ABSTRACT

Time-Driven Activity-Based Costing (TDABC) method is developed to overcome problems that occur in traditional method, which is less accurate and conventional Activity-Based Costing (ABC) method, which is difficult to implement. TDABC method is easy to implement and gives accurate result. Beside that, TDABC method also can identify efficiency level of costs and resources. Because of these advantages, TDABC method is applied in Hotel “Y” Surabaya to calculate the cost per room and the efficiency level of costs and resources. This calculation is compared with the hotel’s initial calculation to know the accuracy of the result.

This researcher was a qualitative research with case study method. There were two methods used in this research: descriptive case study and experimental case study. A descriptive case study was used to find out the accuracy of the calculation using existing cost method and ascertain that this method can not identify the efficiency level of costs and resources. Then, an experimental case study was used to evaluate the accuracy of the calculation using TDABC method by compare it with the existing cost method and the efficiency level in departments of Hotel “Y”.

The calculation shows different result in cost per room using the existing costs method and TDABC method. This difference is caused by several factor, one of them is the difference of cost method used in the calculation. This difference shows that one method is better than another method. From the analysis, it can be concluded that although it is easy to use, the result of calculation using existing costs method is less accurate. This is because this method is not based on real conditions. This method also can not show the efficiency level in departments of Hotel “Y”. On the other hand, because TDABC method is based on real conditions, the result of calculation is more accurate. The result is also consistent and in accordance with benefits gained by the customers. TDABC method also can identify the efficiency level of costs and resources. Therefore, the researcher concludes that TDABC method is better than the existing costs method used by Hotel “Y”.

Keywords: TDABC method, hospitality industry, cost per room, efficiency level