

Patcharee Yamkosoom 2014: A Comparative Study of Traditional Costing Method and Activity Based Costing: A Case Study of Corrugated Box. Master of Arts (Agribusiness), Major Field: Agribusiness, Department of Agricultural and Resource Economics. Thesis Advisor: Associate Professor Winai Puttakul, Ph.D. 196 pages.

The objectives of this research were to study and compare two costing methods, namely Traditional Costing Method and Activity Based Costing, in the production of corrugated paper box of a case study. The analysis of production cost for product 4 types, including RSC box with glue and stitching, and Die-cut box with glue and stitching. The application of activity based costing on process design, production process, until the goods sent to customers. Data were collected from work manual and records, interviews with managing director, plant manager head of production, and other head departments and operation staff as well as observed data during the production process.

The result of the analysis indicated that traditional costing method had higher costs than the method of activity based costing, representing about 8 percent. Because the traditional costing system had no criteria appropriate to costs allocation, so that it cannot reflect the real production costs, resulting in pricing of products that may be too high or too low, leading to loss of sale risk. When the activity based costing method was applied, the resource cost was allocated appropriately to each production activities through the cost driver. The study found that, the activity based costing method gives the production cost for 4 products were 20.93 21.04 21.33 21.40 baht per box, and traditional costing method were 22.94 23.04 23.32 23.38 baht per box. Moreover, the analysis of activities had provided the company with information of value-added and non-value added activities, that could be used to reduce cost from unnecessary cost of production.

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