

THE COST ACCOUNTING AND FINANCE MANAGEMENT ANALYSIS YOUNG COCONUT WASTE BUSINESS

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Abstract: This research to find out about cost accounting and financial management of coconut shell waste produced in Bandung. Cost Accounting can be seen from the decrease in variable cost of young coconut waste. Then Financial Management for young coconut entrepreneurs by planning Break event point, Internal Rate of return and Benefit cost ratio. The lack of cost accounting records is an obstacle for coconut traders. Without proper planning, young coconut waste. Young coconut waste actually has high cost accounting and finance management it further processed with a touch of technology and the creativity and innovation of humans who care about this. Many research and community service activities have utilized young coconut waste into various products that have high value. The cost accounting and finance management of young coconut waste based on literature studies and empirical studies of young coconut business people as well as the design of a machine for chopping young coconut waste to become a new product that has added value. The method used is descriptive quantitative research with a case study of young coconut traders in the Gelora Bandung Lautan Api (GBLA). The results of the feasibility analysis with technical aspects using a machine for chopping young coconuts into cocopeat and coco obtained a, Cost Accounting: internal rate of return (RR) = 21 % and yield point (BEP) = 27,373 kg of coco, with finance management benefit cost ratio (BCR) = 2.05 achieved in the first year. The research position was carried out in Bandung after the FGD (forum group discussion) process. The benefit is to find out the influence of cost accounting and financial management on coconut shell waste. Answering the problems of MSME actors in cost accounting, young coconut financial management and knowledge development.

Keywords: Cost Accounting, Finance Management, Young Coconut Waste

INTRODUCTION

Urban areas in West Java, especially public areas where gatherings occur people to relax, fatigue and find entertainment in the open, there will be a lot met young coconut sellers. Young coconut waste included as organic waste, but it is not easy decomposed by microorganisms due to the hard nature of the material. Environmental and operational costs associated with waste management are included in production costs because waste is generated during the manufacturing process. according to the policies of each business (Adwimurti et al., 2023). Waste Young coconut shells are not easily decomposed by microorganisms because they are hard and has quite a large weight and size. Nevertheless Organic waste can be further managed to produce useful goods has high artistic value and selling value. Therefore, it needs to be managed

well so that it can produce a variety of products economic.

Cost of Goods Manufactured is too big rather than actual conditions. This is because the classification of costs that are not appropriate in calculating the Cost of Goods Manufactured and not done an adequate separation between the cost of office and production costs (Miradji, 2023).

Accounting treatment stages for waste processing costs, has recognized the cost of waste treatment, measurement of environmental costs (in the case of waste treatment) conducted using rupiah units. In presenting waste processing costs already presented in accordance with PSAK Year 2013 and has disclosed accounting policies related to waste processing costs. However, in presenting the income statement the company still combines the cost of waste with operational costs. From the results of this study also found weaknesses in the disclosure of the cost of processing plant waste is not detailed and the recording of the factory financial statements do not record clearly or in detail related to the assets associated with waste treatment. (Andika et al., 2017). Young coconuts sold will result in a lot of young coconut waste being produced because the waste comparable to the young coconuts sold. In one week on average around two trucks of young coconuts were sent from various regions to GBLA. Coconut waste Young coconuts produced from the sale of young coconuts are disposed of by paying Rp.5,000/sack to coconut senders or even just thrown away in rice fields around GBLA. An example of young coconut waste produced by a ready trader.

Financial Attitude variable has an effect on Financial Management Behavior, the Islamic Ethics variable in Financial Management has an effect on Financial Management Behavior (Unwin, 1989). Financial management behavior and financial literacy have a positive effect on financial management performance (Suhaebah et al., 2022)

Young coconut waste can actually provide added value to sellers in the form of cost accounting and finance management if handled systematically and processed into various products creative with economic value (Adwimurti et al., 2023) On this basis, an analysis of the economic value of waste is carried out young coconut and the financial feasibility of the business (kurniawati., et al, 2023) IRR is rate of return Investment. BCR is The BCR compares the present value of all benefits generated from a project/asset to the present value of all costs. Incremental value. And break-even point of income and costs. The effect information technology to Accounting management in cost accounting (Sari, 2015).

Problem this research:

1. How to cost accounting Internal Rate of return (IRR) young coconut waste in the GBLA Area burden on society in general and also the sanitation service?
2. How to finance management Benefit Cost Ratio (BCR) the community selling young coconut ice in GBLA area regarding handling of the young coconut waste it produces?
3. What things must be handled so that young coconut waste provides benefits Break event poin (BEP) for sellers of young coconut ice and provide financial management benefits?

METHODS

The research carried out was a descriptive-quantitative approach deductive and uses quantitative analysis. Data collection and processing techniques, which is done by

Submitted: July 11, 2024; Revised: August 19, 2024; Accepted: August 25, 2024;

Published: August 26, 2024; Website: <http://journalfeb.unla.ac.id/index.php/jasa>

the method:

Result of Interviews with young coconut business actors in the GBLA area : First Hight cost of young coconut business with 5000/pack. Secondly Potential other revenue from shell coconut same as coconut. Planning cost young coconut in 25 market coconut. Finally Solution finance management with detail accurate recording for a transaction.

Observation of young coconut business activities and the waste produced its utilization (Hanum, 2015). Study documents about:

- young coconut theory and research results on the use of young coconut waste (Indrawati et al., 2017)
- Indonesia's trade balance report (Ministry of Trade) for the September 2022 period
- business intelligence analysis report from the Indonesian *Trade Promotion Center Osaka Japan*
- market aspect theory, technical aspects and economic analysis and business feasibility
- other theories that support aspects of business is:

Business activities tried by residents that function to realize national economic stability and can increase income and economic equality for residents or business activities can be able to expand and even out employment opportunities (mc gregor,1960). Small business management theory encompasses several key frameworks that can help entrepreneurs and business owners optimize their performance and guide their organizations effectively. Some of the prominent management theories include:

- a. Planning, Organizing, Command, Coordination and Control
- b. Classical management theories
- c. Modern management theories

Data processing:

- The first stage is an analysis of market aspects based on good market targets and opportunities domestically and abroad.
- The results of the market analysis are feasible and will be followed by analysis of technical aspects, namely includes a prototype design for a young coconut waste chopping machine and investment required as well as various costs that arise in the process of processing coconut waste young into cocopeat and cocofiber (Hidayat et al., 2015)
- Finance management *benefit cost ratio* (BCR), $BCR = \text{benefit/cost}$
- Cost Accounting : *internal rate of return* (IRR) and *breakeven point* (BEP) with a *minimum attractive rate of return* (MARR)= 9% (Kurniawan., 2012).
- $IRR = 9\% + PWb/PWc$ (15%-9%)
- $BEP = \text{FixedCost} / (\text{sale/ unit} - \text{variabel cost/ unit})$

RESULTS AND DISCUSSION

The selling price of cocopeat on the Indonesian market is between Rp. 5,000 to Rp. 25,000 (quality export) in this research for market introduction selling price Rp. 5,000/kg and assumed increases annually by 5%. So the average production output of ready-to-sell cocopeat/month is:

1. The price of young coconut waste is IDR. 5,000/sack/150 grains = Rp. 35/item

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2. Each piece of young coconut waste can produce 0.39 kg of cocopeat (Association Indonesian Coconut Fiber Industry), then in one hour it produces =0.39kg/grain x 30 grains/hour=11.7kg cocopeat
3. Production/month= 11.7kg/hour x8 hours x25 days = 2,340kg cocopeat/month. The total investment for the machine design is Rp. 5,000,000/unit, with costs operational:
 1. Electricity needs/month at a rate of Rp. 1,445/kwh is the load cost/month + costs usage/month is = Rp.75,124+[(0,700kwhx8 hours x25 days) x tariff]
=Rp.75,124/month+Rp.202,300/month
= IDR 277,424/month
 2. The labor cost of 2 people is = 2 people x Rp. 1,500,000/month= Rp. 3,000,000
 3. Marketing costs/month= transportation costs+ packaging costs = IDR 1,000,000+ (Rp.500/kgx2,340kg/month) = Rp.2,170,000 /month

The finance analysis of the young coconut waste processing business is:

1. Machine investment Rp. 5,000,000, 2 machetes Rp. 100,000 and 2 sealer machines Rp. 200,000 Assuming the economic life of the machine is 5 years and depreciation is IDR 530,000/year in value remaining 0.
 1. Operational costs/month: Rp. 272,424+ IDR 3,000,000+ IDR 2,170,000 = IDR 5,647,424/month
 2. Sales results: 2,340kgxRp.5,000 =Rp.16,380,000/month
 3. The cost of raw materials for cocopeat/month is Rp.35/item X (2,340kg/0.39kg/item) = Rp.210,000
 4. If the machine procurement is Rp. 5,000,000 using KUR Bank loan capitalBRI in 2023, 36 month installments are IDR. 152,100.
 5. All income and expenses are made into *cash flow* for 5 years with the assumption experiences an increase of 5% per year then determines *the BCR value*, complete results can be seen :

Table 1. Cash Flow opinions and costs and Operational BCR

Year	Production results (Rp)	Operational Costs (Rp)	BCR
1	140,400,000	67,769,088	2.002
2	147,420,000	71,157,542	2.005
3	154,791,000	74,715,420	2.008
4	162,530,550	78,451,190	2.058
5	170,657,078	82,373,750	2.058

Source : Processing data (2023)

Cash flow for 5years with MARR 9%, then the complete present value for each year can be seen in table 2.

Table 2. Curret cash flow value with MARR 9%

Year	Interest factor	PW Benefit (Rp)	PW Cost (Rp)
1	0.9174	128,802,960	64,332,022
2	0.8417	124,083,414	61,875,675
3	0.7722	119,529,610	59,513,932
4	0.7084	115,136,642	55,950,275
5	0.6499	110,910,035	53,879,147

Source : Processing data (2023)

IRR Result:

Table 3. Calculating IRR values

Year	Interest factor 9%	Interest factor 15%	IRR (%)
1	0.9174	0.8696	21.01
2	0.8417	0.7561	21.03
3	0.7722	0.6575	21.05
4	0.7084	0.5718	21.35
5	0,6499	0.4972	21.35

Source : Processing data (2023)

Table 4. Value of BEP

Year	Variable Cost (Rp)	Sale/Unit (Rp)	BEP (KG)
1	2,497	5,000	28,019
2	2,618	5,250	27,930
3	2,745	5,513	27,845
4	2,813	5,788	26,545
5	2,952	6,078	26,528

Source : Processing data (2023)

6. urban areas, can be a promising business opportunity. This is proven by the acquisition of $BCR > 1$, $IRR > MARR$ and BEP which are smaller than the available production capacity. With processing young coconut waste can provide opportunities for groups young coconut sellers earn significant additional income. But necessarythere is attention from the local government.

The local government's attention includes providing education to sellers young coconuts to collect the waste produced and not throw it away haphazard. Apart from that, there needs to be investors who care about the environment investing its capital in handling young coconut waste which is spread throughout various areas corners of the city, especially in busy areas. Local government (sub-district, sub-district) and even city and provincial governments must start to care about urban waste. Moreover, this urban waste has quite high economic value even the products it produces can penetrate the export market. Cocopeat as a product produced from young coconut waste is needed by modern farmers to produce various quality agricultural crops.

Bandung Regency, the cocopeat they need is purchased from various cities

outside Bandung because in the city of Bandung no one produces cocopeat. With However, for local passers there is still a very large market opportunity. The success of this coconut waste management business requires careful handling integration of various related agencies in addition to community participation. So far there hasn't been one formal and informal handling related to the processing of young coconut waste or coconut waste. Search results in several agencies, including the environmental agency, Neither the trade department nor MSMEs have handled this matter. Therefore It is necessary for someone to have the courage to initiate the processing of young coconut waste, Moreover, the product is really needed by society at large.

CONCLUSION

Results from environmental and societal analysis, data analysis and analysis be concluded that: Processing young coconut waste Cost accounting high Internal Rate of return 21% young coconut waste in the GBLA category high investment Areaburden on society in general and also the sanitation service.

Finance management Benefit Cost Ratio medium 2.05 a benefit economic value the community selling young coconut ice in GBLA area regarding handling of the young coconut waste it produces. Break event point (BEP) 27.373 kg for sellers of young coconut ice and provide financial management benefits Implication research to market coconut efficiently and economic value to productive environment.

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