The purpose of this research is to calculate and analysis cost of production on traditional method which is currently used by company and activities based costing method in order to produce more accurate calculation and help the management to make the good decision in determining cost of production. The research methodology that author used is qualitative research which using primary data as based of calculation and analysis. Primary data gathered by the author is directly from company. Analysis is done by calculating and comparing the cost of production and unit cost using traditional method and activity-based costing method. The results achieve are differences between the overhead and unit cost calculation using traditional method and activity based costing method. The Conclusion is activity based costing method is more accurate and relevant compared to traditional method. Because, activity based costing method calculate more precise and detail in determining cost of production and unit cost.

Keywords: Activity Based Costing, Traditional Costing, Cost of Production, Cost Accounting