

ANALYSIS OF REVENUE OF MF DESSERT MICRO SMALL AND MEDIUM ENTERPRISES IN PALU CITY

Mifta Khairani Nasution

Tadulako University, Palu
miftakhairaninasution015@gmail.com

Meity Ferdiana Paskual ^{*1}

Tadulako University, Palu
pascoalmeity@gmail.com

Rita Yunus

Tadulako University, Palu
rytha_plw@yahoo.com

Santi Yunus

Tadulako University, Palu
santishelo@yahoo.co.id

Musdayati

Tadulako University, Palu
diazmus22@gmail.com

Abstract

MF Dessert is a company that produces haunted chocolate cake, mille crepes, and fruit salad made from wheat flour, sugar, eggs, butter, and fruit. This research aims to analyze the income of MSME Dessert businesses in Palu City. The research was carried out from August to December 2023 on Jl Ramba, Baiya sub-district, Tawaeli District, Palu City. The data analysis method uses an income analysis formula consisting of TC, TR, and Y (income). To calculate business viability, use the sales to cost ratio (R/C ratio) formula. The research results show that the average income from the Mf dessert business is IDR 3,752,000 per month and production costs are IDR 2,153,980 per month. These production costs consist of fixed costs of IDR 89,980 per month and variable costs of IDR 2,064,000 per month. Based on the results of data analysis, income from the Mf Dessert business in the city of Palu was IDR 1,598,020/month. Based on the calculation of business feasibility (R/C Ratio), a value (R/C Ratio) of 1.74 or $1.74 > 1$ is obtained, which means that every cost incurred of IDR 1 produces a revenue of 1.74 so the revenue is greater than the capital invested. issued. So it can be concluded that the Mf Dessert business in this research is considered profitable and feasible.

Keywords: Income, Costs, Business Feasibility, MSMEs

¹ Correspondence author

INTRODUCTION

Businesses developed by the community, ranging from small, medium to large businesses, really help Indonesia's current economic growth. Micro, Small and Medium Enterprises (MSMEs) are the people's choice and include businesses engaged in manufacturing, services and trade. Small and medium cooperatives (MSMEs) have the ability to create jobs, absorb labor, and function as a buffer during the economic crisis (IAI, 2016). Individual entrepreneurs and business entities are very fond of small and medium enterprises (MSMEs). This is due to the fact that micro, small and medium enterprises (MSMEs) do not require significant costs, and can be managed by anyone without restrictions (Salma, 2015).

According to (Law of the Republic of Indonesia Number 20 of 2008) Regarding Law Number 9 of 1995 concerning Small Businesses, provisions for MSMEs are based on micro, small and medium criteria. Furthermore, in Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises, MSMEs are defined as follows:

1. Micro businesses are owned by individuals and/or individual business entities that meet the micro business criteria regulated in this law, which are referred to as micro businesses.
2. A small business is a stand-alone productive economic business carried out by an individual or business entity that is not a subsidiary or branch of a company that is owned, controlled, or is part, either directly or indirectly, of a medium or large business and meets the criteria for the small business in question. In this Law it is referred to as a small business.
3. Medium businesses are productive economic businesses carried out by individuals or business entities that are not subsidiaries or branches of companies and are not owned, controlled, or become part directly or indirectly of Small Businesses or Large Businesses. Medium-sized businesses have annual sales results or net worth.

MF Dessert was founded in 2022 and is engaged in cake production. Even though this business has only been established for a year, the products it sells have attracted attention, making it one of the popular businesses in the city of Palu, especially for dessert lovers. Thus, Mf Dessert products can compete with other products. Mf Dessert's main goal is to reduce costs and generate the greatest amount of income so that the business can continue to run and operate well. Therefore, knowing the business income is very important, and this is the background of the research.

RESEARCH METHOD

This research uses qualitative research type. This research data comes from primary data through direct interviews with respondents. Secondary data in this research was obtained from related agencies and literature relevant to the objectives of this research, journals, and data sourced from business owners. The data analysis used is descriptive analysis, namely describing general situations or events regarding the production process in the MF Dessert. This research using two methods of analysis below:

1. Income Analysis

According to Soekartawi, (2009) Business profit analysis is the process of calculating profits by subtracting all costs incurred in production. Revenue is the difference between sales (TR) and total costs (TC).

There are Three formulas that required to calculate revenue analysis:

i). Total Revenue

$$TR = P \cdot Q$$

Information:

TR = Total Revenue

P = Price

Q = Production obtained

ii). Total Cost

$$TC = FC + VC$$

Information:

TC = Total Cost

FC = Fixed Costs

VC = Variable Costs

iii). Income

$$\pi = TR - TC$$

Information:

π = Income

TR = Total Revenue

TC = Total Cost

2. Revenue Cost Ratio (R/C Ratio) Analysis

Revenue Cost Ratio is a comparison between total revenue and total costs. With the following formula:

$$R/C = \frac{TR}{TC}$$

Information :

R/C Ratio = Comparison between revenue and costs.

TR = Total Revenue(Rupiah).

TC = Total Costs/TotalCost(Rupiah).

According to Soekartawi, (2009) if the R/C Ratio is greater than 1 then the company being managed is profitable or worthy of development. If the R/C Ratio < 1 then the company will experience losses or is not suitable for development. Furthermore, if the R/C Ratio = 1 then the company is at the break even point (Break Event Point).

RESULTS AND DISCUSSION

Research result

Fixed Costs of Mf Dessert Business in Palu City

Fixed costs are production costs that do not depend on the number of goods or services produced. Fixed costs do not change even though production volume changes. This means that fixed costs are not affected by fluctuations in production activities. The fixed cost of the MF Desert business is equipment depreciation. Details of depreciation of MF Desert Business equipment are shown in the table below.

Table 1. Depreciation Costs for Mf Dessert Business Equipment

No	Cost Description	Number of units)	Economic Age (months)	Price (Rp/Unit)	Amount (Rp)	Depreciation Value (Rp/Month)
1.	Stove	1	36	350,000	350,000	9,722
2.	Mixers	1	24	215,000	215,000	8,958
3.	Whisk tool	2	12	20,000	40,000	3.3
4.	Spatula	2	12	10,000	20,000	1.6
5.	Cormorant	2	24	200,000	400,000	16,667
6.	Teflon	2	24	120,000	240,000	10,000
7.	Baking pan	4	12	20,000	80,000	6,667
8.	Tray	2	24	35,000	70,000	2,917
9.	Scissors	1	12	10,000	10,000	833
11.	Knife	2	12	20,000	40,000	3,333
12.	Cake mold tool	2	24	35,000	70,000	2,917
14.	Digital scales	1	12	35,000	35,000	2,917
15.	Table	2	12	300,000	300,000	25,000
Total						89,980

Source: Data processed in 2024

From the table above, the equipment depreciation costs that must be borne by the Mf Dessert business are IDR 89,980 per month. Depreciation costs are calculated by multiplying the number of units by the price and dividing by the economic life.

Variable Costs of Mf Dessert Business

The variable costs of the Mf Dessert business include raw material costs, packaging and label costs, as well as fuel and petrol costs.

Table 2. Variable Costs of Mf Dessert Business Per Month (4x Production)

No	Description	Amount (Rp/Month)
1	Raw Material Costs	1,764,000
	a) Haunted Chocolate	728,000
	b) Mille Crepes	184,000
	c) Fruit salad	852,000
2	Packaging & Labeling Costs	150,000
4	Fuel Costs	150,000
	a) Gas	100,000
	b) Gas	50,000
Total cost		2,064,000

Source: Data processed in 2024

The table above shows that the total variable costs that must be incurred by the Mf Dessert business are IDR 2,064,000/month. The largest variable costs are raw material costs amounting to IDR 1,764,000/month, and four times the production of Mf Dessert per month, while the smallest variable costs are packaging and fuel costs amounting to IDR 150,000/month.

Total Production Costs

Total production costs are the sum of all costs required to produce a good or service within a certain period of time. The total production costs of the Mf Dessert Business are shown in the table below.

Table 3. Total Production Costs of the Mf Dessert Business

No	Fee Receipt	Amount of Fee (Rp)
1	Total Fixed Costs	89,980
2	Total Variable Costs	2,064,000
Total cost		2,153,980

Source: Data processed in 2024

The table above shows that the total production costs that must be borne by Mf Dessert are IDR 2,153,980/month. Including fixed costs of IDR 89,980/month and variable costs of IDR 2,064,000/month.

Total Revenue

Sales refer to all the results of the production process obtained from the number of products available for sale. MF Dessert Business's monthly income comes from selling haunted chocolate, mille crepes and fruit salad.

Table 4. Total Revenue from Mf Dessert Business

No	Revenue Type	Products Sold (Q)	Price/Kg (P)	Total Revenue (TR)
1	Haunted Chocolate	120 cups	10,000	1,200,000
2	Mille Crepes	96 cups	12,000	1,152,000
3	Fruit salad	140 cups	10,000	1,400,000
Total				3,752,000

Source: Data processed in 2024

The table above shows that the Mf Dessert business generates income of IDR 3,752,000 per month from product sales. The number of products sold was 356 cups, including Haunted Chocolate Cake sold for IDR 1,200,000 per 120 cups, mille crepe sold for IDR 1,152,000/96 cups, and fruit salad sold for IDR 1,400,000/140 cups.

Income Analysis

Income is the amount of money an entrepreneur receives from his activities. Income from the Mf Dessert business can be seen in the table below.

Table 5. Mf Dessert Business Income Per Month

No	Description	Amount (Rp/Month)
1	Total Revenue (TR)	3,752,000
2	Total Cost (TC)	2,153,980
Revenue/Profit		1,598,020

Source: Data processed in 2024

From the table above, the total income from the Mf Dessert business is IDR 3,752,000/month and total costs are IDR 2,153,980/month. The profit after deducting the total costs incurred from the total income is IDR 1,598,020 per month.

Business Feasibility Analysis Revenue/Cost Ratio (R/C Ratio)

The value called the revenue cost ratio shows the comparison between revenue and total costs. The following table shows the overall feasibility analysis of the Mf Dessert business:

Table 8. Feasibility Analysis (R/C Ratio) of Mf Dessert Business

No	Description	Amount (Rp)
1	TR (Rp)	3,752,000
2	TC (Rp)	2,153,980
Total R/C Ratio		1.74

Source: Data processed in 2024

Based on the table above, if we compare total sales and total costs, we calculate the R/C Ratio for the Mf Dessert business in the city of Palu to be profitable

because the R/C Ratio value is $1.74 > 1$. Due to the analysis, we can conclude that: You will receive IDR 1.74 for every IDR 1 you spend, so your income will be higher than the capital you spend. Therefore, Mf Dessert's business is worth to continuing/carrying out.

DISCUSSION

Production Results of Mf Dessert Business in Palu City

Based on the research results, production carried out within a period of one month shows stability. The data obtained and processed shows that the total production for one month is 356 cups. The production details include 120 cups of haunted chocolate, 96 cups of mille crepes and 140 cups of fruit salad.

Production Costs of Mf Dessert Business in Palu City

The results of the analysis show that the fixed costs of the Mf Dessert Business in Palu City are IDR 89,980/month, while the variable costs are IDR 2,064,000/month, indicating that the fixed cost component is smaller than the variable costs. This is because more variable cost elements are needed, such as raw materials needed in large quantities to carry out production, packaging costs, fuel, electricity costs and other auxiliary materials. This finding is in accordance with research by Yanto (2022) that expenditure on variable cost elements is higher than fixed costs.

Acceptance of Mf Dessert Business in Palu City

The results of the analysis show that the revenue obtained by the Mf Dessert Business in Palu City comes from the sale of haunted chocolate, mille crepes and fruit salad which is carried out every month. The total revenue obtained was IDR 3,752,000/month. The revenue was obtained from sales of haunted chocolate amounting to IDR 1,200,000, sales of mille crepes amounting to IDR 1,152,000, and fruit salad amounting to IDR 1,400,000.

Mf Dessert Business Income in Palu City

Revenue is generated from the difference between total revenue and total production costs. Mf Dessert's total business income is IDR 3,752,000/month and total production costs are IDR 2,153,980/month. To calculate profit or net profit, total production costs are subtracted from income to produce a profit of IDR 1,598,020 per month.

Feasibility of the Mf Dessert business in Palu City

To calculate feasibility analysis, you can use the R/C ratio formula which compares monthly sales and total costs. It is known that Mf Dessert's total business income is IDR 3,752,000/month and total production costs are IDR 2,153,980/month. Mf Dessert Business The business feasibility value of 1.74 or $1.74 > 1$ is obtained based on calculations using the "Revenue Cost Ratio" (R/C Ratio) formula which aims to determine the feasibility value of a business. If the costs incurred are IDR 1, the income

is IDR 1.74, so the income is greater than the capital spent. We can conclude that the Mf Dessert business is worth running and developing because it is proven to meet the business feasibility criteria. In other words, the business feasibility value criteria must be greater than or equal to 1.

CONCLUSION

Based on the results of research and discussion regarding the Mf Dessert Business in Palu City, it can be concluded that the income of the Mf Dessert Business in Palu City is IDR 1,598,020/month and the total income exceeds the production costs incurred. Production period is 1 month. The total income is IDR 3,752,000/month and the total costs are IDR 2,153,980/month. Then, if the sales cost ratio (R/C ratio) is calculated, the viability of the Mf Dessert business is 1.74 or more (>1), meaning that for every 1 cost, 1 profit can be obtained. The income is IDR 1.74 so the income is higher than the capital spent. It can be concluded that the Mf Dessert business in the city of Palu is worth running and developing.

REFERENCE

- Ardhiarisca, H., Wadud, O., Nendissa, A., Awaluddin, K., & Andriana, R. (2023). Production And Cost Theory (Vol. 01, pp. 1–40).
- Wake, D. W. (2017). Microeconomic Theory (MR Arken (Ed.); 4th ed.). PT Refika Aditama.
- Gonibala, N. et al. (2019). Analysis of the Influence of Capital and Production Costs on MSME Income in Kitamobagu City. *Efficiency Scientific Periodicals*, 19(01), 56–67.
- Haerani, R., Thenu, SFW, Luhukay, JM, Tantan, F., & Ambon, UP (2023). Analysis of Tuna Fish Floss Business Income (Case Study: G & R Masohi Shop) in Masohi City District. 8479, 88–94.
- Herlinawati, E., & Arumanix, ER (2017). Analysis of MSME Income Before and After Receiving Tunas Usaha Rakyat Credit. *Indonesian Journal of Development*, 16(2), 1–13.
- Henry. (2013). Intermediate Financial Accounting. CAPS (Central Of Academic Publishing Service). Yogyakarta.
- Imam, A. (2019). ANALYSIS OF INCOME OF SMALL AND MEDIUM MICRO ENTERPRISES OF BAG CRAFTSMANSHIPS IN SUKOMULYO VILLAGE, MANYAR DISTRICT, GRESIK DISTRICT. Muhammadiyah University of Gresik.
- Khoirudin, R., & Setiaji, WB (2019). Analysis of Determinants of Income from Micro, Small and Tofu Industrial Businesses in Trunan, South Tidar, South Magelang, Magelang City. *Journal of Development Economic Dynamics*, 1(3), 3. <https://doi.org/10.14710/jdep.1.3.1-14>
- Mulyadi, DMS (2012). Cost Accounting (5th Edition).
- Munzilun. (2018). Analysis of Crysipi Chicken Business Income in Peusangan District, Bireuen Munzilun Regency. 2(3), 235–242.
- Nirfandi Gonibala, Vecky Masinambaw, MM (2019). Analysis of the Influence of Capital and Production Costs on MSME Income in Kitamobagu City. *Efficiency Scientific*

- Periodicals, 19(1), 56–67.
- Nurdin, HS (2010). Analysis of Net Income from Crop Businesses for Pineapple Farmers in Palaran Village, Samarinda. *Exist Journal*, 6(1), 1419. <http://www.karyailmiah.polnes.ac.id>
- Rusmiyati, Felya Rindiani, I. (2021). Analysis of Income and Profit Levels of the Tofu and Tempe Business in Batu Timbau Village, East Kutai Regency. *Hexagro Journal*, 5(2).
- Sadono Sukirno. (2000). *Modern Microeconomics: Development of Thought from Classical to New Keynesian*. PT Raja Grafindo, Jakarta.
- Sumantri, BA, & Permana, EP (2017). Management of Cooperatives and Micro, Small and Medium Enterprises (Umkh). 1–164. <http://stikesstrada.ac.id/omp/index.php/ebook/catalog/book/9>
- Law of the Republic of Indonesia Number 20 of the Year. (2008). Law of the Republic of Indonesia Number 20 of 2008. 1.
- Utari, ART (2015). Feasibility Analysis of Beef Cattle Farming Businesses at Various Ownership Scales in Samangki Village, Simbang District, Maros Regency, MAROS DISTRICT. *Journal of Chemistry Education and Learning*, 4(1), 11.
- Viera Valencia, L.F., & Garcia Giraldo, D. (2019). Analysis of Cobek Craft Business Income in Geulanggang Kulam Village, Kota Juang District, Bireuen Regency (Study. *Angewandte Chemie International Edition*, 6(11), 951–952., 2(7), 714–722.
- Yanto, E., Halid, A., & Saleh, Y. (2022). Analysis of Business Income Production of Processed Tofu Industry in Harapan Village, Wonosari District, Boalemo Regency (Case Study of Home Industry "Mr. Nono Purnomo"). *AGRINESIA: Agribusiness Scientific Journal*, 6(3), 181. <https://doi.org/10.37046/agr.v6i3.16137>