

**THE REPORTING OF COST OF QUALITY AS AN EFFORT
OF QUALITY CONTROL AND QUALITY IMPROVEMENT
IN ORDER TO ACHIEVE COMPETITIVE ADVANTAGE
(Case Study of Sugar Business Unit in
PT. Perkebunan Nusantara XI (Persero))**

**SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
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ABSTRACT

In these days, the economic growth in Indonesia has led to the tight competition in the market. Companies are forced to have a value to keep in pace with their competitors so their products can be accepted by customers. One of the most important thing that can be offered by companies to win the competition in the market is the quality of product. In order to achieve competitive advantage, companies are forced to provide a qualified products with a lower price than competitor's. So, it is definitely important for companies to have a systematic information to guide them what action to be taken. One effort that can be done by companies to achieve those goals is by presenting the cost of quality report to have some knowledge and of course, insights, of how far the cost goes to achieve the quality that can be accepted by customers.

This research is conducted in PT. Perkebunan Nusantara XI (Persero), especially in sugar business unit. PT. Perkebunan Nusantara is a state-owned company with sugar as its core business. At this time, there are no cost of quality reports prepared by this company. The objective of this research is to make a simulation of cost of quality reports in three period (2008-2010) so several conclusions can be drawn from these reports.

Qualitative research is used in this research with exploratory case study as its research methodology. This sort of explanatory study may be useful as a pilot study, for example, when planning a larger, more comprehensive investigation. This really matches with the condition of the company, because the cost of quality report has not been prepared.

The results of this research are the biggest proportion of quality cost goes to the prevention cost, there are no cost that can be identified and classified as internal failure cost and external failure cost, and the competitive advantage possessed by the company at this time is a massive channel with canesugar farmers within the area supervised under PT. Perkebunan Nusantara XI.

Keywords: Cost of Quality Report, Competitive Advantage