

ABSTRACT

In general, every company has the main objective, namely to receive optimal profits, so that the company has an acquisition in accordance with the target, the company needs to pay attention to the factors that greatly affect profits in a company, namely when the company is able to reduce production costs but the target number of sales volumes is able to reach the target as planned, the company will be able to target the amount of profit it will receive.

The purpose of this study was to determine the effect of production costs and sales volume on net profit simultaneously and partially, the object used in this study used manufacturing companies in various industrial sectors with the textile and garment sub-sector listed on the Indonesia Stock Exchange from 2016-2020.

The method used in this research is quantitative with sampling using purposive sampling. The population used was 21 companies but there were only 14 companies that met the criteria that could be used as samples in this study. The analysis technique used in this research is panel data regression analysis with data management using the Eviews Version 10 software application.

The results obtained from this study are production costs and sales volume simultaneously have an influence on the net profit of textile and garment sub-sector companies. Partially, production costs have no effect on net profit, while sales volume has an influence on the company's net profit in the textile and garment sub-sector listed on the Indonesia Stock Exchange in 2016-2020.

Based on the research results, it is hoped that the textile and garment sub-sector companies listed on the Indonesia Stock Exchange can maximise the number of sales volumes. For investors not to only pay attention to changes in net profit only from production cost expenditures so that they are not wrong in making decisions.

Keywords: Net Profit, Production Cost and Sales Volume