ABSTRACT

Cost planning is needed in the development and implementation of software to determine the price needed in the software development. This is very useful for determining the price of the software as well as to determine the adequacy of the budget in developing in-house model software. Accurate cost planning is needed for the precision and accuracy of a decision. In this study, Activity-based costing approach is used to plan the cost of software’s development and implementation. Activity-based Costing is a common approach in cost accounting so that it will be better understood by upper level management as well as managers. With Activity-based costing approach to the development and implementation of the software, it gives the maximum estimation of the project cost, since it will completely see each and every activity that occurs in the process of development and implementation of the software. Also, it will see the details of any activity that becomes the cost driver to be noticed in the process of cost estimation. With reference to the model and examples of existing case, a cost planning application based on Activity-based Costing can be made to generate total project cost estimation of each activity that present.

Keywords: Activity-Based Costing, Software, Estimation, Cost driver.