INFLUENCE OF SALES AND QUALITY COSTS ON NET INCOME

Asep mulyana
Nurtanio University
Email: asepdiymulyana@gmail.com

Abstract: *This study aims to determine (1) the effect of simultaneous sales and quality costs on net income, (2) the effect of partial sales on net income, (3) the effect of cost of quality on net income at PT Ultra Jaya Milk Industry & Trading Company Tbk. By using financial statements from 2011-2017. This research uses quantitative methods and is analyzed using multiple regression analysis. The results of the study show that the results of t count sales are 4.404 while t table = 2.776 then t count> t table. While the significance value of t hitug sales variable is 0.007 <0.05. Based on these results, sales have a positive and significant effect on net income. the result of t count quality cost is 4.088 while t table = 2.776 then t count> t table. While the significance value of the t variable sales variable is 0.009 <0.05. Based on these results, quality costs have a positive and significant effect on net income. Based on this study, it can be seen that F count shows a value of 12.592, which means greater than F table, which is equal to 6.94 with a significant value of 0.019 <0.05. This shows that the regression model can be used to predict sales variables and quality costs to net income and there is a simultaneous influence between sales and quality costs on net income.*
Keyword: *Sales, quality costs, and net profit*

BACKGROUND

The company is one of the objects of facilities that can support government programs in various sectors in terms of the economy in the world and in Indonesia in particular. Along with the development of the increasingly rapid business world today brings the impact of very tight trade competition, especially in similar companies. Thus these companies are required to work more extra and more efficiently both on time and production so that they can survive in their respective fields of business.The purpose of a company in general is to increase profit profit maximally, in order to maintain the survival of the company, improve the welfare of employees and to pay obligations. According to Mahmud M. Hanafi (2013: 32), states that profit is a measure of the overall performance of the company defined as the total income minus the total costs. Whereas according to Subramanyam (2012: 25) net income is the profit from the company's business that is running after interest and tax.

But to achieve these goals in the midst of intense competition in the business world is not easy. So to realize these goals, especially in industrial companies must be supported from several factors that support each other. The factors are factors in terms of selling prices, sales volume, inventory, production costs and so forth. One of the factors that can influence net income is sales. Sales are a source of corporate income, the greater the sales, the greater the profits the company will get. This activity is the main income that must be managed properly so as not to harm the company.

In addition to selling other factors that can affect earnings are product quality. A quality product is not only a product with an attractive appearance, but also must meet criteria that suit consumers' tastes, needs, and satisfaction. Manufacturing companies whose activities process raw materials, semi-finished goods then become goods produced, must be able to produce quality products at low costs and competitive selling prices so as to be able to compete with other companies.

Therefore it is important for companies to pay attention to product quality in order to increase sales and reduce the risk of loss for the company. One way to maintain product quality is that the company provides a budget that is quality costs. According to Blocher (2017: 220) quality costs are costs associated with the prevention, identification, repair and correction of low-quality products and with the opportunity cost of loss of production and sales time as a result of low quality. It is important for companies to maintain product quality, especially in the midst of increasingly fierce industrial competition.

THEORETICAL STUDY
Sales

According to Francis Tantri and Thamrin (2016: 3) sales are part of promotion and promotion is one part of the overall marketing system. According to Basu Swastha (2017: 8) sales are the whole system of business activities aimed at planning, pricing, promoting and distributing goods, services, ideas to target markets in order

to achieve organizational goals. Sales is the science and art of personal influences that are done by the seller to invite other people to be willing to buy goods and services offered. According to Mulyadi (2013: 18) sales are activities that consist of selling goods or services both on credit and in cash.

Quality Costs

According to Siregar, et al. (2013: 288) the definition of cost of quality is the cost that occurs or may occur due to low quality. According to Blocher (2017: 220) quality costs are part of the production costs incurred by a company to produce a product. Quality costs are always related to prevention, identification, repair and correction of low-quality products and with the opportunity cost of loss of production and sales time from low quality. Whereas according to Hansen and Mowen (2013: 7) quality costs are costs that arise because it may or have been a product that has poor quality.

Net Profit

According to Subramanyam (2012: 25) net income is the profit from the company's business that is running after interest and tax. Whereas according to Nuripa Oktapia (2017: 29) Net profit or profit is one of the main objectives established by a company. An increase in economic benefits during the Accounting period in the form of cash inflows or an increase in assets or a decrease in liabilities (debt) which results in an increase in equity. Net income is obtained after income minus expenses including corporate tax. According to Kasmir (2013: 303) Net profit (Net Profit) is profit that has been deducted by costs which are the company's expense in a certain period including tax. According to Budi Rahardjo (2016) net income is an advantage available to shareholders or in other words reflects the increase in wealth for shareholders.

RESEARCH METHODS

According to Sugiyono (2017: 2) the research method is basically a scientific way to obtain data with specific purposes and uses. In this study, the author uses quantitative methods. According to Sugiyono (2017: 8) quantitative research is a research method that is based on the philosophy of positivism, used to examine certain populations or samples, collecting data using research instruments, analyzing quantitative or statistical data, with the aim of testing predetermined hypotheses.

RESEARCH RESULTS AND DISCUSSION

Based on the results of research on "The Effect of Sales and Quality Costs on Net Profit at Ultra Jaya Milk Industry & Trading Company Tbk in the Period of 2011-2017". Then the following results are obtained: From the sales data in this study that PT Ultra Jaya Milk Industry & Trading Company Tbk in 2011 to 2017, every year the sales of PT Ultra Jaya Milk Industry Tbk increased. Although amidst the increasingly fierce competition, many variants of UHT products are on the market. PT Ultra Jaya Milk Industry & Trading Company Tbk is able to maintain sales in order to increase each year.

Based on this study, the cost of quality of PT Ultra Jaya Milk Industry & Trading Company Tbk in 2011 amounted to 67,328, which decreased in 2012 to 57,545. This happens because of the increase in maintenance and repair costs so that the company is able to reduce the cost of damage to finished goods and raw materials during the production process. In 2013 to improve the quality of products the company increased quality costs by 7% to 61,430. then in 2014 the company's quality costs increased again to 69,897.

In 2015 the increase in quality costs reached 30% to 90,963. This significant increase occurred because PT Ultra Jaya Milk Industry & Trading Company Tbk increased maintenance and repair costs to increase sales targets. So that the company strives to maintain product quality by improving the performance of production machines. Furthermore, in 2016 and 2017 Ultra Jaya Industry & Trading Company Tbk continued to increase quality costs every year in order to maintain the company's commitment to produce quality products needed by consumers in Indonesia.

In 2011 PT Ultra Jaya Milk Industry & Trading Company Tbk received the lowest profit of 128,449. Then in 2012 PT Ultra Jaya Milk Industry & Trading Company Tbk increased sales so that profits rose to 353,431. But in 2013 profit decreased by 8% to 325,127. The decline in profits continued in 2014 at 13% to 283,061. Because in 2013 & 2014 profits decreased, in 2015 PT Ultra Jaya Milk Industry & Trading Company Tbk increased quality costs so sales increased. From the increase in sales profit in 2015 rose by 85% to 523,100. PT Ultra Jaya Milk Industry & Trading Company Tbk is trying to maintain a rise in profits in the following year, namely in 2016 & 2017 by improving product quality and increasing sales.

From the results of this study, it can be seen that the sales variable (X1) with total data 7 has an average sales of Rp3,749,819, then a minimum sale of Rp2,102,383 and a maximum sales of Rp.4,879,559. While the standard devision is Rp1,022,817.

The quality cost variable (X2) with a number of data 7 has an average quality cost of Rp 82,549.14 then the minimum quality fee is Rp.57,545 and the maximum cost of quality is Rp.126,398. While the standard devision for quality costs is IDR 25,589.26. The variable net income (Y) with total data 7 has an average net profit of Rp.434,485.14 and a minimum net income of Rp.128,449 and a maximum net income of Rp 718,402. While the standard devision for net income is Rp. 223,379.47.

From the results of normality test data using SPSS 24 it can be said that the residual value for the data is 0.200 which means> 0.05. So that it can be concluded that the data is normally distributed. Based on the results of

the autocorrelation test with the run test, it is known that the asymp.sig (2-tailed) value is 1,000 greater than 0.05. So it can be concluded that there are no symptoms or problems with autocorrelation.

Furthermore, with the multicollinearity test, it can be seen that the tolance value of 0.337 is smaller than 0.10 and meanwhile the VIF value is 2.969 greater than 0.10. Then it can be concluded as the results of the above analysis, that the variables in this study can be declared not experiencing multicolonearity disorders. Based on figure IV.4 there is no clear pattern, and the points spread randomly and spread both above and below the zero on the Y axis. So it can be concluded that the model in this study meets the requirements to be a good model does not occur heteroscedasticity.

Based on the results of the test table correlation coefficient obtained by the number R of 0.929. This shows a very strong relationship. Then the coefficient of determination (R2) can be seen that the coefficient of determination (R Square) obtained is 0.863. This shows that the sales variable and quality costs contribute to net income of 86%, while the remaining 14% is explained by other variables not included in the analysis model of this study.

The result of t count sales is 4.404 while t table = 2.776 then t count> t table. While the significance value of t hitug sales variable is 0.007 <0.05. Based on these results, H1 is accepted which means that sales have a positive and significant effect on net income.

Furthermore, the results of the quality count t are 4.088 while t table = 2.776 then t count> t table. While the significance value of the t variable sales variable is 0.009 <0.05. Based on these results, H1 is accepted which means quality costs have a positive and significant effect on net income. Based on this study, it can be seen that F count shows a value of 12.592, which means greater than F table, which is equal to 6.94 with a significant value of 0.019 <0.05. This shows that the regression model can be used to predict sales variables and quality costs to net income or it can be said that Ho is rejected and Ha is accepted and there is a simultaneous influence between sales and quality costs on net income.

CONCLUSIONS

Based on the results of research and discussion on the effect of sales and quality costs on net income at PT Utra Jaya Milk Industry & Trading Company Tbk, the authors take the following conclusions:

1. Sales have a positive and significant effect on net income at PT Utra Jaya Milk Industry & Trading Company Tbk for the period 2011-2017. Where when sales increase, net income will increase, while when sales decrease, net income will also decrease.
2. Quality costs have a positive and significant effect on net income at PT Utra Jaya Milk Industry & Trading Company Tbk for the period 2011-2017. This shows that the better the quality of the product will increase sales and decrease the risk of production failure so that it can affect the increase in the company's net profit.
3. Sales and quality costs simultaneously affect net income. This shows that the existence of adequate quality costs will produce quality products, with quality products that will build customer trust and satisfaction. Then sales will increase which will affect the increase in the company's net profit.

Based on the research that has been done, the suggestions can be presented as follows: Theoretical Suggestions

A. For the next researcher, we should expand the analysis unit to be examined, such as in the agriculture, mining, textile and garment industries and other sectors listed on the Indonesia Stock Exchange. So the research results will be more valid and representative.

B. Future studies are expected to add to other factors that affect the dependent variable outside of the sales and quality costs variables. Such as production costs, promotion costs, operational costs and others outside of the variables in this study.Practical Advice

A. For PT Ultra Jaya Milk Industry & Trading Company Tbk, it is expected to maintain quality in order to issue products that are truly superior in quality and in accordance with the expectations of consumers / customers.

B. Companies pay more attention to the amount of sales achieved so that the company's net profit is maximized. By improving the quality of the products produced and increasing the promotion of goods sold and reducing the sales burden so that no decrease in income is generated.

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