

**ACTIVITY BASED COSTING METHOD IN DETERMINING ROOM SERVICE COSTS.
(Study Kasus at Hotel Wilis Indah Abadi In Nganjuk)**

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Abstract

The object of this research is the Wilis Indah Abadi Hotel located in Nganjuk. So far, in determining the cost of room service, the traditional system is still used based on the costs incurred and identifying costs so that the determination of the cost of room service does not reflect the actual costs used by each room activity. The purpose of this study is to calculate and analyze the determination of the cost of room service using the activity based costing method and to find out the differences between the traditional and activity based costing methods. Researchers will identify costs, allocate costs based on their respective cost drivers and calculate using the activity based costing method according to the theory. So that the differences in determining the traditional method with the activity based costing method can be known. The results of this study indicate that there are differences between the traditional method and the activity based costing method, including: Teratai 5,241.13, Alamanda (5,228.11). Tulip (6,190.93) Pavilion 7,589.58.

INTRODUCTION

Indonesia is famous with diverse wealth nature as well as beauty such a natural enchanting that makes tourists fall heart F visit and enjoy Tourist attractions in Indonesia. In Nganjuk Regency, there are many tourist attractions to visit, including Sedudo Waterfall, Roro Kuning Waterfall, and Margo Cave. Tresno and many other tourist attractions in Nganjuk Regency. In enjoying tourism f tourists Certain need time F rest, a place that often visited F rest is a Hotel.

Service Company need notice Some of the basic factors that fm the basis f hotel service include quality, service, and price. These factors determine the success of a hotel's service and determine its success in winning. Services refer to the quantity or variety of services a hotel provides to its guests, such as pool facilities. swimming pool, restaurant, fitness center, bar and so on. Quality is quality guest service, this places more emphasis on guest satisfaction with a particular type of service service (Kotler, 2009).

Besides quality and services, price is the most influential factor in attracting consumers and potential consumers. Price is The nominal amount that consumers must pay f services provided by a hotel or service provider. If there is a comparison between several hotels with the same quality and service in terms of pricing and ignoring the factor of consumer loyalty to the producer or service provider, consumers will tend to choose the hotel with the better quality. cheap (Kotler, 2009).

According to Supriyono (2013:263) The traditional costing system only charges products the cost

of their production. In the traditional system, product costs consist of 3 elements, namely raw material costs (BBB), direct labor costs (BTKL), and overhead costs. overhead Factory Cost of Goods Sold (BOP). BBB and BTKL are direct costs so they can be charged accurately through driver tracking. BOP is charged through driver tracking and allocation based on units using single or departmental rates.

From the explanation theories on can taken conclusion that cost determination with the method traditional is less suitable f the type service products which varies, so as to provide infmation that not accurate in allocating costs. In traditional accounting systems, production costs are allocated based on direct and indirect costs associated with a product. Indirect costs are allocated using either a blanket or departmental basis. This can This can lead to under-costing or over-costing of products sold because they do not reflect actual costs, and this will impact the company's profits. Cost distortion will also impact on errors determination costs, decision making, planning, and corporate control.

Activity-Based Costing System is a cost calculation that emphasizes activities that use more types of cost drivers so that it can measure the resources used by the product and determine hotel room rates more accurately and can help management in improving the quality of company decision-making. The Activity-Based Costing System is not only focused on calculating product costs accurately, but is also used to control costs by providing infmation about the activities that cause costs.

Hotel Wilis Indah Abadi Hotel Wilis Indah Abadi was founded in 1982 by Haji Rahmat Syofan. This hotel is considered an old hotel located in the area. Nganjuk on Jalan Gatot Subroto 97, Kauman Subdistrict, Nganjuk Regency. To be precise in front of the Nganjuk terminal and the provincial highway direction to Madiun. This hotel has a number of rooms that are classified as Lots when compared to hotels in the city Nganjuk. In its operation, Hotel Wilis Indah Abadi has 53 rooms consisting of 4 types room Among others: Teratai 18 rooms, Alamanda 15 rooms, Tulip 11 rooms, Pavilion 9 rooms. Hotel Wilis Indah Abadi is also famous with The name of this hotel is Hotel Wilis taken from the name of the mountain in Nganjuk that is Mount Wilis which is place tour f climbers. Price per room relatively changeable every the year Because existence a number of things that make price changed start from addition place sleep, increased price electricity and water, the existence of day holiday national which makes traveler visit F traveling. With existence matter the make report price main become No relevant Because loading cost made into one cost driver without must separate between type room and cost be under costing or over costing in every type his room. F electricity, water and telephone between the office, hall and room its power Already separate, because fm location this hotel room expanding No building as one. And this hotel only has one floor that extends.

With see characteristics, specifications type rooms, services, and rates per room, Hotel Wilis Indah Abadi should change the process calculation cost from method traditional become

an Activity Based Costing System, the company can do loading cost more effective and efficient (Hansen and Mowen, 2012). Activity Based Costing System is alternative the solution that can taken by the company F get infmation relevant accounting in taking decision on determination price main and determination price sell the more appropriate so that on Finally will produce the benefits that more big.

Based on background behind above, then in study This writer interested F compile thesis with title " Application of Activity Based Costing Method in Determining Cost of Goods Sold" Room Service at the Wilis Indah Abadi Hotel in Nganjuk.

LITERATURE REVIEW

Cost

According to Hansen and Mowen (2012:56-58) Cost can classified as according to objective special or the function to be perfmred achieved. Cost grouped become in 2 categories functional main:

- a. Cost Production is related items with manufacturing goods and supplies services. Fees Production can classified as following:
- b. Cost non-production (non-manufacturing cost) is Associated costs with function design, development, marketing, distribution, service customers, and administration and general.

Burden

According to Edi Herman (2013:33) burden is the cost that has been time runs out and no have benefits f the time to come come and have to

met with his/ her related income during period walking.

According to Bastian Bustami and Nurlela (2013:8), the burden is costs that have been give benefits and now has finished. Unpaid costs enjoyed that can give the benefits that will be come.

According to Hansen and Mowen (2012:47) Cost issued F get benefit in the future future, in profit - oriented companies, future benefits cost means income. When costs has spent in the process of producing income, expenses the stated expired.

From the explanation of the experts can concluded that burden in a broad sense including all costs that have been the validity period can expire reduced from income. The burden Alone happen f two reasons First originate from costs that have been expired (expired) and secondly Because use It means burden That present if We Already do usage certain.

Accuracy Loading

According to Hansen and Mowen (2012:48-53), accurately assigning costs to cost objects is crucial. Accuracy is a relative concept and must be applied fairly and logically to the use of cost assignment methods. The goal is to measure and assign costs to the resources consumed by the cost object. Distorted cost assignments can result in incorrect decisions and poor evaluations, which can create waste. The causal relationship between the costs assigned and the cost object is key to making reasonably accurate cost assignments.

Factory Overhead Costs

Understanding Factory Overhead Costs

Cost Overhead Factory according to William Carter (2009:42) namely " Factory Overhead Costs are also called manufacturing overhead, manufacturing overhead costs manufacturing, or burden factory consists of on all cost manufacturing that is not traced in a way direct to output certain, factory overhead usually enter all cost manufacturing except material standard direct and direct labor.

Understanding Factory Overhead Costs according to Dunia and Abdullah (2012:23) " Factory Overhead Costs is all cost f produce something product besides from material direct and energy Work direct ".

According to Edi Herman (2013:57) overhead costs are all over cost manufacturing besides material standards and wages directly, where company No can in a way direct trace and charge it to product or service certain.

Bastian Bustami and Nurlela (2012:227) are of the opinion that cost overhead is material standard No direct and energy Work No direct as well as cost material No direct others who don't can traced direct to product or service certain.

Classification Overhead Costs

Dunia and Abdullah (2012:248) stated that classification Overhead Costs Factory based on characteristic or object expenditure as following:

- a. Raw Materials and Supplies
- b. Indirect Labor
- c. Indirect Costs Other

Cost of goods sold

Definition of Cost of Goods Sold Production

According to Mulyadi (2012:10) price main production or called price main is sacrifice source economy that is measured in monetary units which has happen or possibility happen F get income.

Bastian Bustami and Nurlela (2013:49) define price main production as following: Price main production is gathering cost production consisting of from material standard direct, power Work directly, and overhead costs factory added supply product in initial process and reduced supply product in the process end. Cost of goods sold production will the same with cost production if No There is supply product in the initial and final process”.

According to Hansen and Mowen (2012:60) stated that price main production is the total price main product, namely material standard direct, power Work direct, and related overhead completed product during period walk.

According to Armanto Witjaksono (2013:16), the price main production is a number of mark assets, but during year walk assets the utilized F help get income, assets the must converted to expense.

Dunia and Abdullah (2012:24) argue that price main production is costs that happen in connection with activity manufacturing. Cost production shared become three category, namely material direct material, labor Work direct labor, and manufacturing overhead costs.

Based on description understanding above, can concluded that price main production is all over costs incurred or output that is measured in monetary units f the process production from material

standard become goods so that Ready F f sale consisting of from cost material direct, cost power Work direct, and factory overhead costs.

The Purpose and Benefits of Determining Cost of Goods Sold Production

Determination price main production aim F know How many size costs incurred in the relationship with processing material standard become goods so be ready F used and sold. Determination price main production is very important in something company, because is one of the elements that can used as guidelines and resources infmation f leadership f take decision (Lambajang, 2013:2).

As f the purpose determination price main production according to Lambajang (2013:2) is:

1. As base in determination price sell.
2. As tool F evaluate process efficiency production.
3. As tool F monitor realization cost production.
4. F determine profit or make a loss periodic.
5. Assess and determine price main supply.
6. As guidelines in taking decision business.

According to Mulyadi (2012:65) in company production general infmation price main production that is calculated f term time certain beneficial f management f:

1. Determine price sell product.
2. Monitoring realization cost production.
3. Count profit or make a loss periodic.

4. Determine price main supply product finished and product in the process presented in balance sheet.

System Accountancy Cost Traditional Understanding Traditional Cost Accounting

According to Supriyono (2013:263) System cost traditional only charge costs on products as big as cost production, things this is very different with a burdensome value-chain costs on products as big as cost in formation series value. In the traditional system, costs product consists of above 3 elements that is cost material standard (BBB), cost power Work direct (BTKL), and costs overhead factory (BOP). BBB and BTKL are cost direct so that can charged in a way accurate through driver tracking. BOP is charged through driver tracking and allocation based on units with using a single tariff or departmental.

Calculation cost product with charge cost from material standard direct and energy Work directly on the product with use search in a way direct and overhead costs are charged with use search drivers and allocation. Drivers unit activity is factors that cause change in cost along with change number of units produced and overhead costs that are not in accordance with assumptions loading cost is an allocation process. (Hansen and Mowen (2012:162)).

On the System Traditional, cost material direct and cost power Work direct is cost direct so that search cost can done in a way direct to object costs. While factory overhead allocated into product units through factory load or department production which is the basis the burden can using product

units, machine hours, labor hours Work direct, cost material direct, and cost power Work directly. (Agus, Wibowo, Sabarudin (2016:394)).

Weakness System Accountancy Traditional

According to Supriyono (2013:300) System Cost traditional based on rates single BOP and tariff BOP department only suitable in environment manufacturing traditional and domestic level competition. However, the cost system traditional cause distortion cost If done in environment manufacturing progress and global level competition. At least There is three factors that cause the traditional system No capable charge BOP in a be careful with the product namely: (1) Products produced a number of type, (2) level BOP non-unit the number is relatively large and (3) diversity relatively high products. Third invoice the require management F replace the cost system traditional with the Activity based costing (ABC) system.

There are some weakness calculation loading factory overhead costs based on rates determined in advance, good One rates or rates departmentalization, including: the existence of costs that are not have connection direct with manufacturing product entered in calculation overhead costs, the existence of treat associated costs with the manufacturing process products that are not justice, and the existence of diversification burdened products same overhead costs whereas his activities No similar. (Mursyidi (2013:285)).

Activity Based Costing Understanding Activity Based Costing

According to Garrison, Noreen, and Brewer (2016:312) Activity Based Costing is method calculation designed costs F provide information cost f manager F decision strategic and decision other as complement, not as replacement system usual costs used companies. Most companies that use system Activity Based Costing has two systems, the system officially prepared F taking internal decisions and f operate activity.

According to Sofia and Septian (2014:61) the system accountancy Activity Based Costing is defined as something system calculation cost Where place shelter cost overhead factories whose number more from One allocated use the basis f entering One or more factors that are not related with volume, which focuses on activities in consume source Power.

According to Mursyidi (2013:285), Activity Based Costing system is calculation price main Where factory overhead costs or cost conversion charged based on rates determined in advance related with activity production.

According to Agus, Wibowo, Sabarudin (2016:409) Activity Based Costing system is System identifying information various activity in something company. The ABC system focuses on inherent costs on product based on activities carried out F produce and distribute the product in question. The ABC system is intended F produce information cost with useful activities f party management.

A method measurement cost product or services based on on amount cost from activities that arise related with production. (Armanto Witjaksono (2013:237)).

Activity

Understanding Activity

According to Garrison, Noreen and Brewer (2016:319) in Activity Based Costing the basis that used F allocate overhead costs are called driving force or trigger costs (cost driver). Trigger activity (activity driver) is something the basis used F allocate cost from something activity to products, customers or object cost other.

According to Hansen and Mowen (2013:228) Activity Driver is something work that forms something activity worth add that causes trigger cost (cost driver) and object cost (cost object) in loading cost company.

From the opinion on can concluded that activity cause trigger cost (cost driver) and object cost (cost object).

- a. Analysis Driver: Trigger Root
- b. Analysis Activity: Identifying and Assessing Value Content
- c. Activity Performance Measurement
- d. Classification Activity

Cost Driver

According to Blocher, Stout, and Cokins (2011:206) Cost Drivers are factors that cause change overhead costs. Cost drivers are factors that can measured used F charge cost to activities and from activity to activity other products and services.

According to Charles T. Horngren, Srikant M. Datar, George Foster (2012) in his book entitled accountancy cost emphasis managerial, trigger cost (cost driver) is variables, such as level activity or the volume that becomes base emergence cost in range time certain. This means there is connection cause and effect between

change level activity or volume with change level total cost. As f example, if cost design product changed in line with change amount component product, quantity component is trigger cost on cost design product.

Cost driver is factor which can explain consumption overhead costs. This factor show something reason main level activities that will be cause cost in activities. There are two types of cost drivers, namely:

1. Cost Driver Based on Unit
2. Cost Driver Based Non-Unit

Cost Pool

Cost pool is a group the costs that caused by the same activity with one basis cost driver). Cost This pool contains activities whose costs have a strong relationship between cost and driver with activity costs. Each cost A cost pool collects costs from homogeneous transactions. The more activities in a given activity, the more costs will be added to the cost pool. Activities within a company can be combined into cost pools. pool or several costs pool. The higher the level of similarity of activities carried out within a company, the lower the cost. pool required to charge these costs. A cost system that uses multiple cost The pool will further explain the causal relationship between costs incurred and the products produced. To assign costs to each cost pool uses a certain rate which is calculated by dividing the cost by the cost pool with cost driver. Hansen n Mowen (2012).

Strengths and Weaknesses Activity Based Coasting System Superiority

According to Agus, Wibowo, Sabarudin (2016:409) the following advantages – advantages Activity Based Coasting System:

1. Activity Based Coasting System presents cost infmative and accurate products, so that increase quality taking decision related to the cost of goods sold price sell, line products, markets, customers and so on.
2. Activity Based Coasting System Focuses on activities business, so that company must remove activities that are not give mark plus on something product through a reduction program cost in a way sustainable.
3. Activity Based Coasting System helps management access infmation related relevant costs in take decision business, so that company capable increase Power competition globally towards products produced.

According to Blocher (2011: 212) benefit from Activity Based Costing method, namely:

1. Measurement profitability which are more good, because ABC method serve more infmation accurate and infmative.
2. Retrieval decision which are more good, because ABC method serve the calculation that more accurate about cost triggered by activity, helping manager F increase mark products and processes with make decision which are more Good about design products, more decisions Good about support f customer as well as

- push projects that improve mark.
3. Improvement, methods ABC provides information to identify fields where process improvements are needed.
 4. Estimate costs. Increase cost products that lead to estimates cost the order that more Good Decision determination price, budget and planning

Weakness

According to Agus, Wibowo, Sabarudin (2016:409) the following limitations Activity Based Costing System:

1. Although Activity Based Costing System is system based activity, but loading cost to products at the level facilities / factories still use base allocation, so that No There is difference with system conventional.
2. Lots of costs special omitted from analysis, so that determination cost product be biased for example, costs marketing and administration that is not including cost products on the system conventional, but categorized as cost period in the Activity Based Costing System Because the provisions stipulated in the Principles Generally Accepted Accounting Standards (GAAP).
3. Activity Based Costing System in its implementation and development need Lots very expensive time and costs to be able to become system successful and reliable information.

Steps Calculation Cost with the Activity Based Costing (ABC) Method

According to Garrison (2016:316) the stages in apply calculation cost with Activity Based Costing method is:

1. Procedure Stage First (First-stage Allocation)

At the stage This the loading process is carried out overhead costs to group cost activity. At this stage Here are the steps taken is:

- a. Identify and define activity.
- b. Allocate cost to group cost activity.
- c. Grouping homogeneous cost pool
- d. Count rates activity.

At the stage This done calculation rates activities that will used for loading overhead costs to product and customers. The formula that used for count rates activity is: $\text{Pool Rate} = \frac{\text{Total Overhead Cost}}{\text{Total Driver Cost}}$

2. Procedure Stage Second (Second-stage Allocation)

Step in stage This includes:

- a. Charge overhead costs based on rates activity. The formula used is:

Overhead applied = Activity rate x Driver units consumed product

- b. Prepare report management At the stage this, after all cost production calculated, then prepared report management for give information about all over cost production with ABC method.

Differences between Activity Based Costing System and System Traditional

Difference implementation Activity Based Costing and Traditional Costing according to Ahmad Dunia and Wasilah (2012:321) are: In the allocation costs No direct to object costs. F cost directly, can done with method loading direct to each object cost Because can done search in a way easy. F cost No directly, no Possible done search direct on the object costs, because Lots type the costs that must charged but No found the relationship with object the cost.

In Traditional Costing, according to Ahmad Dunia and Wasilah (2012:321), namely: All cost No direct will collected in One grouping cost pool, then total cost the allocated with One base allocate usually based on connection because the consequences most representative part big cost No directly. F example, If cost No direct

Difference Table between Activity Based Costing and Traditional Costing

Infmation	Traditional Costing	Activity Based Costing
Objective	Inventory valuation	Product costing
Scope	Stage production	Stage design, stage production, and stages logistics support
Focus	Cost material standard, cost workfce direct	Cost overhead factory
Period	Period accountancy	Basics of life product
Technology infmation used	Manual method	Computer telecommunication

Source: Ahmad Dunia and Wasilah, 2012

Service Company

Definition of Service Company

Service Companies are companies whose activities his business that is sell services. This means that company service produce output or output in the fm of service or service. Difference main between company

something company dominated by overhead costs the factory that highly automated the process, then Can just base selected allocation are working hours machine.

In the ABC system, according to Ahmad Dunia and Wasilah (2012:321), namely: All cost No direct will collected in a number of grouping cost pool according to with each individual's activities related, then each group cost the connected with each activity said and allocated based on their respective activities. Selection group cost usually based on activities that in accordance with hierarchy costs and almost The same activities. Meanwhile F election base allocation is amount activity in every group cost the.

Difference between Activity Based Costing and Traditional Costing can seen from table following:

manufacturing and company service namely in its activities Where activity in company manufacturing tend have the same type and done with the same way. The difference is other is definition from the output. F company manufacturing can with easy defined Because results from the product tangible, temporary F

company service difficult defined Because results from the product No tangible (Hansen and Mowen, 2012:53)

Hospitality Services

According to Sulastiyono (2011:5), hotel is something owner - managed company with provide service, food, drinks and facilities room F Sleep to the people who do journey, with pay a number of the money that reasonable in accordance with the service that accepted. Fees in hotel defined as use cash or the occurrence of debt or combination both of them in frame buy goods or service F activity operational Sulastiyono (2011:5). A number of example cost that is payment wages hotel employees, purchasing hotel supplies in general cash. The research model or framework is intended to further clarify the essence of the discussion of previous research results and the theoretical basis used in the research, including the relationship between influential variable (Dewi, Rina, Zuhro, Diana, et al. 2024:142-160). The research design is a plan to determine the resources and data that will be used to be processed in order to answer the research question. (Asep Iwa Soemantri, 2020:5). Standard of the company demands regarding the results or output produced are intended to develop the company. (Istanti, Enny, 2021:560). Time management skills can facilitate the implementation of the work and plans outlined. (Rina Dewi, et al. 2020:14). In the process of data collection, researchers gather primary data in its raw fm. The survey method represents a technique f collecting primary data through the use of written questions (questionnaires) (Kumala Dewi, Indri et all, 2022: 29). The

Research model or framework is intended to further clarify the essence of the discussion of previous research result and the theoretical basis in the research, including the relationship between influential variables. (Enny Istanti, et al. 2024: 150). This research will be conducted in three phases: measurement model (external model), structural model (internal model), and hypothesis testing. (Pramono Budi, et al., 2023 ; 970).

METHODS

Types of research used by researchers is Study qualitative research qualitative is one of the procedure research that produces descriptive data in the fm of saying or the writings and behavior of the people observed.

Study descriptive is design research that is compiled in frame give description in a way systematic about infmation scientific origin from subject or object research (Sugiyono 2015:147). The types of approach writing This is descriptive research descriptive that is research that attempts f said solution existing problems Now based on data.

Methods used is descriptive statistical methods is the statistic used f analyze data with method describe or describe the data that has been collected as existence without intend to make applicable conclusions f general or generalization. According Sugiyono (2015:207).

Types of research qualitative descriptive in research This intended f implementation Cost of Goods Sold Method using Activity-Based Costing System at Hotel Wilis Indah Abadi which influences the determination of price main service rates room. With approach This expected can knowing the impact

of changes in the calculation of the cost of services that affect the tariff hotel room.

Data Types and Sources

There are two types of data in study This that is types of qualitative data and types of quantitative data. Types of qualitative data namely non-numeric data in the fm of structure organization company, job description, and history company. Quantitative data namely data in the fm of numeric or number like report finance company and list of costs during activity production ongoing.

Whereas data sources used in writing This is types of primary data and secondary data. Primary Data is data obtained or collected direct from source the data. Primary data is also called original data, f obtain primary data from researchers collect it in a way direct from authorities in company related required data requirements researchers, in matter this is the required data is related data with costs during activity ongoing. Primary data collected by researchers obtained with method interviews, observations and data collection documents obtained direct from software company. Sugiyono (2015)

Secondary Data Used in study This in the fm of archives report price main room company starting January – December 2017.

Analysis Techniques

Steps in technique data analysis is with as following:

1. Collect, study and understand data regarding activities production and related data with the service process.

2. F calculation factory overhead costs with use system activity based costing is calculated use an approach consisting of of two stages that is: According to Garrison (2016:319) the stages in apply calculation cost with Activity Based Costing method is:

1. Procedure Stage First (First-stage Allocation)

At the stage This the loading process is carried out overhead costs to group cost activity. At this stage Here are the steps taken is:

- a. Identify and define activity.
- b. Allocate cost to group cost activity.
- c. Grouping homogeneous cost pool
- d. Count rates activity.

The formula that used f count rates activity is:

$$\text{Pool Rate} = \frac{\text{Total Overhead Cost}}{\text{Total Driver Cost}}$$

2. Procedure Stage Second (Second-stage Allocation)

Step in stage This includes:

- a. Charge overhead costs based on rates activity. The formula used is: $\text{Overhead charged} = \text{Activity rate} \times \text{Driver units consumed product}$
- b. Prepare report management

DISCUSSION

Calculation of Cost of Goods Using

Activity Based Costing

According to Garrison (2016:319) the stages in apply calculation cost with Activity Based Costing method is:

1. Procedure Stage First (First-stage Allocation)

At the stage This the loading process is carried out overhead costs to group cost activity. At this stage Here are the steps taken is

- a. Identify and define activity.
- b. Classifying Cost Activities into Various Activities
- c. Grouping homogeneous cost pool
- d. Calculating Activity Rates

Once these activities have been identified according to their categories, the next step is to identify the costs. driver of each activity cost. The identification intended in determining activity groups is the rate or unit cost driver.

1. Laundry Activities
2. Room Inventory Activity
3. Electricity, Water, Telephone and Wifi Activities.
4. Breakfast Activities
5. Pest Control Activities (Environmental Cleanliness)
6. Maintenance Activities
7. Depreciation Activity
8. Employee Payroll Activities
9. Marketing activities

2. Procedure Stage Second (Second-stage Allocation)

Step in stage This includes:

- a. Charge overhead costs based on rates activity.

Comparison of Traditional Costing with Activity Costing Based Costing

From the results of calculating the basic cost of room service at the Willis Indah Abadi Hotel, there are differences in the results of calculating the basic cost of room service using the Traditional method and the results of calculating the basic cost of room service using the Activity method. Based Costing.

Calculation of the cost of room service using the traditional system according to the company includes: F the Teratai room type it is Rp. 96,340.46, F the Alamanda room type it is Rp. 95,878.24, F the Tulip room type it is Rp. 99,896.13, F the Pavilion room type it is Rp. 131,256.75 with the overall cost of room service based on one cost driver, namely Rp. 101,538.77. While the calculation of the cost of room service uses the activity method based the costing f the Tearatai room type is Rp. 91,099.33, f the Alamanda room type is Rp. 101,106.35, f the Tulip room type is Rp. 106,087.07, f the Pavilion room type is Rp. 123,667.17.

From the calculation of traditional methods according to the company and activity methods, based costing There is a difference in the basic price of room service f all rooms. F the

activity method, based Costing f Terati, Alamanda, Tulip, and Pavilion rooms yielded lower (reasonable) calculation results than the service cost determined by the company. The differences include: Teratai 5,241.13, Alamanda (5,228.11), Tulip (6,190.93), Pavilion 7,589.58.

From these results, when compared with the traditional method, the activity method, based Costing provides more reasonable results because it can reduce costs and generate greater revenue. The difference between calculating the cost of room service at the Wilis Indah Abadi Hotel using the traditional method and the Activity Based Method Based Costing is caused by the allocation of overhead costs to each product. In traditional cost accounting methods, overhead costs f each product are only charged to one cost unit. driver only. As a result, there tends to be cost distortion in the allocation of overhead costs. However, in the Activity method Based Costing, overhead costs on each product are charged to many cost units. driver. Thus, the ABC method is able to allocate activity costs to each room fairly and accurately based on the consumption of each activity. Through this process, employees are provided with training and development relevant to their job Performance, so that they are expected to carry out their job responsibilities as effectively as possible (Abdul Aziz Sholeh et

al., 2024:82). Choosing is part of a problem-solving effort as well as part of the decision-making process. Therefore, an appropriate purchasing decision is required (Kristiawati Indriana et al., 2019:28). Collaboration among the government, industry, research institutions, and civil society in designing and implementing these efforts, along with strong commitment and cooperation from all stakeholders, is key to the success of such efforts (Gazali Salim et al., 2024:63). The SERVQUAL model includes calculating the difference between the values given by customers f each pair of statements related to expectations and perceptions (Diana Zuhro et al. 2024: 98). In a competitive business environment, credit marketing strategies play an important role in customer acquisition and retention. (Mahjudin, et. al. 2025: 2659 - 2672). This research approach represents the overall thought process, starting from the broad determination of the subject to be studied, in order to achieve the best possible outcome (Sutopo et al., 2021:83–92). Promotion is carried out by providing consumers with knowledge of the company's product quality, thereby attracting consumers' attention to use the rental service (Firdaus, Fikri, et al., 2021:76–82). The main objective of every regional economic development is to increase the

number and types of employment opportunities of the local community. To achieve this goal, local governments and communities must jointly take the initiative of regional development.

CONCLUSION

Based on the research results and discussions that have been explained, the conclusions that can be drawn from this research include:

1. When a hotel applies the traditional method in determining the cost of room service, where the overhead costs of each product are only charged to one cost unit. drivers only without tracing or identifying existing costs, resulting in distortion.
2. If the company uses the Activity method Based Costing This shows a more reasonable charge because the overhead costs incurred are not directly charged but are identified first and grouped according to cost. driver (using more than one cost driver) is then charged based on each activity so that there is no distortion.
3. Differences in the Basic Cost of Hotel Room Service in Traditional Systems

SUGGESTION

Based on the conclusions above, the suggestions that can be given by the author are:

Hotel management is advised to consider and apply the calculation of the basic cost of hotel room services using the Activity method. Based Costing

because by using the Activity method Based Costing, the calculation of COGS shows a more reasonable cost allocation so that it can provide more accurate information.

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