

Independent Study Title	An Activity Based Costing Analysis of Aluminium Collapsible Tubes
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Abstract

This independent study applies Activity Based Costing to the packaging of aluminium collapsible tubes. There are varieties of sizes and types of the aluminium collapsible tubes. Due to specific customer requirements, the competition of this packaging is very high. Thus, it is important to manage the cost of this packaging. The current allocation of indirect costs use the proportion of production quantity which make more cost allocation to more produced packaging. This leads to higher costs of certain packaging than their actual costs. The activity based costing is then applied to 5 packaging sizes of aluminium collapsible tubes including Ø 13.5 x 75 mm., Ø 15.7 x 90 mm., Ø 22.2 x 120 mm., Ø 25.2 x 110 mm. and Ø 25.2 x 145 mm. The activity based costing of the packaging are 1.45 baht per tube, 2.45 baht per tube, 3.55 baht per tube, 1.93 baht per tube and 5.42 baht per tube respectively. The application of activity based costing also results in reduction of working process steps and time, production planning and production control activities for 43% and 18% respectively.

Keywords: Activity Based Costing / Cost Driver / Resource Driver / Aluminium Collapsible Tubes