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Analysis of the Selling Price Determination of Tofu and Tempeh During the COVID-19 Pandemic in *Usaha Dagang Solo Asri*

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ABSTRACT

Determination of the selling price is important in marketing products, especially during the COVID-19 pandemic which made almost all economic sectors weaken and made business sales, both large and micro, small and medium, to decline. One of the sectors affected by COVID-19 is food production (such as tofu and tempeh businesses). The purpose of this study is to analyze the value or determination of the selling price of tofu and tempeh products during the COVID-19 pandemic. Specifically, data on *Usaha Dagang (UD) Solo Asri* in the form of costs incurred in one-time production of tofu and tempeh during the COVID-19 pandemic. This business was chosen because it is the largest tofu and tempeh business in Kabupaten Sumba Timur. The method used in analyzing the data in this study is the method of determining the price using *cost plus pricing* with a *full costing* approach. The data used in this study is primary data where the researcher conducts direct interviews.This technique was chosen because UD Solo Asri does not have financial reports, so an interview approach is needed to obtain data. From the results of data processing, it can be concluded that the selling price for each product with an expected profit of 10 percent during the COVID-19 pandemic is Rp275 per 3 pieces for tofu and RP7.476 per 7 packs of tempeh.

Keywords: Selling price determination, cost plus pricing, full costing.

Introduction

Food is the daily primary need for every individual. Over time, food products such as tofu and tempeh have become part of the staple foods of the Indonesian people. These products are still in demand because they are easy to produce and the price is affordable. This food business can be said to have a stable demand, but there is also competition between businesses because the products are relatively easy to imitate and make. Examples can be seen from the tofu and tempeh business in Kecamatan Kota Waingapu, Kabupaten Sumba Timur. Based on data from Dinas Perdagangan in 2020, the tofu and tempeh production business in Sumba Timur is centered in Kecamatan Kota Waingapu, which consists of three businesses. The increasingly fierce competition situation demands efforts to improve product quality with the right pricing strategy to attract consumer interest.

Businesses must be able to sell their products at competitive prices compared to their competitors. Designing and determining the selling price of the product is as important as designing and determining the components of the product itself. This is considered a strategy for business continuity (Saleky, 2020). As a result of this strategy, businesses can earn profits in two ways, by increasing selling prices and reducing production costs (Lasena, 2013). These two methods cannot be directly applied to businesses with a high level of competition. Instead, business management must be precise and careful in determining the selling price of its products. If the pricing is too high, it will result in decreased sales volume, and conversely setting prices too low will result in low profit levels. The Coronavirus Disease pandemic time (hereinafter

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abbreviated as COVID-19) also forces businesses to take good account of in determining the selling price of their products.

The COVID-19 pandemic that is happening in the world today, has affected all elements of human life. Lockdowns and social restrictions are happening everywhere to prevent the spread of the virus. Many businesses experienced losses and some even closed their businesses due to low levels of demand from consumers. Business actors, especially micro, small, medium enterprises or what is often abbreviated as MSMEs (World Bank Group, 2020; Saturwa et al., 2021), are experiencing severe shocks. The market share becomes less compared to normal conditions. This causes MSME an urge to find a strategy in maintaining their business (LPEM FEB Universitas Indonesia, 2020). The adverse effects of the COVID-19 pandemic have occurred on supply chain management (Alkahtani et al., 2021), business production cost efficiency (Weersink et al., 2020), and business financial conditions (Wren-Lewis, 2020).

One way to deal with the COVID-19 pandemic is to streamline production costs. MSME actors need to answer these challenges to survive in this unfavorable economic climate. In determining the selling price of products, to get the maximum profit during the COVID-19 pandemic, increasing the selling price is not the right way but by reducing production costs. This method makes more sense considering that during this pandemic the economic condition of every household has decreased which has resulted in every consumer being more selective in meeting their needs by buying products at affordable prices. Determining the right selling price can also be the main protector of business actors to survive during this pandemic. *Usaha Dagang* (hereinafter abbreviated as UD) Solo Asri is one of the businesses that are classified as MSMEs affected by COVID-19. UD Solo Asri was chosen as the object of this research because this business has been in the food industry for a long time, especially tofu and tempeh, and is the largest tofu and tempeh production factory on Sumba Island.

In determining the selling price of products, there are several methods that businesses can apply. One of them is the *full costing* method used in this research. This method was chosen because there is evidence in research from Sylvia (2018) that there is no difference in value between the *full costing* method and the *variable costing* method. The *full costing* method is the determination of the selling price by adding the expected profit above the full costs to produce and to market the product. In this method, the producer sets the selling price for one unit of goods by adding the desired margin or profit percentage to the total cost of production per unit. In other words, *full costing* is a very simple strategy in setting prices for goods and services. Previous research has also shown that the *full costing* method is very suitable for use in food manufacturing businesses such as tofu and tempeh products (Damanik, 2020) because it shows the actual condition of all costs due to production carried out by the business (Anton & Tarigan, 2017).

The purpose of this study was to analyze the amount of determination of the selling price of tofu and tempeh and the comparison of the selling price between the selling price determination technique with the *full costing* method and the technique used by UD Solo Asri during the COVID-19 Pandemic. Meanwhile, the benefit of this research for the business is that it can be used as a reference in determining the right product selling price which might make it possible for businesses to earn profits and can survive during the COVID-19 pandemic.

Determination of selling price is a process where producers determine the cost burden given to consumers in obtaining their products. Determining the selling price is very important which is a consideration for consumers in choosing the products they will buy. Determining the price of the product is as important as designing the product itself (Saleky, 2020). In determining the selling price of the product, several methods can be used in the calculation. One of them is *cost-plus pricing*, which is a calculation that adds to the total cost with the desired profit percentage and is called margin (Pidada et al., 2018). This approach is part of determining the selling price with a *full costing* approach. The formula for calculating the selling price is as follows: the selling price is the total cost plus margin (Anggreani & Adnyana, 2020). The most common approach to pricing a product is absorption costing, also known as *full costing*. This approach treats the costs

of all components of manufacturing (direct materials, direct labor, variable manufacturing overhead and fixed manufacturing overhead) as inventory, or product costs. Absorption costs consider the costs incurred in the non-manufacturing (sales and administration) field of the organization according to the income (Gersil & Kayal, 2016). During the COVID-19 pandemic, this approach is suitable to use to help the calculation of MSMEs in setting the selling price to be more precise and to take into account all the costs incurred. Several factors can cause a business to determine the selling price of its products, a) the intent and purpose of determining the price, b) the amount of demand, c) price conditions, costs and competitors' offers, d) cost projections, e) techniques for determining the selling price by the business owner (Dariana, 2020).

The literature review in this study also includes previous research. The first research is entitled *Determining The Selling Price of Products Using The Cost Plus Pricing Method* conducted by Septiano (2018) with the object of research UD The Great Blessing of Kapok Super. This study was conducted to determine the method of determining the selling price based on the business method compared to the *cost-plus pricing* method. The results showed that there was a difference in the selling price of the product determined by the two methods. Of the total 16 products, 15 products are set higher and one product lower than the selling price determined by the *cost-plus pricing* method. Research from Maghfirah & Syam (2016) and Anggreani & Adnyana (2020) shows that the *full costing* method in the tofu or tempeh business is more accurate in determining the price. Previous research has tended to calculate pricing also with the *full costing* method and compare this method with calculations determined by a business. The research conducted this time takes into account the conditions of the COVID-19 pandemic. Therefore, businesses can find out and analyze the selling price of their business products with the *full costing* method during the COVID-19 pandemic.

Material and Methods

In the process of analyzing the data, the researcher used a *full costing* approach. This approach is a method of calculating the cost of production that includes and adds up all types of production costs such as raw material costs, labor costs, and factory overhead costs, both fixed and variable costs (Milla, 2018). In doing the calculations, the researchers calculated all the components of the costs incurred by the business in producing tofu and tempeh. The steps are as follows. The first step is to calculate the total cost of production. Total costs are all costs incurred in producing products, such as fixed costs and variable costs. The total cost is obtained using the following formula: Total cost = fixed cost + variable cost.

The second step is to calculate the cost per product. Cost per product is the total cost incurred in producing one product or per product. The calculation is done using the following formula: Cost per product = total cost: total product. The last step is to do the calculation using *cost-plus pricing*. This method is a calculation that adds the margin value in the form of the desired profit percentage to the total cost in determining the selling price of the product. *Cost-plus pricing* can be calculated with the following formula: Selling price = cost per product + margin. The determination of business margin must also consider several factors such as conditions of competition with other businesses and conditions of demand in the market.

Results and Discussion

UD Solo Asri is a business that produces tofu and tempeh and is located at Jalan Muara Karya, RT 10/RW 05, Kamalaputi Village, Kecamatan Kota Waingapu, Kabupaten Sumba Timur, Propinsi Nusa Tenggara Timur. This business was founded by Wiyono in 2004. Wiyono is a man born in Karanganyar, September 29, 1971. The location of UD Solo Asri is very strategic because it is located in the city center which can be accessed either by motorbike or car so that the distribution of raw materials is easy to do for customers who want to buy tofu and tempeh products can reach them easily. UD Solo Asri operates every day. They can produce around 360 molds for tofu and

3,000 packs of tempeh daily. UD Solo Asri has 11 employees with 8 male employees and 3 female employees who have their respective duties and responsibilities in producing tofu and tempeh.

Several processes or stages have to be taken to produce good quality tofu and tempeh products that can give satisfaction to consumers. The production process itself is a process where raw materials are processed to become outputs or products that are ready to be marketed. In a day or one production, UD Solo Asri can produce 360 prints for tofu and 3.000 units or packs for tempe. One production takes four days and three nights. From the results of interviews with Wiyono as the owner of UD Solo Asri, there are several stages that the business goes through in producing tofu and tempeh until they are ready to be marketed. Here are the steps to go through:

Table 1. Production stages of tofu and tempeh at UD Solo Asri

No	Tofu	Tempeh
1	Soak the soybeans for about 3 hours.	Soak soybeans from morning to afternoon.
2	After soaking, the soybeans are washed thoroughly.	In the afternoon the soybeans are ground to separate the contents from the skin, and soaked overnight.
3	Soybean is then ground using a machine until it becomes like porridge.	After soaking for one night, the following morning, the soybeans are washed thoroughly.
4	The next step is is to boil the soybean until cooked	After cleaning, the soybeans are then boiled until cooked.
5	After cooking, the soybeans are then filtered to get the soybean juice.	After cooking, the soybeans immediately drain until it is cold.
6	The next process is *jantu* or the process that aims to separate the tofu from the water.	When it is cold, the next process is fermentation.
7	The last step is the tofu printed and ready for sale	After fermentation, the soybeans are wrapped in plastic and stored for 24 hours before being sold.

Source: Processed Data, 2021.

After going through a series of production processes as explained above, of course, it causes costs incurred by the business in producing output that is ready to be sold, for example purchasing raw materials, labor costs, or other costs that arise as a result of the production process that occurs. The costs incurred during the production process are said to be the cost of production. The cost of production itself is very important for businesses as a guide in calculating business profits or losses and determining the selling price of the products produced. An overview of the production process of UD Solo Asri also still shows weakness in that there is no standard time for each production activity. This needs to be avoided so that businesses can run production effectively.

From the results of interviews with the owner of UD Solo Asri, it shows that there are various cost components included in the processing of tofu and tempeh which comprise several components such as the cost of soybean raw materials, employee salary costs, employee cigarette costs, weekend bonuses, tempeh packaging plastic costs, firewood costs, engine oil costs, equipment depreciation costs, production costs, electricity costs, water costs, and engine fuel costs. The costs incurred by UD Solo Asri in producing tofu and tempeh will be described in more detail as follows and the data calculated in this cost analysis are costs incurred by UD Solo Asri in one-time production.

Raw materials are materials that are used to be processed into products or outputs that are ready to be marketed and attached or become an integral part that cannot be separated from the product (Purwanto & Watini, 2020). Soybean raw materials are stored in the same warehouse for

both types of products and there is no separation of raw materials for the production process of tofu and tempeh. In the process of making tofu and tempeh, the raw material used is soybean and for tempeh there are additional raw materials, yeast, and rice flour. The costs are explained as follows.

Table 2. The price of raw materials

Product	Item	Amount	Price
Tofu	Soybean	250 Kg	IDR 2.250.000
Tempeh	Soybean	250 Kg	IDR 2.250.000
Tempeh	Yeast	1 pack	IDR 20.000
Tempeh	Rice flour	1 pack	IDR 15.000

Source: Processed Data, 2021

From the table above, it can be seen that the raw materials needed for tofu and tempeh products. Tofu has soybeans as raw materials by spending 250 kg of soybeans at each production at a price of IDR2.250.000. Tempeh has soybeans, yeast, and rice flour as its raw materials in one production with a total price of IDR2.285.000.

Labor costs are costs given to employees as a form of wages because employees have carried out or assisted in the production process (Purwanto & Watini, 2020). UD Solo Asri has eleven employees with 8 male employees and 3 female employees. In addition to salaries, employees also receive bonuses every weekend and male employees receive one pack of cigarettes every day. There is no separation of workers in the tofu and tempeh production process. The following are the labor costs incurred by UD Solo Asri.

Table 3. Labor costs

Item	Amount	Cost (IDR)	Total Cost per Month (IDR)
Salary	1 employee	2.500.000	2.500.000
Salary	1 employee	2.250.000	2.250.000
Salary	1 employee	1.750.000	1.750.000
Salary	1 employee	1.250.000	1.250.000
Salary	7 employee	1.000.000	7.000.000
Weekend Bonus	11 employee	1.100.000	4.400.000
Cigarette Cost	8 packs	104.000	3.120.000
Total			22.270.000
Total/30 days			742.333
Labor Cost for Tofu and Tempeh Production			371.166

Source: Processed Data, 2021

From the table above, it can be seen that the amount of salary received by some employees is different from one another and the total salary costs incurred by UD Solo Asri every month is IDR14.750.000. In addition to salary costs, the employees also receive a bonus of IDR 100.000 every weekend and in total for one month, the employees receive a bonus of IDR 400.000 so that the total bonus issued by UD Solo Asri for one month is IDR4.400.000. For 8 male employees, every day they also get one pack of cigarettes each for IDR13.000, and for a total of one month, each employee gets 30 packs of cigarettes. For a total of one month, UD Solo Asri spent IDR3.120.000 on cigarettes. The total labor costs incurred by UD Solo Asri every month is IDR22.270.000 and the labor cost per production of each tofu and tempeh is Rp371.166.

Factory overhead costs or also known as complementary costs are costs incurred by businesses, apart from direct labor costs and raw material costs. Overhead costs are difficult to identify and they cannot be related to the product produced. However, this overhead expenditure is also very important because it supports the production process (Purwanto & Watini, 2020). It

can be said that without the production process overhead, a business would be very difficult or even impossible to run.

At UD Solo Asri, several cost components are included in factory overhead costs such as electricity costs, water costs, diesel fuel costs, firewood costs, plastic costs, oil costs, and depreciation costs for production equipment. In calculating the depreciation cost of production equipment, the researcher uses the *straight-line method* where to get the depreciation value, the initial purchase value is divided by the economic life of the equipment. For more detail, factory overhead costs will be elaborated in Table 4.

Table 4. Factory overhead costs

Item	Amount	Cost (IDR)	Cost/30 (IDR)	Overhead Cost for the Production of Tofu and Tempeh (IDR)
Electricity	1 month	1.000.000	33.333	16.666
Water	1 month	5.000.000	166.666	83.333
Diesel Fuel	10 liter	95.000		47.500
Fire wood	5 truck	5.000.000	166.666	83.333
Oil	2 bottle	100.000	3.333	1.666
Packaging Plastic (tempeh)	3 kg			100.000

Source: Processed Data, 2021

In the production process of tofu and tempeh, electricity is used for lighting during the production process with a monthly cost of IDR1.000.000. Meanwhile, the cost of electricity per production of each tofu and tempeh is IDR16.666. The use of water in the production process of tofu and tempeh is to wash and boil raw materials, the soybeans, with the cost of IDR5.000.000 per month. Meanwhile, the cost per production of each tofu and tempeh is Rp83.333. Diesel fuel is used as engine fuel in the production process at UD Solo Asri with a daily purchase cost of IDR 95.000. Meanwhile, the cost per production of each tofu and tempeh is IDR 47.500. Firewood is used as fuel to boil soybeans in the production process at UD Solo Asri with a purchase cost of IDR1.000.000 per truck and it takes 5 trucks per month. Meanwhile, the cost per production of each tofu and tempeh is IDR83.333. The oil is used as a machine lubricant with a purchase cost of IDR100.000 and is regularly replaced once a month. Meanwhile, the cost per production of each tofu and tempeh is Rp1.666. The benefit of plastic in the tempeh production process is that it is used as packaging for tempeh. From the table above, it can be seen that the demand for plastic each time the tempeh production process is 3 kg with a purchase price of IDR100.000. In addition to the six items that make up factory overhead costs, the researcher also calculates the depreciation cost on production equipment which is categorized as UD Solo Asri's fixed assets. Following is the explanation.

Table 5. Depreciation cost of the production equipment

Item	Unit	Price (IDR)	Total (IDR)	Economic Life	Depreciation Cost (IDR)
Grinding Machine	1	16.000.000	16.000.000	84 months	190.476
Steam Tank	1	50.000.000	50.000.000	54 months	925.925
Filter Machine	1	60.000.000	60.000.000	180 months	333.333
Plastic Drum	12	500.000	6.000.000	240 months	25.000
Tofu Mold	24	200.000	4.800.000	96 months	50.000
Total					1.524.734

To be continued

Total/30 days	50.824
Depreciation Cost of the Production Equipment	25.412

Source: Processed Data, 2021.

In the table above, it can be seen the depreciation cost of the production equipment used by UD Solo Asri which is calculated using the *straight-line method*. *The straight-line method* is very easy in calculating the depreciation value of a production tool. To get the depreciation value of a production tool using the *straight-line method*, the initial purchase price is divided by its economic life. This method, of course, has its advantages and disadvantages. For example, the disadvantage is that the benefits generated by the production equipment are calculated the same as long as the tool is still used. In other words, there is no decrease in performance from the results obtained during the use of the tool. While the advantage is that it is easy to calculate the depreciation value. From the table above, it can be seen that the depreciation cost for production equipment with a total per month is IDR1.524.734 and the cost per production for tofu and tempeh separately is IDR25.412.

Selling price determination is the process by which businesses make decisions in setting the prices charged to consumers to get their products. Determining the selling price is also very important considering that customers buying an item will also consider the price of the product they are going to buy. Therefore, the ups and downs of sales will also affect the determination of the selling price by the business. According to the acknowledgment of the owner of UD Solo Asri, in determining the selling price, the owner sets the selling price based on the market price without calculating the production costs incurred, so that the operating profit and loss is difficult to acquired. For the selling price that is set by the business for their products, among others, tofu at a selling price of IDR 1.000 per three pieces cut into squares and for tempeh, it is sold for IDR5.000 per seven packs. In analyzing this data, the researcher uses the *cost-plus pricing* method with a *full costing* approach. The following is the calculation for the one-time production of tofu and tempeh products separately. In the calculations that will be presented, the researcher has asked the percentage of profit that the owner of UD Solo Asri wants to get in determining the selling price of his product. The following is an analysis of data for tofu products.

Table 6. Calculation of tofu selling price

Item	Cost (IDR)	
Raw material cost	2.250.000	
Employee cost	371.166	
Overhead cost:		
Electricity cost	16.666.	
Water cost	83.333	
Diesel fuel cost	47.500	
Firewood cost	83.333	
Oil cost	1.666	
Depreciation Cost of the Production Equipment	25.412	
Total cost		2.879.076
The calculation for *mark up* (total cost x 10%)		
Mark up	287.907	
Calculation of selling price		
Total cost	2.879.076	
Mark up	287.907	
Selling price		3.166.983
Number of products in each production	34.560 pieces	
Selling price per product		91,63

Source: Processed Data, 2021

From the calculation table using the *cost-plus pricing* method with a *full costing* approach and expecting a profit of 10% as described above, the final result for the selling price of tofu from UD Solo Asri is IDR 91.63 per piece. When following the sales system of a business that sells tofu per 3 pieces, the price will be IDR91.63 x 3 = IDR275.

In the calculations that will be presented, the researcher has asked the percentage of profit that the owner of UD Solo Asri wants to get in determining the selling price of his product. The following is data analysis for tempeh products.

Table 7. Calculation of tempeh selling price

Item	Cost (IDR)	
Raw material cost	2.285.000	
Employee cost	371.166	
Overhead cost:		
Electricity cost	16.666.	
Water cost	83.333	
Diesel fuel cost	47.500	
Firewood cost	83.333	
Oil cost	1.666	
Depreciation Cost of the Production Equipment	25.412	
Total cost		2.914.076
The calculation for *mark up* (total cost x 10%)		
Mark up	291.407	
Calculation of selling price		
Total cost	2.914.076	
Mark up	291.407	
Selling price		3.205.483
Number of products in each production	3.000 packs	
Selling price per product		1.068

Source: Processed data, 2021

From the calculation table using the *cost-plus pricing* method with a *full costing* approach and expecting a profit of 10% as described above, the final result for the selling price of tempeh is IDR1.068 per piece. When following the sales system of a business that sells tempeh per 7 packs, the price is IDR1.068 x 7 = IDR7.476.

Based on the data analysis that has been carried out in the previous discussion using the *cost-plus pricing* method with a *full costing* approach during the COVID-19 pandemic, the selling price of tofu and tempeh products is IDR 275 per three tofu and IDR 7.476 per seven packs of tempeh. From the selling price that has been obtained, it can be compared the price difference between the selling price determined by the business and the selling price according to the *cost-plus pricing* method as follows:

Table 8. The difference of selling price between UD Solo Asri's calculation dan the *full costing* calculation during a covid-19 pandemic

Product	Information	Price (Rp)
Tofu	UD Solo Asri selling price	1.000 per 3 pieces
	Full costing selling price	275 per 3 pieces
	Difference	725 per 3 pieces
Tempeh	UD Solo Asri selling price	5.000 per 7 packs

To be continued

	Full costing selling price	7.476 per 7 packs
	Difference	-2.476 per 7 packs

Source: Processed Data, 2021

The difference in the price of tofu products is IDR725 per three pieces, where the selling price set by the business is greater so that the profit obtained is also greater than the selling price calculated using the *full costing* approach. Therefore, the profits obtained by UD Solo Asri for each tofu production is IDR8.640.000. For tempeh products, the difference is IDR-2,476 per seven packs where the selling price set by the business is smaller than the selling price calculated using the *full costing* approach. When compared with the total costs incurred in one tempe production, the price set is also still lower. This is because the total one-time production cost of tempeh is IDR2.914.076 and if divided by the number of units produced of 3.000 packs of tempe, the result is IDR971 per pack and multiplied by 7 to follow the sales system determined by the business, the result is IDR6.797 and the difference is IDR-1,797. So that the losses suffered by UD Solo Asri for each tempe production are IDR770.142. Researchers also confirmed and validated data related to the selling price determined during the COVID-19 pandemic not different from the previous conditions (in 2019). This shows that the business owner has not evaluated the determination of the selling price. Businesses tend to determine selling prices based on habits and "feelings of profit".

Conclusion

After analyzing the calculation of the selling price of tofu and tempeh at UD Solo Asri uses the *cost-plus pricing* method with a *full costing* approach, with production data during the COVID-19 pandemic, the selling price has been determined, IDR275 per three pieces for tofu products and IDR7.476 per seven packs for tempeh. For the two products, there are different results in terms of profits, where the selling price of tofu that follows the market price has more profits than what the business owner expects. For tempeh, the price set by the business owner is below the total cost incurred to produce tempeh, so in other words, the business suffers a loss.

Determining the selling price is an important step in running a business during the COVID-19 pandemic, although the products offered have a selling price that tends to follow the market price. Businesses must consider various aspects such as the production costs that have been incurred in producing these products. Based on the results, it is shown that although UD Solo Asri gets benefits from the market price of tofu products, the business still has its weakness. The weakness is that it is not wise enough in determining the selling price due to the absence of financial records to calculate production costs. The results of the analysis also show that there is no significant difference in determining the selling price before COVID-19.

The owner of UD Solo Asri should do the bookkeeping to calculate the production costs that have been incurred for each tofu and tempeh product so that businesses can take policies in determining selling prices and maintaining business continuity in the future. Especially for tempe products where the selling price is below the cost of production, it is recommended that the business do a review for the price set to minimize losses that will be borne by the business owner.

In future research, it is hoped that further research will be related to UD Solo Asri and similar businesses' marketing channels in Sumba Timur, especially in Kecamatan Kota Waingapu. This is because, during the COVID-19 pandemic, it does not only affect production costs and determining selling prices but can also affect business marketing channels.

Academics can also carry out various empowerment programs for MSMEs, such as UD Solo Asri, related to the calculation of production costs and determining the selling price using a *full costing* approach. This can prevent the occurrence of prolonged business losses due to the owner's ignorance of the conditions of the business. This has been proven to be able to help MSMEs (Wiralestari et al., 2018). The results of the study provide managerial implications, where the

owner is obliged to make improvements from the point of view of the financial management of the business if the owner wants to expand the business in the future. As is the habit of recording all forms of business expenses and income, besides that, if the owner wants to "upgrade" the business, then they must separate the use of raw materials for tofu and tempeh products. This is to clarify the components of costs incurred significantly by the business.

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