20,000
Coconut		5,000	5 grains	25,000
Spring onion		30,000	¼ kg	7,500
Aromatic ginger		30,000	¼ kg	7,500
Salt		5,000	½ pack	2,500
	Amount			132,500

Source: Mekarsari UMKM 2023

UMKM Mekarsari produces 8 kg of simping, with a total cost of raw materials required of Rp. 132,500.

- b. Direct Labor Cost
- Direct labor costs are wages given by UMKM Simping Mekarsari to pay workers who are directly involved in the production process. There are 2 (two) employees who work and are directly involved in the production process of UMKM Simping Mekarsari, with a wage payment system for one day of Rp. 40,000. So that the total direct labor costs incurred are Rp. 80,000.
- c. Variable Factory Overhead Costs

Variable factory overhead costs are factory overhead costs that change in proportion to changes in activity volume. The costs incurred by UMKM Mekarsari for simping products include:

1. Building maintenance costs

- The building used in production is a room like a fairly large kitchen. So the owner of UMKM Mekarsari must ensure that the place used for production remains in good condition. The cost used for building maintenance such as roof tiles and wooden doors is IDR 250,000 in one year. While the product produced in one year for simping products is 1,152 kg. So, for 8 kg of simping, building maintenance costs of IDR 1,736 are required.
- 2. Simping Mold Maintenance Costs
- UMKM Mekarsari has 16 scallop molds, the cost incurred for the maintenance of the scallop mold is IDR 300,000/year, while the product produced in one year is 1,152 kg of scallops. So, for 8 kg of scallops, the cost is IDR 1,040.

Variable factory overhead costs for simping production at Mekarsari UMKM can be seen in the following table :

Table 11. Variable Factory Overhead Costs			
No	Variable Factory Overhead Costs	Amount (Rp)	
1.	Building Maintenance	1,736	
2.	Simping Mold Maintenance	1,040	
3.	Packaging Cost	8,000	
4.	Gas	25,000	
Total Variable Factory Overhead Costs35,7			

Table 11. Variable Factory Overhead Costs

Source: Mekarsari UMKM 2023

#### 2) Fixed Costs

Fixed costs are costs whose total amount remains constant within a certain range of activity volume. The following are components of fixed costs :

a) Fixed Factory Overhead Costs

Fixed factory overhead costs are overhead costs that do not change within a certain range of activity volume changes. The fixed factory overhead costs used by UMKM Simping Mekarsari are as follows :

No	Type of Fee	Qty	Amount (Rp)
1.	Small Basin	1 piece	5,000
2.	Big Basin	1 piece	10,000
3.	Storage Tank	1 piece	20,000
4.	Dough Bake	1 piece	20,000
5.	Gloves	2 Pairs	5,000
6.	Water		1,000
7.	Electricity		5,000
Total Fixed Factory Overhead			66,000
	Costs		

Table 12. Fixed Factory Overhead Costs

Source: Mekarsari UMKM

Electricity costs are used to pay for electricity once a month for lighting, coconut graters, scales. The electricity costs for production incurred by Mekarsari UMKM every month are IDR 60,000. So IDR 60,000 divided by 12 results in IDR 5,000, because in one month Mekarsari UMKM produces 12 times. While for water costs, Mekarsari UMKM uses PDAM with a monthly cost of IDR 12,000. So, for one production the costs incurred are IDR 12,000 divided by 12 = IDR 1,000.

# b) Depreciation Expense

- 1. Building Depreciation Cost
- The building used for the product manufacturing process is integrated with the residence of the UMKM owner, but is made specifically for production with a shape like a kitchen located at the back of the house. UMKM Mekarsari spent Rp. 10,000,000 to build the building.
- 2. Simping Mold Depreciation Cost
- UMKM Mekarsari has 16 simping molds, the price of 1 unit is Rp. 150,000,-.
- 3. Stove Depreciation Cost
- UMKM Mekarsari has 2 stoves for production activities, consisting of 1 unit of 1 burner stove and 1 unit of 2 burner stove with a purchase price of Rp. 500,000. Depreciation costs for the Mekarsari UMKM simping product can be seen in the following table :

No	Cost	Amount (Rp)	
1.	Building Depreciation	148	
2.	Shrinkage of Simping Mold	972	
3.	Stove Shrinkage	148	
Total Depreciation Cost1.268			
	_		

### Table 13. Depreciation Expenses

Source: UMKM Mekarsari

After all cost elements are calculated and entered using the cost plus pricing method and variable costing approach, the results are as follows :

Table 14. Cost of Production of Simping Cost Plus Pricing Method
Variable Costing Approach

Costs	Amount (Rp)
Variable Costs	132,500
- Raw Material Cost	80,000
- Labor costs	35,276
- Variable Factory Overhead Costs	
Total Variable Cost	247,776
Fixed Costs	66,000
- Fixed Factory Overhead Costs	1.268
- Depreciation Expense	
Total Fixed Cost	67,268
HPP of Simping Products	315,044

Source: Processed data 2023

The calculation of the Cost of Goods Sold (HPP) for 8 kg of simping produces a total cost of Rp. 315,044 with the HPP per kilogram of Rp. 315,044 divided by 8 = Rp. 39,380/kg, and the expected profit of UMKM Mekarsari is 10% of the total cost of Rp. 31,504.

#### 3) Calculation of Selling Price Determination

c. Selling price = Variable Cost + %mark-up

%Mark-up = Fixed Cost + Expected Profit

Variable Costs

$$= \frac{67,268 + 31,504}{247,776} = \frac{98,772}{247,776}$$
  
= 0.3986 = 39.86%  
Selling price = 247,776 + 39.86%  
= 346,539  
d. Selling price/kg =  $\frac{346,539}{8}$   
= 43,317 / 43,500 (rounded)

The calculation above produces a selling price per unit (kg) of Rp. 43,317/kg which is rounded up to Rp. 43,500/kg. With the current selling price of UMKM Mekarsari, of course there is a difference of Rp. 3,500.

#### 5. CONCLUSION

Based on the results of the research and discussion, it can be concluded that the calculation of the selling price of Mekarsari UMKM only calculates the cost of raw materials, direct labor costs and some factory overhead costs, so other factory overhead costs such as equipment, building maintenance costs, mold maintenance, and depreciation costs are not taken into account. So that the results of determining the selling price with the method that Mekarsari UMKM uses, namely the traditional method, cost Rp. 249,200 for 8 kg of simping sold at a price of Rp. 40,000 / kg with a profit of Rp. 8,850 / kg for simping products.

The calculation of selling price using the cost plus pricing method, the full costing approach, calculates in detail all cost elements, starting from raw material costs, direct labor costs, fixed and variable factory overhead costs, maintenance costs and depreciation costs. In addition, the cost plus pricing method also adds the expected profit of Mekarsari MSMEs in its calculations. So that the total cost incurred is higher, which is IDR 315,544 for simping products, plus the expected profit of 10% resulting in a higher selling price calculation compared to the price calculation using the traditional method, which is IDR 43,500 / kg for simping products.

Calculation of selling price using cost plus pricing method variable costing approach calculates raw material cost, direct labor cost, variable factory overhead cost such as building maintenance cost and mold. However, depreciation cost such as building and mold depreciation is not taken into account. So the calculation result is lower when compared to full costing approach which is Rp. 43,317/kg which if rounded up becomes Rp. 43,500/kg for simping product.

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