

## **Analysis of the Determination of the Cost of Goods Sold at PT. Spirit Jaya Snack & Coffee**

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INDEXING	ABSTRACT
<p><b>Keywords:</b> Keyword 1; Analysis Keyword 2; Determination Keyword 3; Cost of Goods Sold Keyword 4; Snack and Coffee</p>	<p>The purpose of this study is to analyze the determination of the cost of goods sold at PT. Spirit Jaya Snack and Coffee. This research uses a qualitative method. The data used was an interview with the owner of PT. Spirit Jaya Snack and Coffee. The data analysis method used is descriptive with the cost of goods sold. The results of the analysis prove that the cost of goods sold in one production at PT. Spirit Jaya Snack and Coffee amounted to IDR 2,192,500 with the determination of the selling price of cassava chips per package of 100 grams at a price of IDR 13,000, with a profit of one production of IDR 1,707,500. The cost of goods sold plays an important role in determining the amount of expenses and expenses incurred to produce items or services of a business entity, as well as to determine the accurate selling price of the product.</p>

### **Article History**

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## **INTRODUCTION**

To determine the right selling price, companies need to understand the components of the Cost of Goods Sold (HPP) (Candrika & Alam, 2023). However, the challenge that companies such as PT Spirit Jaya Snack and Coffee often face is the lack of a structured cost recording system that makes it difficult to analyze and group costs appropriately. This can lead to inaccuracies in the calculation of Cost of Goods Sold, which risks reducing competitiveness or lowering the company's profit margin (Olayinka, 2022). Therefore, the analysis of the determination of HPP at PT Spirit Jaya Snack and Coffee is indispensable to ensure cost efficiency, accuracy in setting selling prices, and support strategic decision-making. The determination of cost of goods sold (COGS) is an important element in the company's financial management, as well as described by Ridwan *et al* (2023), especially for companies engaged in the food and beverage sector such as PT Spirit Jaya Snack and Coffee. As a company that produces and sells various types of snacks and beverages, PT Spirit Jaya must be able to compete in a competitive market by setting selling prices that are not only attractive to consumers but also provide optimal profits.

Determining the Cost of Goods Sold (COGS) is one of the important aspects of business management, especially in the food and beverage sector (Dopson & Hayes, 2019). PT Spirit Jaya Snack and Coffee, as a company engaged in the production and sale of snacks and beverages, faces increasingly fierce competition in the industry. To remain competitive, companies need to set selling prices that are able to attract

consumer interest without sacrificing profits.

Errors in the calculation of Cost of Goods Sold (HPP) can be fatal, both in the form of selling prices that are too low to the detriment of the company, and selling prices that are too high so that they are not competitive in market (Zulfa *et al*, 2023). PT Spirit Jaya Snack and Coffee realize the importance of in-depth analysis of HPP to optimize the production process, control costs, and support strategic decision-making. by conducting an analysis of the determination of HPP, companies can evaluate the efficiency of production costs and ensure that the selling price set is in accordance with the value of the product offered to consumers.

According to Setyaningrum (2019), financial management is a problem in MSMEs because MSME owners ignore the importance of managing financial statements. Meanwhile, according to Lestari (2018), financial performance is an overview of the achievements achieved by the Bachri Darmo company in its operational activities, both regarding aspects of finance, marketing, fundraising and fund distribution. The action to find out financial performance is known from various ratio calculations such as liquidity, profitability and assets. The purpose is to determine the financial performance of the company through the analysis of liquidity ratio, profitability ratio and asset ratio.

Based on the above background, the author can raise a topic entitled *Analysis of the Determination of the Cost of Goods Sold at PT. Spirit Jaya Snack & Coffee*. Based on the formulation of the problem above, this study aims to analyze the Cost of Goods Sold (COGS) method with the Weighted Average method at PT Spirit Jaya Snack & Coffee.

## **LITERATURE REVIEW**

Every trading company must consider the cost of goods sold (COGS) or cost of good sold in every business process (Dewi *et al.*, 2021). The company includes the cost of goods sold for each item sold as part of the profits taken from the company. The Cost of Goods Sold is arranged in such a way that it is in accordance with the intended target market and can be accepted by the public. The cause of the decline in selling prices is not much different from the increase in the cost of goods sold. It's just that a decrease in the cost of goods sold will make the company try hard to work more efficiently compared to competitors. Otherwise, the cost burden that has been budgeted will also affect the value of future sales.

The cause of the increase in cost of goods sold is also very important for the company to know because by knowing the cause of the increase in cost of goods sold, the company is ultimately able to adjust to the selling price and other costs. The main cause of the increase in cost of goods sold is mostly due to external parties from the company so that they do not want the company to have to be able to adjust. Any cost included in the Cost of Goods Sold or HPP is a cost that is directly related to the specific product that the company sells. Costs that are not directly related to the product cannot be included in the cost of goods sold or HPP.

The full costing method is a method of determining sales costs by taking into account the elements of sales costs into sales costs, which consist of the cost of inventory of the initial merchandise, net purchases, and the cost of the inventory of the final merchandise. Pay attention to the components to calculate the cost of goods sold

(COGS), which include:

Initial Merchandise Inventory	Rp.....
Net purchase	Rp .....+
	Rp.....
Final merchandise inventory	RP.....-
Selling cost of goods (HPP)	RP.....

Based on the description above, the cost of goods sold (COGS) can be calculated with the formula:

$$\text{HPP} = \text{Initial preparation} + \text{Net Purchase} - \text{Final preparation}$$

Cost of goods is the cost of production of products produced from a process, meaning the determination of costs attached to finished products and inventory of goods in process. In calculating cost elements into the cost of production, there are 2 approaches, namely the Full Costing Method and the Variable Costing Method.

## RESEARCH METHOD

The types and methods used in this study are qualitative methods. The location of this research is at PT. Spirit Jaya Snack & Coffee which is located on Jalan Maninjau raya no.55, Sawojajar, Kedungkandang district. Malang City, East Java. The data collection method uses the results of interviews, observations, and documentation. Meanwhile, the data analysis techniques used in this study are data reduction (reduccion), data presentation (Data Display), and conclusion drawing (Conclusion Drawing / Verification).

## RESULT AND DISCUSSION

### Raw Material Cost Calculation

Raw material costs are all costs incurred to obtain and process raw materials into finished products, including purchasing, transportation, storage, and other operational costs. According to the results of the interview with the business owner, Mr. Sepriadi Paul Pero explained that the process of preparing the production cost budget is.

"The raw materials needed for production activities are cassava that is purchased directly from farmers, with an order amount of 1,000 kg of cassava per order for 5 times production a week, meaning that one production is 200 kg of cassava. The price of 1 kg of cassava raw materials is Rp. 5,000. Other raw materials used are flavoring, garlic, mepel-sweetening sugar, salt and cooking oil" (Interview, April 4, 2025).

**Table 1. 1st Observation Sheet**

No	Date	Activity
1	04 April 2025	Mr. Sepriadi Paul Pero explained that the cost of raw materials used is 1,000 kg of cassava per order for 5 times production a week. The price of 1 kg of cassava raw materials is Rp. 5,000.

**Source : Primary Data Processed, 2025**

The results of the interview were known that the raw materials needed for production activities were cassava that was directly purchased from farmers as much as 1,000kg per order for 5 times of production during a week, at a price of Rp. 5,000 / kg

of cassava. The complementary raw materials consist of flavoring, garlic, merpel's sweetener sugar, salt and cooking oil. The calculation for the cost of raw materials incurred once production is.

**Table 2. Calculation of Raw Material Costs**

No	Raw Material	Amount	Price	Total of Price
1	Potatoes	200 kg	5000	Rp 1.000.000
2	Seasoning	1 pax	2500	Rp 2.500
3	Garlic	2 kg	37000	Rp 74.000
4	Sweet sugar	9 pax	4500	Rp 40.500
5	Salt	8 pax	3000	Rp 24.000
6	Cooking oil (18 liter)	1 galoon	400000	Rp 400.000
Total				Rp 1.541.000

**Source : Secondary Data Processed, 2025**

Based on the calculation of raw materials, it is known that the amount of raw material cost per production at PT. Spirit Jaya Snack and Coffee as much as Rp.1,541,000.

### **Labor Cost**

Labor costs are the costs that companies incur to pay for labor. These costs include salaries, wages, benefits, and other expenses associated with the employee. The number of employees at PT. Spirit Jaya Snack and Coffee as many as 5 people, with a monthly salary of Rp. 2,000,000 / month, in 1 month the number of entries is 20 times, meaning that once the production of employees is given a wage of Rp. 100,000. The total cost of one-time production is Rp. 500,000 (5 people x Rp. 100,000).

### **Factory Overhead Costs**

Factory overhead costs are production costs that are not directly related to the production process of goods or services. These costs are also referred to as additional production costs, factory loads, or production overhead. The factory overhead costs incurred by PT. Spirit Jaya Snack and Coffee in one production, namely.

**Table 3. Factory Overhead Costs**

No	Item	Amount	Price	Total of Price
1	Melon LPG	1 tube	19500	Rp 19.500
2	Electricity			Rp 10.000
3	Plastic 100 gram	50 pcs	1800	Rp 90.000
4	Sticker	3 lembar	6500	Rp 19.500
5	Kardus	5 pax	2500	Rp 12.500
Total				Rp 151.500

**Source : Secondary Data Processed, 2025**

Based on calculations, it is known that the amount of factory overhead costs per production at PT. Spirit Jaya Snack and Coffee as much as Rp. 151,500. Based on the data, the calculation of the cost of goods sold at PT. Spirit Jaya Snack and Coffee are served in the following table.

**Table 4. Cost of Goods Sold**

No	Item	Total of Price
1	Cost of raw materials	Rp 1.541.000
2	Direct labor costs	Rp 500.000
3	Factory overhead costs	Rp 151.500
Total		Rp 2.192.500

Source : Secondary Data Processed, 2025

Based on calculations, it is known that the cost of goods sold in one production at PT. Spirit Jaya Snack and Coffee as much as IDR 2,192,500.

### Product Pricing

Product pricing is done to gain profits and secure a position in the market. According to the results of the interview with the business owner, Mr. Sepriadi Paul Pero explained that the determination of the price of the product is.

"The determination of the price of the product is in one production of 200 kg of cassava, with the production of 30 kg of cassava chips, with a price per kg of Rp. 130,000, sold with a weight of 100 grams for a price of Rp. 13,000". (Interview, April 04, 2025).

**Table 5. 3rd Observation Sheet**

No	Date	Activity
1	04 April 2025	Mr. Sepriadi Paul Pero explained that the product price is Rp. 13,000 per package weighing 100 grams.

Source : Primary Data Processed, 2025



**Figure 1. Product Brand**

Source : Primary Documentation, 2025.

The results of the interview are known that the selling price of products per package weighing 100 grams is Rp. 13,000. The results of the study are known to have a production amount of 30 kg of cassava chips in one production, with a price per kg of Rp. 130,000, sold with a weight of 100 grams for a price of Rp. 13,000. Based on the results of the study, it is known that the amount of production obtained by PT. Spirit Jaya Snack and Coffee is a production of Rp.3,900,000 (30 kg x Rp.130,000/kg).

Based on the results of the study, it is known that the business profits at PT. Spirit Jaya Snack and Coffee, namely.

- Cost of goods sold = Rp.2,192,500

- Production revenue = Rp.3,900,000 -
- Profit per production = Rp. 1,707,500

Based on calculations, it is known that the profit for one production is Rp. 1,707,500.

According to the results of the interview with the business owner, Mr. Sepriadi Paul Pero explained that the determination of the cost of goods sold (HPP) is "the initial inventory of 5 kg of merchandise is Rp. 650,000, the remaining net purchase is Rp. 1,500,000". (Interview, April 04, 2025).

Pay attention to the components to calculate the cost of goods sold (COGS), which include:

Initial merchandise inventory	Rp 650,000
Net purchase	<u>Rp 1,500,000 +</u>
	Rp 2,150,000
Final merchandise inventory	<u>Rp 3,900,000 -</u>
Cost of goods (HPP)	<b>Rp 1,750,000</b>

Based on calculations, it is known that the selling cost of goods (HPP) at PT. Spirit Jaya Snack and Coffee amounted to Rp.1,750,000. Calculation of Cost of Goods of Sale (HPP) at PT. Spirit Jaya Snack and Coffee based on the full costing method with conventional are presented as follows.

**Table 6. Calculation of Cost of Goods Sold (COG) Based on Full Costing Method with Conventional**

<i><b>Full Costing Method</b></i>	
Raw Material Cost	= Rp. 1.541.000
Direct Labor Cost	= Rp. 500.000
Fixed factory overhead costs	= Rp. 2.100
Variable plant overhead costs	= Rp. 151.500
<b>Cost of Goods Sold (COG)</b>	<b>= Rp. 2.194.600</b>
<i><b>Conventional Method</b></i>	
Raw Material Cost	= Rp. 1.541.000
Direct Labor Cost	= Rp. 500.000
Variable plant overhead costs	= Rp. 151.500
<b>Cost of Goods Sold (COG)</b>	<b>= Rp. 2.192.500</b>

**Source : Processed, 2025**

Information :

Factory overhead costs remain constant and unchanging costs, such as factory rental costs, factory employee salaries, or factory insurance. Factory overhead costs remain at PT. Spirit Jaya Snack and Coffee consists of employee insurance costs (BPJS Kesehatan class 3) of IDR 42,000 per person per month (IDR 42,000 / 20 working days = IDR 2,100 / one production). Based on the calculation of the selling cost of goods (COGS) using the Full Costing method, HPP was obtained at PT. Spirit Jaya Snack and Coffee per production is Rp. 2,194,600 and based on conventional calculations, it is known that the HPP per production is Rp. 2,192,500.

The results of the study prove that the cost of goods sold in one production at PT. Spirit Jaya Snack and Coffee amounted to IDR 2,192,500 with the determination of the selling price of cassava chips per package of 100 grams at a price of IDR 13,000, with a profit of one production of IDR 1,707,500. Cost of goods sold is the amount of

expenses and expenses incurred to produce items or services of a business entity.

These results support the research conducted by Indra (2019) explaining that the benefits of calculating the cost of goods sold are based on helping to find out the complete cost of production. The components of cost of goods sold can be grouped into three types, namely direct raw materials, direct labor and factory overhead costs. The three costs must be carefully recorded and classified according to the type and nature of the costs. This is intended to make it easier for companies to know how much it costs to produce a product. The components of calculating the cost of goods sold by calculating several components consist of raw material costs, labor costs and factory overhead costs.

Nurain's research (2023) explains that the benefits of calculating cost of goods sold to find out details on the calculation of sales margin, profit and loss predictions and others. The importance of determining the cost of goods sold can determine the production costs that will be incurred by the company in determining the selling price in accordance with the production cost. The purpose of calculating the cost of goods sold is to determine whether production and marketing activities in that period are able to generate profits or even cause losses for the company.

The main difference between the Cost of Goods Sold (COGS) based on the full costing method and the conventional method lies in the way of cost recognition. The full costing method includes all production costs, including fixed and variable costs, in the calculation of HPP, whereas conventional methods usually only consider variable costs. Based on the results of the study, it can be seen that cost calculation using the full costing method is very important to provide accurate and relevant information for management in decision-making, planning, and cost control.

## **CONCLUSION**

Based on the results of the research that has been presented, it is concluded that the cost of goods sold in one production at PT. Spirit Jaya Snack and Coffee amounted to IDR 2,192,500 with the determination of the selling price of cassava chips per package of 100 grams at a price of IDR 13,000, with a profit of one production of IDR 1,707,500. The cost of goods sold plays an important role in determining the amount of expenses and expenses incurred to produce items or services of a business entity. Based on the conclusions of the results of the data analysis carried out, several suggestions were proposed, namely PT. Spirit Jaya Snack and Coffee need to calculate the cost of goods sold on an ongoing basis to accurately determine the selling price of the product. PT. Spirit Jaya Snack and Coffee need to produce using machines to speed up the production process and labor efficiency.

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