Finding the Practice Activity-based Costing Discourse of Institution Course (Foreign Language Course in Pare-Kediri)

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Abstract

The objectives of this research was to examine implementation of Activity-based Costing in determining the cost of course program package in Foreign Language Course in Pare-Kediri. This research used the data in the form of written and spoken words, the behavior of the phenomenon, and those events with implicit or explicit knowledge related to the object of study. To analyze data, this research used explanation method to describe all findings. The result from this research indicated that the existing system in Foreign Language Course Pare-Kediri was although simple but was already practicing the activity considerations in doing preparation course program costs. The critical point needed to insert in cost of course program package was depreciation. Hope the consideration element in the preparation of development expenditure cost package holiday program courses especially are expected to maintain the continuity of the FLC itself. FLC was very flexible in the program while still taking into account the cost elements that could help prevent distortion costs.

Keywords: Activity-based costing, cost, cost object, program package

1. Introduction

English village is a village where there are a lot of institutions courses adjacent to each other. The location is in the majority located in the 3 (three) alley on Tulung Rejo village and Pelem which belonged to the obscenity of honor Pare district Kediri. Conditions institutional competition course was very tight so it also caused the price competition. As a result, each course institutions competing to offer the most affordable price. Therefore, the course's hometown of famous British and supported also by the cost of living is cheap so give a special attraction for students who are the major market segments.

The location has become a reference for all students in Indonesia to learn English. Almost every holiday, Kampung England always crowded by the students because of
the need for learning, curiosity, and a desire to fill a holiday that makes Kampung British crowded. In the UK there are hundreds of courses village are scattered in three aisles, precisely, in the village of Tulung Rejo, District Pare. An atmosphere of competition there appears once because the location of the course adjacent to each other like institutions as mutually neighboring housing.

This study takes the background of the region. Discourse research to find practical implementation activity-based costing. Therefore, studies that there is more focus on cost calculation program package one of the institutions in the course of the English village named Foreign Language Course (FLC). Since 2010, the FLC is open and ready to compete for markets outside Pare. During this time English language colleges FLC perform cost management in the conventional or traditional both in determining the direct and indirect costs. The results of calculation of the cost of the basis for determining the cost of production, plus the expected profit, as well as taking into account the selling price in the market, and then set the price of the product.

The calculation of the cost of traditional unacceptable because FLC is still dominant in selling regular products, namely products of 3 (three) months. To improve the accuracy of the information product cost management, management needs to create an alternative FLC in cost management in order to improve the accuracy in the calculation of costs, especially indirect costs in order to calculate the cost of production. Activity-based Costing (ABC) as an alternative solution in addressing the aforementioned problems can be found even in a simple form.

ABC’s research institute actually never done such courses by Wibowo (2011). The purpose of the research is to find out the process in calculating the cost of the course and obtain accurate information on the application of the ABC Institute College Tutoring Sony Sugema Throughout Branch. The research itself is an advanced research Konang (2012), entitled “Analysis of Cost Accounting Package Course Program Using Activity-based Costing in Foreign Language Course (FLC) Pare, Kediri” which has a limitation of the study is incomplete activity so that the calculation using the ABC cannot be perfectly done. This study focused on finding implementation costs are calculated per unit of the course package so there needs to be further research to analyze and evaluate the implementation of Activity-based Costing applied by FLC Pare, Kediri and express it in this study.
2. Formulation of the Problem

Based on the description of the background issues, the formulation of this research is “How practical implementation of Activity-based Costing in determining the cost of the course program package in English language colleges Foreign Language Course (FLC)?”

3. Research Purposes

Based on the background and the formulation of the problem, then the purpose of this study is to: bring the synthesis of information in calculating the cost of implementation of the ABC program package courses Foreign Language Course Pare, Kediri.

4. Theoretical Framework

4.1. Cost

Costs on one of the definitions mentioned as the exchange rate or be considered as expenditure or sacrifice in order to obtain benefits (Widilestariningtyas et al., 2012). Costs or in terms of English is said to cost as well as expenses or it can be a sacrifice for memndapatkan value of goods and services that are useful for the future or have benefits beyond one accounting period (World and Abdullah, 2012). In another definition, the cost used to sacrifice economic benefits to obtain services that are not capitalized value (Samyrn, 2012). In raw terms, the cost is cash or cash equivalents were sacrificed to obtain goods or services that are expected to benefit now or in the future for the organization (Hansen and Mowen, 2009). Thus, the cost can be defined as expenditure in the form of cash or cash equivalents in order to obtain goods and services that are useful for current or future for the organization.

4.2. Object costs

Held accounting management system to measure and charge the costs of entities called objects (Hansen and Mowen, 2009). Cost object can be anything among other products, customers, departments, projects, activities, and others are used to measure and charge. Object costs in a definition is said to be a base that is used to perform cost calculations (World and Abdullah, 2012). Similarly, in another definition, cost object
is defined as an item or activity that costs are accumulated and measured (Single, 2012). So the cost object can be said is the entity or item or activity whose costs are accumulated and measured. Examples that can be given is a teaching activity, tourist activity, and transportation procurement activities.

### 4.3. Activity-based costing

Activity-based Costing (activity-based costing) is defined as a system of cost calculation where the shelter overhead costs of more than one is allocated using a base that includes one or more factors that are not related to volume (non-volume related factor) (Carter and Usry, 2006). Other definitions associated Activity-based Costing (ABC) mentions as a system costing approach that is based activity-cavity-activism in the company (World and Abdullah, 2012). Activity-based Costing itself is a system that focuses on the costs and activity as objects using the activity costs as a cost driver for the cost objects than the activity (Samryn, 2012). Thus, Activity-based Costing is a cost accounting system that focuses on activity as an object of activity fees and use fees as a cost driver to identify cost.

### 5. Research Methods

The approach used in this study is a qualitative approach. This research approach uses the data in the form of the written word and verbal, behavioral phenomena and events implicit or explicit knowledge related to the object of study. Research conducted only limited to the implementation of activity-based costing method to get the cost calculation program package courses in Foreign Language Course (FLC).

Data used in this study are as follows:

1. Qualitative data is data which form a general picture of the object that was thorough and cannot be measured or quantified directly as background or history, organizational structure, activities that are involved in the process of providing services in Foreign Language Course. 2. Quantitative data is data that is expressed in the figures in the financial statements and can be directly measured or quantified as the income statement, the expense report on the provision of services. The data used in this study were obtained from: 1. Primary data is data obtained directly from the first data source on the location of the object of research or study (Bungin, 2005). Primary data is data obtained directly either through interviews or asked questions both verbally and in writing with the authorities in the
course Foreign institutions Language Course. In this research in-tian primary data obtained can be in the form of a company profile, organizational structure, and the income statement.

2. Secondary data is data obtained from a second source or secondary source of data we need (Bungin, 2005). In the secondary data researchers took data from written sources such as literature books and the Internet, the data includes theories related to the topic of research,

The procedure of collecting data in this study are as follows: 1. Study of literature. Literature study was done by collecting literature, both printed journals, the internet, as well as from previous studies that relate to the concept of Activity-based Costing. Literature study is used as a reference and the basic theory in solving problems examined. 2. Survey Introduction. Preliminary survey conducted by the review directly on object of study to obtain a general picture of the glue-baga courses Foreign Language Course (FLC), so as to obtain a clear understanding of the general condition of the company in the form of operational activities of the company in the process of providing services. 3. Surveying. The field survey conducted by the institute falls directly on the course Foreign Language Course (FLC), which is the object of study.

The technique used is as follows: (1) Observation, Data collection techniques with direct observation of the object under study. Advantages of this technique is that the data fit the reality while the disadvantage is the possibility of critical data is missed in the observations. The data collection is done by directly observing the object of study in order to obtain a proof of the existing conditions. Such evidence regarding the activities relating to the provision of services, one example is the teaching and learning activities. (2) Documentation, The data collection was done by collecting corporate documents relating to the object to be examined. The documentation in this study relates to the company profile, organizational structure, and the company’s financial statements. (3) Interview, Data collection through direct questioning by kar-em-company or person authorized to get an explanation of the conditions within the company as well as other data you need.

5.1. Mechanical analysis

The analysis technique used in this case study is the manufacture eclipse Related topics raised. The material is made express formulation of the problem is described in depth. The steps to do that consists of several steps:
1. Identify all activities performed Institute English Courses Foreign Language Course in Pare, Kediri related to the provision of services of course.

2. determine the costs inherent in the activity to determine the amount of resources consumed by each activity.

3. determine driver activity.

4. determine the cost pool is homogeneous and determines the pool tariff rate.

5. The overhead charge by multiplying the tariff of each pool and calculate the overhead costs charged.

6. calculate the cost per unit and compared with the price of the course program package.

6. Discussion

6.1. Overview of research subjects

Location Kampung United countless easy to reach. Tulungrejo intersection is a marker of the dismissal of public transport from out of town trips Pare to deliver the visitors Kampung England. Institutions courses with one another adjacent to each other to form a neighborhood institution course. Houses around the course, too, is not an institution also took the opportunity to offer accommodation or boarding houses for visitors Kampung England.

English village Pare, originally came from the institute courses namely Basic English Course (BEC) in 1977. Later, the alumni of the BEC course institutions also set up agencies similar course in the vicinity. BEC was in the village Tulungrejo Pare then institutions existing courses began to appear not only in Tulungrejo but also in villages and rural Pelem Singgahan. The region is now finally named Kampung England. List of course institutions registered in the British village looks like in Table 1. In addition to the aforementioned 80 agencies course, there are still about hundreds of institutions courses scattered around the village of England.

Foreign Language Course (FLC) was chosen as the subject of this study because it offers the kind of pro-duk not only English courses but also provide accommodation in the form of English camp and pool facilities. The purpose of the holding of the pool facilities is to support participants of the course who took the English camp can enjoy the activities penye-budget of the swim without having to exit away from the
course for entertainment. Expectations with the procurement of such facilities can make the course participants can also be further intensified in conducting app English conversation. Course participants also receive free Wi-Fi facilities so that participants can continue to update the information even if they’re in a course away from the crowd. Therefore, the implementation of activity-based costing is required to maintain a competitive edge institutions such courses.
This research subject is the Foreign Language Course. Foreign Language Course (FLC) is the guidance of foreign language courses were established on March 20, 1995. The course Institute was officially established by decree. Department of Education No.05/104.10C/MS/BHS/1997 amended by decree. Department of Education No. 421.9/78/418.47/2012. FLC has an address in the Nusa Indah 21 Tulungrejo Pare. FLC is one institution that courses in the British village of Pare.
Table 4: Receipts and Fees for Holiday Course Program.

<table>
<thead>
<tr>
<th>Acceptance Details</th>
<th>Unit Price (in Rupiah)</th>
<th>Quantity</th>
<th>Total Acceptance (in Rupiah)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants</td>
<td>675,000</td>
<td>27 people</td>
<td>18,225,000</td>
</tr>
<tr>
<td>Total Acceptance</td>
<td></td>
<td></td>
<td>18,225,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fee Details</th>
<th>Unit Cost (in Rupiah)</th>
<th>Quantity</th>
<th>Total Cost (in Rupiah)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tutor</td>
<td>30,000</td>
<td>4 hours x 14 months</td>
<td>1,680,000</td>
</tr>
<tr>
<td>Foreigner/Native</td>
<td>1,000,000</td>
<td>1 person</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Module</td>
<td>40,000</td>
<td>27 people</td>
<td>1,080,000</td>
</tr>
<tr>
<td>Certificate</td>
<td>2,000</td>
<td>27 people</td>
<td>54,000</td>
</tr>
<tr>
<td>Equipment</td>
<td></td>
<td></td>
<td>300,000</td>
</tr>
<tr>
<td>Other Overhead</td>
<td></td>
<td></td>
<td>500,000</td>
</tr>
<tr>
<td>Depreciation of Allocation</td>
<td></td>
<td></td>
<td>12,500,000</td>
</tr>
<tr>
<td>Total Costs</td>
<td></td>
<td></td>
<td>17,114,000</td>
</tr>
</tbody>
</table>

Foreign Language Course (FLC) initially housed in the Nusa Indah. The course consists of two floors that consists of two classes. The front part of the course is the administration office. The course is joined by home owners the course of Mr. Bill. Mr. Bill who was the owner at the same position as the primary educators in the institution of the course. FLC administration entrusted to Miss Conduct is the wife of Mr. Bill. Bu Ethics, assisted by one (1) person staff employees. Both run FLC administrative processes related to acceptance of the course participants as well as other forms of cooperation. ability of Conduct clever in building a network to make the administration of the FLC is very flexible. It makes FLC very dynamic of the internal side. Marketing existing programs other than using the conventional method through handling all kind of marketing themselves by creating their own brochures, administration and process of course also use a system that can be modified. If there is a coming together study groups filed a demand for courses with tutors and all other costs are already out of that person then it is allowed. Then, there were no additional request additional travel packages and other event then it is allowed. Next, the object of research is the process of making the FLC program costs. This is because the program is very varied from FLC thus require cost tracking of major concern. Expectations with the cost of manufacture is based on activities that will provide even more flexibility to customize the program to minimize the possibility of distortion of the cost.
6.2. Program offers foreign language course

Foreign Language Course (FLC) was founded in 1995, and has hosted an English language course with a good segmentation among students of Elementary School (SD), Junior High School (SMP), and High School (SMA) and higher education as well as the general public. FLC program more emphasis on the mastery of the material to be speaking grammar easier. Materials provided also associated with vocabulary or reading. The purpose of learning the course is to enhance the ability to speak, hear, read, and write English. The hope also can increase vocabulary and improve grammar systematically.

FLC program brochure always do change periodically due to follow the development of internal and external environmental conditions the most. The internal environment is always created dynamically with the building of infrastructure and manufacture of flexible cooperation program. Then with aspects of external considerations, FLC give a lot of variety in the offer programs tailored to customer demand. However, the FLC education basically consists of two (2) program: Regular Program and Holiday Program

- Regular program

The regular program is a program that has a primary segmentation among students. The program consists of two levels of English 1 and English 2. Each lesson discusses the matter grammar and speaking. However, in the implementation of the program is also available to the public.

During the study had twice the regular program is undergoing changes. The regular program originally consisted of three (3) levels which consists of a basic level, intermediate level and final level. Each level can be taken three (3) or 6 months depending on the duration of the course requested by the course participants. The duration of 3 (three) months can be passed with 8 times entered in a week. Then, the tempo of 6 months can be reached by four (4) times the entry of the week. The course fee for each level with a book and a certificate facility is USD 300,000.00. FLC options allotted time is very flexible. This is evidenced by the choice of class hours as follows:

1. 08.00 until 09.30
2. 10:00 until 11:30 hours
3. 14:00 hours until 15:30 hours
4. 16.00 until 17.30
5. 18.30 until 20.00

The time options tailored to the new program deals on a recent visit to a research object. Based on consideration of efficiency and effectiveness, without prejudice to the flexibility of the program the clock option to e (18.30 until 20.00) abolished.

The course fee for students is Rp 300,000.00. 1 (one) week held two (2) meetings reached within 3 (three) months. Then, participants receive modules. The course runs with a minimum of 7 (seven) participants. Estimates meeting in a month is 10 hours with the intensity of the meeting two (2) times within one (1) week. This means that for 3 months there will be 30 hours. The considerations used to determine the cost of a tutor. Based on these estimates the cost obtained tutor with tutor hourly teaching rate Rp 30,000.00 multiplied by 30 hours, the obtained value of Rp 900,000.00. Each participants receive a course module. Cost of the course modules worth Rp 20,000.00.

Course participants are minimal running with 7 participants, it can dialoksinan module costs Rp 140,000.00. The calculations obtained from 7 participants multiplied by USD 20,000.00. Equipment costs are allocated to meet the needs of stationery in the process of the course. Component supplies include markers, pens, pencils, erasers, rulers, folders, paper and other stationery. The allocation of the cost of supplies for 3 (three) months’ worth Rp 100,000.00. Other costs used to support overhead associated with the implementation of hygiene, cooling treatment, and things that are more administrative. The cost allocation based on an estimate made by the owner based on the experience that occurs in running the course. The allocation of these costs subsequently matched with the reception of Rp 2,100,000.00. Target profit estimates obtained in any regular course program can be withdrawn Rp 900,000.00 derived from minus Rp 2,100,000.00 1,200,000.00.

Regular program was not absolute for students but also for the public. Most common among the course participants coming from outside Pare. This makes the program becomes more dense. Regular intensive program that existed when the last visit which is taken within 1 (one) month to 1 level. Program 1 (one) month course requires participants in every day with intensity of 2 (two) meetings within one (1) day. Participants were asked to pay the course fee of Rp 600,000.00. Amenities obtained is the book module and course certificate.

• Holiday program

Holiday Program is a program organized by the segmentation of both students and the general public in the holiday period. But still the main target of the program is students since its implementation in the school holidays. Implementation of the program
in the near future be held 4 (four) times. This period is based on interviews last visit to the end of 2013 until early 2014 were divided as follows:

2. Wave 2: January 6, 2014 until January 18, 2014
3. Wave 3: January 20, 2014 until February 1, 2014

The course fee is earmarked for the Holiday program is a standard based on the most recent visit was Rp 675,000. The number counted up by Rp 75,000 from the previous due to adjusting the economic conditions that are more expensive due to rising prices of goods.

The facilities were acquired from the Holiday program is:

1. Book module Holiday: Grammar + Speaking
2. Learning Home Schooling due to be held in a halfway house (Camp) where participants stay
3. Each of the rooms there is a bathroom
4. Foreigner/Native Speaker
5. Certificate
6. Wi-Fi
7. The pool
8. Day 4 (four) meetings
9. Taken 2 (two) weeks

Facilities are limited only to the course participants. The course fee for the program last holiday is Rp 675,000.00. One day held 4 (four) meetings reached within 2 (two) weeks. Then, participants receive modules. The course runs with a minimum of 7 participants. Estimates meeting in each time face to face is one (1) hour. The period of two (2) weeks of the intensity of the meeting of 4 (four) times in one (1) day can add up is 56 hours. Rates teaching tutor Rp 30,000.00 per hour multiplied by 56 hours then obtained a value of USD 1,680,000.00 for budget tutor.
Each participant receives a course module. Cost of the course modules worth Rp 40,000.00. Course participants are minimal running with 7 participants, it can dialok-sikan module costs Rp 280,000.00. The calculations obtained from 7 participants multiplied by Rp 40,000.00. Equipment costs are allocated to meet the needs during the course of stationery and supplies to stay the course participants. Component supplies include markers, pens, pencils, erasers, rulers, folders, paper, pulse wireless fidelity (Wi-Fi) and the needs of other course participants. The allocation of the cost of supplies for 2 (two) weeks’ worth Rp 300,000.00. Other costs used to support overhead associated with the implementation of hygiene, cooling treatment, and things that are more administrative. The cost allocation based on an estimate made by the owner based on the experience that occurs in running the course. Allocation of cost of USD 500,000.00 is greater than the regular program due to the allocation of maintenance costs for a place to stay the course participants. Target minimal difference between the reception and the cost of this holiday program with 7 participants is Rp 951,000.00. These quantities are the minimum net difference of the program. Next, the amount was increased following the increase in the number of participants present. Due to the limited places to stay which is owned by FLC then of course participants is limited for this program in one period. Participants are given a maximum of 50 people in each period. If the quota has been met, but there are still many potential participants then manager

FLC offers a venue on nearby residents. Participants in this program are given facilities holiday foreigner or native speakers. Differences in terms foreigner and native speakers are provided by the FLC itself. The term foreigner granted to foreigners who speak English but do not have the formal foundation of the English language, while the native speaker granted to foreigners who speak English and have a foundation of formal English education. FLC in this holiday program gives priority to course participants the courage to be able to communicate with English speakers. It is expected to boost the confidence of the participants of the course in English. This condition is one of the expected output of the program after the course of this holiday.

7. Discussion

FLC programs there based on flexibility and the needs of the course participants. The course participants who are given the freedom to choose a program that will be followed so as to feel comfortable and at ease. This is expected to affect output that will be brought by the participants of the course. The parties will cooperate with the
FLC also be facilitated. All parties are offering different kinds of forms of cooperation accommodated. Party FLC very flexible and open in accepting the offer of the cooperation. However, the promised flexibility and convenience should not forget the aspect of the manufacturing cost. The cost of the program is expected to remain necessary to establish profit and loss calculation FLC. Therefore, activity-based costing flexible required to be controlling in all activities undertaken by the FLC. In accordance with the actual treatment, activity-based costing is treated for overhead. Overhead costs were raised today in the calculation of each program in the FLC seem very small. Overhead costs for regular program and program IDR 46000.00 USD 500,000.00 holiday. This raises the question whether it is just for the overhead costs for each program run.

Things should be examined from spending for the construction of the course and not a little improvement means continuous course do need to be considered in order to support continuous improvement program at FLC. Treatment expenses for the construction of the allocated throughout the economic life by doing depreciation. It is intended to make continuous improvements in the course. During this time for spending infrastructure development for the course have received less attention in the packaging process of the course. This is related to the course package price determination process is very simple. Background manager who gets the science related to the management of courses based on experience made in the process of making the course fee is very simple and less attention to the elements of the cost of capital expenditure to be sufficiently large. It actually requires attention in order to support continuous improvement where the course to be competitive with other courses institutions. Consideration of the determination of the course fee by considering the capital expenditure required in order to place a course of continuous improvement. It is necessary to be able to continue to face competitive rivalry with the institutions of other courses. Elements investment considerations needed to be accommodated in the determination of the course fee package.

Results of interviews with Mrs. Ety as financial manager at FLC mentions no less than the value of 1 (one) billion rupiah has been issued in the period 2010 to 2012 for the construction of a means of building the course in the village of Madu. The building site is intensely used for shelter during the course of the holiday program. Distance to the course used for holiday program within three (3) kilometers from the Old Course in the Nusa Indah. Limitations where there is now causing maximum of participants that can be accommodated at one time in the program English Camp only 50 participants. This makes the FLC managers continue to make ongoing improvements related to existing
The 2nd ICVHE

infrastructure. A concrete program that will be conducted by the manager of the FLC is to upgrade infrastructure in the way the course Nusa Indah.

Expenditure under consideration to be accommodated in the process of making the course fee is the cost of the environment. This is related expenditures for the maintenance of security costs in the Military Command (Koramil) local. FLC place in the working area and Badas under Koramil Pare District Military Command (Kodim) 0809 Kediri. Expenditure amounting to 1 (one) billion rupiah to be allocated throughout the economic life in order to carry out sustainable development activities. This is necessary for FLC can continue to compete competitively in the face of competitors-competitors. The allocation of charging needs to be recognized over the economic life. Determining how much economic life can follow the applicable provisions on taxation which follows the classification provisions of article 11 of the Income Tax Act. Conditions of allocating the economic life of the permanent building is 20 years old with only permitted using the straight-line method. This can be taken into consideration in the process of making the magnitude of the course package.

8. Conclusion

The results of the study can be concluded that the FLC need to consider using a basic activity in the preparation of the cost, especially for overhead. Activity-based Costing (ABC) is already practiced in FLC but forgotten element is to enter the depreciation cost allocation component in the calculation of the cost of the course program offered.

9. Implications and Limitations

1. limitation

The results of this study has limitations, namely:

(a) Limitations associated data on the FLC is not all well documented.

(b) The absence of data related to each of cooperation made by FLC due confidential.

10. Suggestion

Based on these limitations, the suggestions are given for further research are:

1. to continue the research in the same place related topics relevant costs.
2. Can use the questionnaire approach to determine the immediate response to potential course participants program costs related courses.

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