

Abstract

In general, the main purpose of establishing a company is to generate profits and obtain optimal profits. In maintaining the viability of the company, it is necessary to develop profit planning as well as possible, as well as the company's ability to predict the condition of the company in the future, and observe the factors that can affect changes in profits. Thus, the company must be able to manage the expenses that must be incurred by the company, namely operational costs and production costs so that the profits received increase, besides that the company also needs to pay attention to sales volume with the target number of goods sold so that profit achievement is more optimal.

This study aims to examine the effect of operating costs, production costs and sales volume on net income. The research object used is a pharmaceutical sub-sector manufacturing company listed on the Indonesia Stock Exchange in 2015-2019. The population in this study amounted to 10 companies but there were only 8 companies that met the criteria to be sampled in this study. The analytical technique used in this study is panel data regression analysis using Eviews version 11.

The results obtained from this study are operational costs, production costs and sales volumes that simultaneously affect net income in pharmaceutical sub-sector manufacturing companies listed on the Indonesia Stock Exchange in 2015-2019. Partially operational costs and production costs have no effect on net income, while sales volume has a positive effect on net income in pharmaceutical sub-sector manufacturing companies listed on the Indonesia Stock Exchange in 2015-2019.

Keywords: Net Profit, Operating Costs, Production Costs, Sales Volume