Abstract

This study aims to analyze the cost calculation using traditional costing method and activity based costing method on wedding package at The Akmani Hotel Jakarta in 2014. The author re-calculates and compares cost calculation from two methods to provide an accurate cost calculation method for the company. In business, the company needs to know about the total of production cost in order to determine selling price of product. If company can reduce the production cost, it will increase the company's profits. All this time, the company use incomplete traditional costing method in calculate its production cost. The production cost calculation using traditional costing method and activity based costing method show insignificant results. The incomplete traditional costing method used by the company only needs to be developed and refined in order to provide accurate method for the company. The company does not need to use activity based costing method because applying activity based costing method will not bring benefits compared with the resources sacrificed for applying the method.

Keywords: Activity Based Costing Method, Cost Calculation, Production Cost, Traditional Costing Method, Wedding Package