

## **The Analysis of Revenue of Hyacinth Flower Handicraft ( The Case Study on Bungong Crot Business) In Durian Rampak Village, Aceh, Indonesia**

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**Abstract:** *handicraft industry should be become as the main driver of Indonesia's economic development totally. The development of handicraft industry is basically expected spurring the growth of handicraft economy and increasing employment opportunities and community income. Industry sector of processing plays an important role in our country. The need for the industry sector development is to provide value-added to the products. One of handicraft industry activities that develops in Southwest Aceh is Hyacinth Flower handicraft business in Durian Rampak Village susoh sub-district southwest Aceh regency. Hyacinth Flower is water plant that is regarded as weed, in fact it can be functioned as staple of handicraft. The Revenue Cost Ratio is 3.6 that means that every Rp. 1-, expended gives revenue as much as 3.6 or > 1, so Bungong Crot business in Durian Rampak village, Susoh subdistrict Southwest Aceh regency is worth to be run.*

**Keywords:** *handicraft; economics; agriculture; hyacinth flower*

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Date of Submission: 15-12-2017

Date of acceptance: 16-01-2017

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### **I. Introduction**

Handicraft industry is a business based on industrial activities. In addition to processing activities, it needs supporting facilities such as financial research and development as well as institutionalization in an integrated manner. Handicraft industry is a unity of activities from the production chain, processing of result, and marketing related to agriculture and business business activities reviewed by agricultural activities. The development of handicraft system includes five subsystems such as industry that processes primary commodities into processed product between intermediate product and finish product. These include food industry of natural fiber (rubber, pulp, paper, building materials made of wood, rayon, yarn made of cotton/ silk) biofarmaka industry and agrowisata industry and estetika (Sutawi, 2002). Development of handicraft industry needs to be placed not only as a new approach to development, but also more than it. The development of handicraft industry should be become as the main driver of Indonesia's economic development totally. The development of handicraft industry is basically expected spurring the growth of handicraft economy and increasing employment opportunities and community income. Industry sector of processing plays an important role in our country. The need for the industry sector development is to provide value-added to the products. One of handicraft industry activities that develops in Southwest Aceh is Hyacinth Flower handicraft business in Durian Rampak Village susoh sub-district southwest Aceh regency. Hyacinth Flower is water plant that is regarded as weed, in fact it can be functioned as staple of handicraft. Hyacinth flower that can be gotten easily and cheaply is by simple processing and appropriate to be efforted as one of efforts to fulfill life need. Durian Rampak Village Susoh subdistrict southwest Aceh regency is a village where the people has functioned Hyacinth flower to be handicraft that has high selling point. That is taken of this handicraft is the stem of hyacinth flower that has been dried but the process to make it needs time to get the quality handicraft. one of hyacinth handicraft business in Durian Rampak village is *Bungong Crot*. This business is the most developed among other businesses, other than that, this business is the oldest hyacinth flower handicraft. Based on preliminary research conducted that the problems faced by this business is the raw material that is hard to be found and the market demand decrease so that it affects the decline in operating revenues, but on the other side the visible is this business is still running. Generally what should happen is if the income of a business continues to decline, then the business will suffer losses and eventually must be closed.

## II. Literature Review

### 2.1. Hyacinth Flower

Hyacinth flower (*Eichhornia Crassipes*) is a water plant from Brazil. This plant spreads throughout the world and grows in areas with a range of 0 - 1.600 meters above sea level. The spread of these plants can be through canals, rivers, swamps and other freshwater with slow flow. Hyacinth flower lives in water and are sometimes rooted in soil. Hyacinth flower has a height of about 0.4-0.8 meters and has no rods. Leaf of hyacinth is single and oval, the tip and the base is green. Hyacinth flower is round and black. The shape of fruit is box, has three rooms, green and it's root is fiber. Hyacinth flower is the plant that is functioned to be handicraft such as chairs, bags, vase, and others that have high selling value. The development of hyacinth flower handicraft increases rapidly with good marketing conditions amounted to 33.33% and makes similar competitors increasingly emerge. Therefore, a strategy is needed so that owners can keep their business and compete in the market (Zuleha, 2015). Hyacinth flower can be utilized as raw material for handicraft industry because it contains fiber / cellulose. The pulp of hyacinth is produced in brown but it can be bleached by bleaching process, it can also absorb the dye provided well, so various colors can be produced. (Rahadian, 2014)

### 2.2. Economic Value of Hyacinth Flower

Value is one of various reasons underlies the action of someone or group as consideration of whether of not of financial benefit effected by the action. Economic value is connoted with art value (Ali, 2010). The development of hyacinth handicraft business does not only increase prosperity of society especially small business and middle business but also function in supporting the surrounding environment (Defiana, 2015). Defiana (2015) also states that some examples of the economic value of hyacinth can provide great benefits: a. hyacinth as a craft commodity With leaf fiber which is strong enough, after hyacinth is dried it can be converted into various types of handicrafts that have exotic value and high selling value such as tote bag, sandals, wallet, wall decoration, tablecloth, and so on based on the creativity of the craftsmen. How to Make: 1) Collection: hyacinth that has been collected and then cut. 2) Washing: hyacinth is sprayed with clean water and the dirt is threshed by slamming. Washing can be done at the location of the collection of hyacinth, so it does not contaminate the transport that will take it to the production site. 3) Separation from the Stalk: After arriving at the craftsman's location, hyacinth begins to be sorted. This separation between leaf and stem is needed to classify the material that will be used as a handbag maker or other craft. Separation can be done by cutting using a strong cloth scissor or with a knife because the tenacity and hardness of hyacinth is difficult to be broken by hand. 4) Drainage of Hyacinth: drainage is done by drying under the sun, if in the dry season the drying can run smoothly and if the rainy season drying can take 2 weeks. 5) Hyacinth plaiting: The stems are usually wove first after dry, before being used as a raw material for making bags, shoes, and other accessories. This shawl can be shaped small or medium wicker. 6) Making Pattern: Before cutting and forming webbing that has been made, then first need to make pattern of product to be produced, can make pattern of bag or shoes and other accessory. 7) The making of this pattern is applied to newsprint or sufficiently drawn if the pattern will function to form the hyacinth. 8) Finishing: From the pattern that has been made then the wicker sheet of hyacinth can be cut based on the pattern. For the pattern of shaped accessory twists can be directly seen and applied in the wicker being done. After the product has been formed, we can color or finish it with paint or *fernis*. Bags or shoes from hyacinth can be made from result of fiber or can also be painted with various shades. Hyacinth that is made as compost fertilizer can not only be changed various types of beautiful and exotic goods, but can also be converted into organic fertilizer with high quality. Hyacinth itself contains *fitohara* compounds that can accelerate root growth, so plants can grow faster and better. Hyacinth as *Briket Biobriket* or *bioarang* is a solid fuel that can be used as an alternative energy source that has a certain shape. According Basriyanta (2007) industrial waste biomass, forest, plantation, agriculture, and waste are all raw materials of *biobriket*, as the largest alternative energy source. By utilizing hyacinth as the material of charcoal briquettes, it will increase the utilization of hyacinth while reducing water pollution. With this hyacinth material, it is hoped that people can also reduce the use of wood as fuel. Hyacinth as Animal feed like other plants, hyacinth can be used as animal feed. Because of the high content of crude fiber, hyacinth must be processed first. One of the processing techniques is through fermentation technology, and processing that produce hyacinth flour.

### 2.3. Revenue

The definition of revenue in the business is the amount of money received by the company and its activities, most sources of revenue is the sale of products or services to customers. According to Jhinga (2003) revenue is income in the form of money in a certain period. Therefore it can be interpreted as all income or increased ability of a person, whether used for consumption or savings. Income is used for the necessities of life and to achieve satisfaction. Revenue Analysis serves to measure the success or failure of a business determines the main component, whether the component can be improved or not (Surya, 2009). systematically it can be seen as follows:

$TR = P \times Q$  .....( Dumairy, 2004 ) , Explanation: TR ( Total Revenue ) , P ( Price ) , Q (Quantity).

According to Sumardi and Evert (2005) revenue can be divided into two types: a. revenue in the form of money, ie revenue from salaries and wages earned from basic work, side jobs, overtime work, and sometimes work. 1) Own business includes net proceeds from own business, commissions from anywhere, and sales of the business craft produced. 2) The return on investment is the revenue earned from the property rights or capital used by others. 3) Social benefits is revenue derived from social work. b. revenue in the form of goods is revenue in the form of: 1. Part payment of wages from salaries in the form of bonuses, treatment, transportation, housing, recreation. 2. Goods is produced and consumed at home such as goods in production at home, the lease that should be issued against the stayed house. 3. revenue that is not an income is the Receipts in the form of taking savings, sale of used goods, collection of debt, loan debt, remittances, inheritance.

#### **2.4. Production Cost**

According to Hernanto (2001) production costs can be categorized into the type of cost that is: a. Fixed costs is the total cost will be the same and will remain unchanged even if the quantity of goods produced and sold is varies in normal capacity. b. Variable Cost ss a type of cost that is functioned to complete fixed costs and is dynamic. It follows a lot of the number of units produced or the number of activities conducted. At this cost, the amount that we will spend per unit or per activity actually amounted to fixed while for the total cost of the amount will adjust to the amount of the number produced or the amount of activity undertaken. Mathematically total cost can be formulated as follows :  $TC = TFC + TVC$  ..... (Dumairy, 2004 ) , Keterangan : TC = Total Cost ( in Rupiah ) TFC = Total Tixed Cost ( in Rupiah ) TVC = Total Variable Cost ( in Rupiah )

#### **2.5. Measurement of Revenue**

Belkoui (2006) states that there are four basic measurements of revenue in accountancy that use prices. a. The price of the past exchange (the historical price) of this price is the cost of the resource when it is acquired. Usually it is used to measure supplies, equipment, and other activities. b. The purchase price, this price is usually identified as the cost of the change because the resources generated by the resources measured at the current purchase price will be paid to obtain the resources if these resources are not met. c. The price of sales exchanges, these prices are usually syndicated as current prices and conditions of probable stable prices or immaterial changes, for example for the exchange of precious metals. d. Future exchange rates, this price reflects future cash receipts and gives discounts to the applicable value, so the realization and equality of income can be guaranteed. The user is to estimate the cost of the staple in the future. In addition to the price there are several measurements of income that is always used, namely: a. Business profit According to Ibrahim (2009), Business profit is the main objective in the planned business opening. The greater the benefits received the more feasible business developed. Based on estimates and production planning can be known on the number of production how many companies get profit and how many productions of companies get a loss. To see the business profit uses the formula:  $\pi = TR - TC$  ( Armanto, 2006 ) Dimana  $\pi$ = Profit TR = Total Receipt TC = Total Cost b. Return Cost Ratio ( R/C ) , According to Supriyono ( 2000 ) Return Cost Ratio is the ratio between the total receipt from the sale of a product and the total production cost incurred. This ratio is widely observed by entrepreneurs or people who run the business. Thus this ratio is an important indicator for entrepreneurs to measure the ability or feasibility of the business undertaken. Where R/C ratio can be formulated :  $R/C = TR / TC$  (Noor, 2007) TC Explanation : TR = Total Receipt TC = Total Cost R /C= Acceptance Fee Acceptance Criteria, R/C ratio :  $R/C < 1$  = Craft production business suffered losses,  $R/C > 1$  = Craft production business has profits,  $R/C = 1$  = Craft production business has reached a point.

### **III. Research Methodology**

#### **3.1. Time and Location of Research**

This research is conducted from June to July 2016 which is held at the Hyacinth Bungong Crot Handicraft Business in Durian Rampak Village, Susoh Sub-district, Southwest Aceh Regency. Location Selection is determined intentionally and with the consideration that in Bungong Crot Enterprises is a business of hyacinth handicraft in Susoh Subdistrict Southwest Aceh regency which is already known.

#### **3.2. Types and Data Source**

Data source in this research uses two types of data, they are 1. primary data is data that are gained directly from data source by researcher (Sugiyono, 2004). Primary data that achieved from this research is by interviewing directly with Bungong Crot business owner. Research data is are used in one year depending on whether is produced during the time. 2. Secondary data is data that are obtained from literature study, institution related to this case.

### **3.3. Data Collection Method**

Observation is data collection method where researcher takes note of all gained information of what is seen during conducted research. The conducted method is by observing the object directly that will be researched, so the clear view is gained about researched object ( Sugiyono, 2004 ). Question is question list that is made that contains a set of question related to research writing, it refers to respondent that is sample that consist of whole sample. This research is undertaken to set theories, the income presented by the experts gained from books and the other literature as theory in discussion. This base is conducted to get the knowledge about researched topic that is in this case related to craft industry profil based on success level. Besides literature study, getting information about research method is by survey method.

### **3.4. Data Analysis Method**

To count total cost of production, it can be counted by using the formula : $TC = TFC + TVC$   
Explanation : TC = Total cost (in Rupiah) TFC = Total Fixed Cost (in Rupiah) TVC = Total Variable Cost (in rupiah) (Dumairy, 2004 ). To count business revenue , it can be undertaken by using the formula :  $TR = P \times Q$   
Explanation :TR ( Total Revenue ) , P( Price ) , Q ( Quantity) (Dumairy, 2004 )

Business profit is counted through descreasing between total revenue and total cost. To see the profit of business bu usinf the formula :  $\pi = TR - TC$ , Explanation : $\pi$ ( profit ), TR ( Total Revenue ), TC ( Total Cost ) ,( Armanto, 2006 ). Revenue Cost Ratio ( R/C ) is a ration between total revenue and total cost, to show the revenue that ia obtained from each rupiah that is issued, R/C ratio can be formulated:  $R/C = TR / TC$  (Noor, 2007) TC  
Explanation : TR = Total Revenue TC = Total Cost R /C = Revenue cost revenue criteria R/C ratio :  $R/C < 1$ , handicraft production business gets loss  $R/C > 1$  Craft production business has profits,  $R/C = 1$  Craft production business has reached a point.

### **3.5. Operational Research Variables**

Total Cost is the overall fixed costs and variable costs incurred by the company to produce a number of products within a certain period in units of rupiah. Variable cost is the cost that is changed proportionally with the quantity of production increases then the variable cost will increase as the quantity change multiply the cost of the unity variable in rupiah. Fixed cost is cost whose totals will be the same and will not change at all even if the amount of goods produced and sold varies in normal capacity in rupiah units. Revenue is the amount of money received by the company on the sale of products generated in rupiah. Production is an activity to create or produce value for a certain goods and services to meet the needs of producers. Price is an exchange rate that can be equated with money or other goods for the benefit gained from a good or service for a person or group at a particular time and a certain place. Benefit is the result of a reduction between receipt and total cost for a single process in rupiah. Total Reception is the product of the number of items sold at the selling price per unit in rupiah. R / C Ratio is the ratio between the total revenue from the sale of a production and the total production costs incurred in rupiah units. Revenue is the income that is reduced by the costs incurred in the business is measured in rupiah.

## **IV. Discussion**

Bungong Crot Business located in Durian Rampak Village, Susoh Subdistrict Southwest Aceh regency, is one of the businesses which is engaged in industry led by Ms. Jusmani with 5 person workers who produce raw hyacinth become economic value material (bag). This business begins in 2009 until now, initially this business is only considered as a household necessity but the business is increasingly advanced with the uniqueness and form, so business is known by the community. Hyacinth that lives in the river is taken by craftman then cut it by using a machete or a large knife. After it is cut off, stem of hyacinth are collected and washed thoroughly by spraying with water and slammed to keep the feces falling out. After the stick of hyacinth is clean, it is dried under the sun with occasional reversed until the stalk is completely dry. Drying time is approximately 7 days and if the rainy season drying can be up to 10 days, and to speed up the drying of wet hyacinth can be directly pressed by using a press machine and then dry again. The dried stem of hyacinth, it is grouped by craftman based on color and length, the used size is 50-60 cm and the good color of hyacinth is white and for brown hyacinth can be bleached by using bleach. After the craftsman sorts out the hyacinth based on the color and length, the craftsman splits the stem of hyacinth by using knives into several parts, after that some are twisted and some other are pressed depending on how the bag shape desired by the customer. If the color of hyacinth stem is white, it does not need bleaching, it is preserved directly, and if the color of hyacinth gets cream, it can be done bleaching, by soaking for 12 hours then dried. After the stem of hyacinth is ready to be twisted, then do the dye by dipping it into hot water which has mixed dye with the size 5 liter of water and one pack of dye then gets hyacinth into it, so all are submerged for 15- 20 minutes after that fire is turned off and let hyacinth sets for 12 to 24 hours. After the stem of hyacinth is dry and get color, the stems are moven by

using the mold that has been prepared. In the last steps, craftsman just adds accessories, and is sewn by adding the poring fabric as layer after the bag is ready sewn, the bag in the varnish by spraying way uses a *gancat* that has been given a mixture of *tiner and impra* (chemical materia), then the bag is dried. Marketing is one of the activities undertaken by the company whether it is goods or services in an effort to maintain survival. At Bungong Crot marketing is done directly, where the buyer orders to the craftsman. Based on the data in the field, marketing is done still within the Blangpidie area and promotes his craft at the exhibition stand held by the government. Cost is all economic expenditure that must be spent to produce the goods, cost calculation is very important in taking decision to run the business, the amount of costs expended by the producer in running the production process of a good product determines the determination of the cost of the product produced. In this research, all the expenditures in one year consist of fixed costs and variable costs. Calculation that is undertaken based on current prices in Bungong Crot business, the calculation of production costs is obtained a description of the amount of income received. The high cost of Bungong Crot production can be seen in Table 3 below. Table 3 Production Costs at Bungong Crot business in Durian Rampak Village, Susoh Sub-district, Southwest Aceh Regency, Source: Primary Data Processed, 2016 No Cost Description (Rp / Year), 1. Fixed Cost, Equipment Cost, and depreciation 3.070.000, Electricity Fee for lighting 1,200,000, Labor Cost 12,000,000, Total Fixed Cost 16,270,000. 2. Variable Cost, Production Cost 9.951.000, Electricity Costs for Machines (12 x 50,000) 600,000, Total Variable Costs 10,551,000, Total Cost 26,821,000. In table 3 it can be explained that the fixed costs expended each year include the cost of equipment and the depreciation cost of Rp3.070.000, the cost of electricity for lighting Rp 1,200,000, and labor cost of Rp 12.000.000, hence the amount of cost is Rp 16,270,000. Variable cost which includes raw material production cost Rp 9.951.000 electricity cost for machine 600.000, so total variable cost is Rp.10.551.000. Thus the total cost is Rp 26,821,000 per year.

In Bungong Crot business, the fixed costs are greater than the variable costs because fixed costs includes depreciation cost,, electricity costs for lighting and labor costs paid each month while the variable costs include the cost of raw materials production, and the cost of electricity for cheap machines with the main raw materials derived from the weeds are often considered waste by the community in the village. Production at Bungong Crot Business is in the form of a bag with two types of size that is big size as many as 446 pieces and small size as many as 412 pieces of bags, also have two models that are twisted models and preesed models and sometimes depends on order. Product price varies where large size for Rp.150.000 and small size for Rp.75.000

4.7 Revenue are gross revenue derived from the product of the amount of production and the selling price. The size of the revenue depends on the selling price and the resulting production. The amount of revenue that is gotten on Bungong Crot business in Durian Rampak Village, Susoh subdistrict, Southwest Aceh Regency can be seen in table 4 below. Table 4. Revenue at Bungong Crot Business in Durian Rampak Village Susoh subdistrict Southwest Aceh Regency, Description of Production (product) Price (Rp)/(product) Amount (Rp) Large Size of Bag 446 150,000 66.900.000 Small Size of Bag 412 75.000 30.900.000, Total 858 97,800,000, Source: Data processed 2016 In the table above, it can be seen that the revenue on Bungong Crot Business is Rp 97.8 million per year and if it is calculated per month, revenue received by the Business is different. For more details see attachment. Getting a great profit is one of the economic goals that an entrepreneur wants to achieve. The profit in this research is the net profit received by Bungong Crot business during one period of production process, profit is gotten from the reduction of revenue to the total production costs that have been expended. To calculate the profit obtained by Bungong Crot business can be used the formula:  $\pi = TR - TC$   $\pi = Rp\ 97.800.000 - Rp26.821.000$   $\pi = Rp70.979.000$ , from calculation above it can be explained that the net profit on Bungong Crot business in Durian Rampak village Susoh subdistrict Southwest Aceh Regency is Rp 70.979.000 per year. If it is calculated every month, the profit of this busines is different depending on amount of production, to be clearer can be seen on attachment 7.

4.9. Revenue Cost Ratio, Revenue Cost Ratio is the ratio of total revenue to total production cost expended by Bungong Crot Business in Durian Rampak Village, Susoh Sub-district, Southwest Aceh Regency. This ratio can be used to measure the feasibility in businesses that are being run or developed. To know the Revenue Cost Ratio on the Business can be seen by using the formula:  $R / C \text{ Ratio} = \frac{\text{Total Revenue}}{\text{Total Cost}}$   $R / C \text{ Ratio} = \frac{Rp\ 97.800.000}{Rp\ 26.979.000}$   $R / C = 3.6$  then Bungong Crot business losses if  $R / C \text{ Ratio} > 1$  then Bungong Crot business gets profit. if  $R / C \text{ Ratio} = 1$  meanst that the business of Bungong Crot reaches the point, 29 In the calculation above can be explained that the business of Bungong Crot  $R / C \text{ Ratio} > 1$  means that it can be concluded that the business gets profit meaning every Rp 1, - is expended to provide revenue of Rp3, 6.  $R / C \text{ Ratio}$  value is greater than one so that Bungong Crot Business in Durian Rampak Village Susoh subdistrict, Southwest Aceh regency is worth to be done.

## V. Conclusion

Amount of revenue on Bungong Crot Business is Rp70.979.000 per year. The Revenue Cost Ration is 3.6 that means that every Rp. 1-, expended gives revenue as much as 3.6 or  $> 1$ , so Bungong Crot business in Durian Rampak village, Susoh subdistrict Southwest Aceh regency is worth to be run.

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The Analysis of Revenue of Hyacinth Flower Handicraft ( The Case Study on Bungong Crot Business) In Durian Rampak Village." IOSR Journal of Agriculture and Veterinary Science (IOSR-JAVS) 11.1 (2018): 46-51.