

ABSTRACT

Profit is the main objective of a company as well as a benchmark for the success of a company in addition to being a picture of a company's management in the activities of an operation and financial management. The tighter competition in domestic and foreign trade companies must do good planning to obtain optimal profit, including selling products sold by the company, reducing production costs and reducing operational costs. Production costs and operational costs are important costs thought by the company because high production costs and operational costs can affect the company's net profit for the current year.

This study aims to determine the effect of production costs and operational costs on net profit for the current year on textile and garment sub-sector manufacturing companies listed on the Indonesia Stock Exchange for the period 2016-2019 both simultaneously and partially.

This study uses quantitative research method using purposive sampling that obtained 11 samples in 4 years so that it was obtained in this study as many as 44 sample units. The analysis method in this study uses the data panel regression analysis method using Eviews version 11

The results of this study stated that simultaneously production costs and operating costs jointly influenced the net profit for the year of 65.612%. Partial production costs showed a significant positive effect on net profit for the year. Meanwhile, operating costs showed a significant negative impact on net profit for the year.

Keywords : Net Profit for the Year, Operating Costs, Production Costs.