

ABSTRACT

Sticky cost is a cost that has no comparable character with changes in activity. These costs become rigid or sticky when the declining of activity happens in the company. The indication of sticky cost behavior can be found when there is change in company's business activities. Companies which have indication of sticky cost behavior can cause company's earnings become less because costs remain high despite a decline in business activity of the company.

These This research aims to find the indication of sticky cost behavior in agricultural companies listed on Indonesian Stock Exchange for the periods 2012-2015. This study used 9 companies as the sample. The sampling technique used is purposive sampling while the analysis method used is the multiple linear regression.

This study found that the labor cost increased by 0,913 percent and operating expenses increased by 0,146 percent when sales increased by 1 percent. In other hand, when sales decreased by 1 percent, the labor cost decreased by 0,225 percent and operating expenses decreased by 0,131 percent. The result shows that there is indication of sticky cost behavior in the labor cost and operating expenses in agricultural companies listed on Indonesian Stock Exchange.

For companies, the results of this study can be used as a suggestion to adjust the costs properly when there is change in company's business activities so that the cost does not become sticky. For investors, expect to be more careful when making decision to invest in the companies that have sticky cost behavior.

Key words: sticky cost, cost behavior, the labor cost, operating expenses, net sales