

**VARIANCE ANALYSIS AS A TOLL  
OF CONTROLLING PRODUCTION COSTS  
IN PT DBS INDONESIA.**

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**ABSTRACT**

*PT DBS Indonesia is a company engaged in the furniture industry in running a business, the company must do in order to achieve cost control efficiency production costs, namely by setting standards of production costs. Standard fees are set later than the realization of the costs incurred. Problems in this study are (1) the level of cost efficiency of production at PT DBS Indonesia and (2) which of the cost of production is more efficient. The purpose of this study is to analyze and describe the level of efficiency of production costs at PT. DBS Indonesia.*

*Retrieval of data in this study is to report the cost of production of PT. DBS Indonesia since 2009 until 2010, the objects of analysis are the Variable costs that consist of raw materials, direct labor costs and factory overhead costs. Data collecting methods used in this analysis are interviews and documentation. Whereas analysis of the data used in this study is descriptive using the percentage of variance analysis of production costs.*

*The result of this study is that there are differences in the variance of production costs in 2009-2010, a descriptive analysis of the percentage shows the level of efficiency of production costs included in the category are less efficient. Based on the results of the same percentage of the cost, the production is more efficient in direct labor costs. Analysis of variance showed some differences (margin) in the cost of production, raw material costs, direct labor costs and factory overhead costs.*

*The conclusions in this study are: the level of efficiency of production costs at PT. DBS Indonesia is less efficient because there is a standard cost variance with the realization of cost. The cost production is more efficient in direct labor costs. Suggestion can be submitted is: the company is always updating the data relating to production costs, e.g. raw material prices as well as setting the standard fee as a means of controlling production costs*

**Keywords:** *Analysis of Variance, Efficiency of Production Costs*