

An Analysis of Relevant Costs in Managerial Decision-Making at Anggi Laundry, a Micro, Small and Medium-Sized Enterprise (MSME)

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Abstract

Relevant costs and differential accounting information support the evaluation of short-term managerial alternatives. This study examines their application to managerial decision-making at Anggi Laundry, a home-based laundry business. A descriptive quantitative approach with a single-case study design was employed using monthly profit and loss statements from January 2024 to December 2025. Analysis compared revenue, total costs, reported net profit, profit margins, changes in individual cost components, and monthly patterns. Revenue increased from IDR 71.0 million in 2024 to IDR 74.0 million in 2025 (4.2%), while total costs increased from IDR 27.2 million to IDR 29.3 million (7.7%). Reported net profit rose from IDR 43.8 million to IDR 44.7 million (2.1%), while the profit margin declined from 61.7% to 60.4%. Electricity and water accounted for 57.1% of the increase in total costs. Monthly comparisons showed revenue increases only in January, March, and August, whereas costs were higher in 11 of 12 months. These findings highlight the importance of identifying decision-relevant costs when evaluating short-term alternatives. Special-order and make-or-buy concepts provide potential analytical frameworks for such evaluations, although the study does not establish that Anggi Laundry implemented either decision. The findings offer practical guidance for cost monitoring and managerial analysis in small service businesses. However, the statements omit labour costs, rent, and equipment depreciation; consequently, the reported profit does not represent full economic profit.

Keywords: Management Accounting; Relevant Costs; Differential Accounting Information; Micro, Small, and Medium Enterprises; Laundry Services

INTRODUCTION

Managerial decision-making is an essential part of business management because every operational decision may influence revenue, costs, resources, and ultimately profitability. Management therefore requires accounting information that can distinguish between information that is relevant to a particular decision and information that will not change as a result of the decision. Relevant cost analysis provides such information by focusing on future costs that differ between alternatives. This approach enables managers to concentrate on the financial consequences of a decision rather than considering all costs recorded in the accounting system (Dumadi et al., 2020; Martini et al., 2020).

The importance of management accounting information is particularly relevant to micro, small and medium-sized enterprises (MSMEs), where owners frequently perform both operational and managerial functions. MSMEs often have relatively simple accounting systems, limited financial resources, and restricted access to sophisticated management accounting techniques. Nevertheless, information about costs, revenues and profitability remains important for planning, controlling operations and making decisions. Previous studies indicate that management accounting practices can contribute to better managerial decision-making, although their application among small businesses varies according to business characteristics and managerial capabilities (Prihastiwi & Sholihin, 2018; Armitage et al., 2016; Acintya, 2020).

In Indonesian MSMEs, management accounting practices can support owners in understanding cost structures and evaluating business performance. The development of management accounting practices among MSMEs has also been associated with improvements in the availability and use of accounting information for managerial purposes. More recent research suggests that digitalisation and systematic management accounting information can further support SMEs in monitoring business activities and making decisions based on more timely information (Kaharti, 2023; Ratmono et al., 2023; Indriati et al., 2025).

One important application of relevant cost analysis is the evaluation of special orders. When a business receives a special order, management needs to compare the additional revenue from the order with the additional costs that will arise if the order is accepted. Costs that do not change between accepting and rejecting the order should not determine the decision because they are not differential costs. Previous studies of Indonesian businesses

demonstrate that relevant cost and differential analysis can be used to determine whether special orders generate additional profits (Hernanik, 2020; Isdaryanto et al., 2021; Avionita et al., 2024).

Relevant cost analysis is also applicable to make-or-buy decisions. In this situation, management compares the relevant costs of producing a product or component internally with the costs of purchasing it from an external supplier. Costs that remain unchanged under both alternatives are normally excluded from the quantitative comparison. Therefore, the quality of a make-or-buy decision depends on management's ability to identify which costs will actually change as a result of the selected alternative (Maharani & Agustin, 2025).

Several studies have demonstrated the practical application of relevant cost analysis in different types of businesses. Research on special orders at Wingko Babat Lamongan, for example, shows how relevant costs can be used to evaluate whether an additional order can increase profit. Similar applications have been reported in studies involving laundry-related businesses, SMEs and other small enterprises, indicating that the relevant cost concept can be applied beyond large manufacturing organisations (Dewianawati et al., 2024; Yudhanto et al., 2024; Sriwedari et al., 2026). Nevertheless, relevant cost analysis should not be interpreted simply as a comparison between total accounting costs and total revenue. Management needs to identify the costs that are actually affected by a decision, particularly when fixed costs will continue regardless of the alternative selected. Differential accounting information is therefore important because it highlights changes in revenue, costs, and profit between alternatives (Muchtar et al., 2024; Pinontoan et al., 2020).

These issues are relevant to Anggi Laundry, a small-scale, home-based laundry service business that serves as the research object of this study. The analysis uses monthly profit and loss statements from January 2024 to December 2025, providing 24 months of financial data. The statements include revenue and five main cost components: electricity, water, washing powder, fabric softener, and plastic wrapping. These records provide a basis for examining changes in Anggi Laundry's financial position and discussing the application of management accounting concepts. In 2024, Anggi Laundry generated revenue of Rp71,000,000, which increased to Rp74,000,000 in 2025. Over the same period, total costs rose from Rp27,200,000 to Rp29,300,000, representing an increase of 7.7%. Net profit also increased from Rp43,800,000 to Rp44,700,000, but the increase was only 2.1%. Consequently, the

profit margin declined from 61.7% to 60.4%, indicating that revenue growth was not accompanied by a proportionate increase in profit.

These changes indicate that rising costs require attention in the management of Anggi Laundry. Although revenue increased by 4.2%, total costs rose by 7.7%, meaning that costs grew faster than revenue. As a result, the cost-to-revenue ratio increased from 38.3% to 39.6%, indicating that a larger proportion of revenue was required to cover costs than in the previous year. All recorded cost components also increased in 2025. Electricity and water costs each rose by 9.8%, plastic packaging by 8.8%, fabric softener by 7.0%, and washing powder by 4.2%. Electricity costs accounted for Rp800,000, or 38.1%, of the total cost increase, while water costs accounted for Rp400,000, or 19.0%. Together, electricity and water represented 57.1% of the total increase in costs. These findings highlight the importance of controlling operating costs, particularly those that contribute substantially to rising expenditure. However, not all costs recorded in financial statements are automatically relevant to a particular decision because their relevance depends on the alternatives being compared.

From a management accounting perspective, business owners need to identify the additional costs incurred when an activity is undertaken compared with the situation in which it is not. Information about changes in revenue and costs can then be used to assess the resulting differences in profit. Management accounting provides financial and non-financial information for planning, control, and decision-making, particularly when businesses must allocate limited resources among competing alternatives (Mowen, Hansen, & Heitger, 2017). Relevant costs are future costs that differ between the alternatives under consideration, whereas costs that remain unchanged do not affect the outcome of the decision. By separating relevant from irrelevant costs, managers can focus on information that directly influences their choices. Relevant cost analysis consequently relies on differential accounting information, comprising differential revenue, differential costs, and differential profit. Differential revenue represents the difference in revenue between alternatives, while differential costs represent the additional costs associated with an activity. Differential profit is the resulting difference obtained by subtracting differential costs from differential revenue. This information enables business owners to evaluate how a particular decision may affect profitability rather than relying solely on the overall financial position of the business.

Previous research has demonstrated the usefulness of relevant cost analysis in evaluating special orders. For example, research on the Roti Devy MSME examined the acceptance or rejection of special orders by comparing the resulting changes in revenue and costs. The findings indicated that accepting custom orders could increase operating profit when the additional revenue was sufficient to cover the relevant costs incurred. Thus, orders priced below the normal selling price do not necessarily need to be rejected if they generate additional profit after relevant costs are considered (Avionita et al., 2024). However, the available financial reports for Anggi Laundry do not document any actual make-or-buy decisions or special orders. Accordingly, these decisions are discussed in this study as conceptual applications and illustrations rather than as decisions that the business has actually implemented.

The research gap lies in connecting the actual financial developments of a laundry MSME over a two-year period with a discussion of relevant cost analysis and differential accounting information for short-term managerial decision-making. Although previous studies have examined relevant costs in special-order and make-or-buy decisions, this study focuses on interpreting Anggi Laundry's financial data alongside these concepts while acknowledging that the available records do not document the actual implementation of either decision. The analysis also considers capacity, opportunity cost, and qualitative factors because business decisions are not determined solely by financial calculations. Capacity determines whether a business has sufficient resources, such as equipment, labour, and time, to undertake additional activities. Opportunity cost represents the benefit forgone when one alternative is selected over another, while qualitative factors, including service quality, supplier reliability, and customer relationships, may influence the suitability of a decision even when they are not directly reflected in financial figures.

The novelty of this study lies in integrating an analysis of Anggi Laundry's revenue, costs, and net profit during 2024–2025 with a conceptual discussion of relevant cost analysis, differential accounting information, capacity, opportunity cost, and qualitative factors within a single analytical framework. Rather than claiming that Anggi Laundry has implemented special-order or make-or-buy decisions, the study uses these decisions as illustrations of how management accounting information can support short-term decision-making. This approach connects the business's actual financial condition with the theoretical considerations required to evaluate alternatives, offering a more comprehensive perspective on the use of accounting information in MSME management.

Accordingly, this study aims to analyse changes in revenue, costs, and net profit at Anggi Laundry during 2024–2025 and explain the relationship between its financial condition and the application of relevant cost analysis in short-term decision-making. It also examines the role of differential accounting information, including differential revenue, differential costs, and differential profit, in assessing the financial consequences of alternative decisions. In addition, the study discusses capacity, opportunity cost, and qualitative factors to provide a more comprehensive understanding of the decision-making process. Through this analysis, the study is expected to contribute to an understanding of how management accounting information can support Anggi Laundry's business management and provide insights relevant to other small businesses facing rising operating costs and resource constraints.

METHODS

This study adopts a descriptive quantitative approach and a single-case study design focusing on Anggi Laundry, a small, home-based laundry service. The quantitative approach is appropriate because the primary data consist of numerical figures relating to revenue, costs, and profit, while the descriptive approach is used to portray the business's financial condition without manipulating variables or introducing any treatment. A single-case design was selected because the analysis concentrates on one business, and the findings are intended to explain its specific financial circumstances rather than represent all MSMEs in the laundry sector. This approach is consistent with the role of management accounting in providing information for planning, control, and managerial decision-making (Mowen, Hansen, & Heitger, 2017).

The data comprise Anggi Laundry's monthly profit and loss statements from January 2024 to December 2025, covering 24 months. Anggi Laundry constitutes the research subject, while the monthly financial statements serve as the units of data analysis. All available statements within the observation period were included; therefore, no sampling of individual months was undertaken. The research indicators consist of revenue, total costs, net profit, profit margin, the cost-to-revenue ratio, and five cost components: electricity, water, detergent or washing powder, fabric softener, and plastic packaging. These indicators are used to describe changes in the business's financial performance and identify the cost components contributing to the overall increase in expenditure. The findings are subsequently interpreted through the concepts of relevant costs and differential accounting

information, including differential revenue, differential costs, and differential profit. Capacity, opportunity cost, and qualitative factors are also considered when discussing short-term managerial decisions (Mowen, Hansen, & Heitger, 2017).

The research instrument consists of the monthly profit and loss statements, with the researchers acting as the primary instrument for reviewing, recording, checking, and interpreting the data. Data were collected through documentation by compiling the 24 monthly statements and consistently recording revenue and each cost component. Monthly total costs, profit figures, and annual totals were then recalculated to verify their arithmetic consistency with the source documents. No questionnaires, interviews, or respondent-based instruments were used; consequently, questionnaire validity and reliability testing was not applicable. The available statements do not include staff wages, premises rent, or equipment depreciation. Therefore, the profit analysed is limited to the recorded components and should not be interpreted as the business's overall economic profit.

Data analysis was conducted descriptively in four stages. First, revenue, total costs, net profit, and profit margin were compared between 2024 and 2025. Second, the absolute and percentage changes in individual cost components were calculated, together with each component's contribution to the increase in total costs. Third, corresponding months across the two years were compared to identify movements in revenue and costs. Fourth, the findings were interpreted using relevant cost analysis, differential accounting information, capacity, opportunity cost, and qualitative factors. Net profit was calculated as revenue minus total costs; percentage change was calculated by dividing the difference between the 2025 and 2024 figures by the 2024 figure; profit margin was calculated as net profit divided by revenue; the cost ratio was calculated as total costs divided by revenue; and component contribution was calculated as the change in a particular cost component divided by the change in total costs. The financial observation period was January 2024–December 2025; however, the month and duration of the research process itself were not specified in the available information. Make-or-buy and special-order decisions are discussed as conceptual illustrations because the financial statements do not document their actual occurrence. The interpretation of special-order decisions also draws on the relevant cost comparison approach demonstrated by Avionita et al. (2024).

RESULTS

Comparison of Annual Financial Performance

Anggi Laundry's financial performance was examined by comparing revenue, total costs, net profit, profit margin, and the cost-to-revenue ratio for 2024 and 2025. This comparison was intended to identify changes in financial performance and determine whether revenue growth was accompanied by a proportionate increase in profit.

Table 1. Comparison of Anggi Laundry's Financial Performance in 2024 and 2025

Financial Item	2024	2025	Change
Revenue	Rp. 71,000,000	Rp. 74,000,000	+4.2%
Total costs	Rp. 27,200,000	Rp. 29,300,000	+7.7%
Net profit	Rp. 43,800,000	Rp. 44,700,000	+2.1%
Profit margin	61.7%	60.4%	-1.3 percentage points

Source: Compiled by the researcher (2026)

Table 1. Comparison of Anggi Laundry's Financial Performance in 2024 and 2025 shows that Anggi Laundry's revenue and net profit increased in 2025, but costs grew faster than revenue. Consequently, the increase in net profit was not proportional to the increase in revenue. The decline in profit margin and the rise in the cost-to-revenue ratio indicate that a larger proportion of revenue was required to cover costs. Revenue growth therefore did not translate into a commensurate improvement in profitability.

Changes in Operating Cost Components

The next stage of the analysis examined the five operating-cost components recorded in Anggi Laundry's financial reports: electricity, water, washing powder, fabric softener, and plastic packaging. The purpose was to identify which components contributed most to the increase in total costs.

Table 2. Changes in Anggi Laundry's Operating Cost Components, 2024–2025

Cost Component	2024	2025	Change
Electricity	Rp. 8,200,000	Rp. 9,000,000	Rp. 800,000
Water	Rp. 4,100,000	Rp. 4,500,000	Rp. 400,000
Detergent	Rp. 7,200,000	Rp. 7,500,000	Rp. 300,000
Fabric softener	Rp. 4,300,000	Rp. 4,600,000	Rp. 300,000
Plastic packaging	Rp. 3,400,000	Rp. 3,700,000	Rp. 300,000
Total	Rp. 27,200,000	Rp. 29,300,000	Rp. 2,100,000

Source: Compiled by the researcher (2026)

Table 2. Changes in Anggi Laundry's Operating Cost Components, 2024–2025 shows that all five recorded operating-cost components increased in 2025. Electricity recorded the largest nominal increase, followed by water. Together, these two components

accounted for more than half of the total increase in operating costs. This finding identifies electricity and water as priorities for cost monitoring. However, the increases alone do not establish their causes because the reports do not provide utility tariffs, laundry volumes, or resource-consumption data.

Monthly Comparison of Net Profit and Cost-to-Revenue Ratios

Monthly analysis was conducted to identify changes in net profit and the cost-to-revenue ratio for each month across the two-year observation period. This comparison helps establish whether annual performance changes were consistent throughout the year or concentrated in particular months.

Table 3. Monthly Net Profit and Cost-Revenue Ratio, 2024 and 2025

Month	Net profit 2024	Net profit 2025	Change	Cost ratio 2024	Cost ratio 2025
January	Rp3,100,000	Rp3,800,000	Rp700,00	38.0%	36.7%
February	Rp3,200,000	Rp3,100,000	−Rp100,000	36.0%	38.0%
March	Rp3,000,000	Rp3,800,000	Rp800,00	40.0%	36.7%
April	Rp3,800,000	Rp3,600,000	−Rp200,000	36.7%	40.0%
May	Rp3,700,000	Rp3,600,000	−Rp100,000	38.3%	40.0%
June	Rp3,600,000	Rp3,400,000	−Rp200,000	40.0%	43.3%
July	Rp4,400,000	Rp4,200,000	−Rp200,000	37.1%	40.0%
August	Rp3,700,000	Rp4,400,000	Rp700,00	38.3%	37.1%
September	Rp3,800,000	Rp3,600,000	−Rp200,000	36.7%	40.0%
October	Rp3,700,000	Rp3,500,000	−Rp200,000	38.3%	41.7%
November	Rp3,600,000	Rp3,600,000	no change	40.0%	40.0%
December	Rp4,200,000	Rp4,100,000	−Rp100,000	40.0%	41.4%

Source: Compiled by the researcher (2026)

Table 3. Monthly Net Profit and Cost-Revenue Ratio, 2024 and 2025 shows that monthly net profit did not change uniformly. Profit increased in January, March, and August, declined in most of the remaining months, and remained unchanged in November. Meanwhile, the cost-to-revenue ratio increased in several months, particularly June, October, and December. This pattern indicates that annual profit growth did not reflect an improvement in every month. Monthly comparisons also help identify periods requiring further examination of resource use and cost control.

The third divergent finding concerns the months of highest profit. The highest monthly net profit in 2024 was Rp4,400,000 in July, and in 2025 it was Rp4,400,000 in August. Revenue in July was Rp7,000,000 in both years, but net profit in July 2025 (Rp4,200,000) was Rp200,000 lower than in July 2024 because total costs rose from

Rp2,600,000 to Rp2,800,000. In August, revenue rose from Rp6,000,000 to Rp7,000,000, and net profit rose from Rp3,700,000 to Rp4,400,000. Among the three months with higher revenue, the additional costs were also different: Rp300,000 in January and August (30 per cent of the additional revenue of Rp1,000,000 each) and Rp200,000 in March (20 per cent).

The reports also contain no tariffs, laundry volumes, or quantities of electricity, water, and materials used, so the reason for the cost increases in months with unchanged revenue cannot be identified from the available data. Staff salaries, premises rent, and equipment depreciation are not included in the reports.

DISCUSSION

The findings indicate that Anggi Laundry's revenue growth between 2024 and 2025 was not accompanied by a proportionate increase in profit. Revenue increased by 4.2%, whereas total recorded costs rose by 7.7%. This divergence suggests that higher revenue does not necessarily translate into stronger profitability when cost growth is not adequately controlled. Of the additional IDR 3,000,000 in revenue, only IDR 900,000 was reflected in additional net profit based on the recorded cost items. Thus, approximately 30% of the additional revenue translated into additional profit, while the remainder was absorbed by higher costs. This pattern is reflected in the decline in profit margin from 61.7% to 60.4% and the increase in the cost-to-revenue ratio from 38.3% to 39.6%. These findings demonstrate why business performance should not be assessed through revenue growth alone. Revenue, costs, and profit need to be examined together to provide a more meaningful assessment of financial performance (Mowen, Hansen, & Heitger, 2017).

The monthly comparisons provide a more contextual understanding of the relationship between revenue and costs. Cost increases occurred not only in months when revenue increased but also in months when recorded revenue remained unchanged. Additional costs across the three months with revenue growth amounted to IDR 800,000, equivalent to 26.7% of the additional revenue for those months. Meanwhile, costs increased by IDR 1,300,000 across eight months in which revenue did not change. This pattern suggests that recorded costs do not always move in parallel with revenue. Nevertheless, it does not establish that the business operated inefficiently, because the reports do not provide laundry volumes in kilograms, order counts, service prices, or resource-consumption figures. Equal revenue in different months also does not necessarily indicate equal workloads, since

prices and service composition may differ. Monthly comparisons should therefore be treated as a means of identifying patterns that warrant further investigation, rather than as sufficient evidence of the causes of cost increases.

From a management accounting perspective, these findings highlight the distinction between historical cost information used to assess past performance and relevant cost information used to evaluate future decisions. A cost is relevant when it is expected to arise in the future and differs between the alternatives under consideration. Historical costs may help explain performance, but they are not automatically relevant to every managerial decision (Martini et al., 2020; Dumadi et al., 2020). At Anggi Laundry, electricity, water, washing powder, fabric softener, and plastic wrapping represent the five recorded operating-cost components that can be examined further. However, annual totals alone cannot establish which costs would increase if service volume expanded. Such an assessment requires information about the resources consumed by additional work, the business's available capacity, and the potential alternative uses of those resources.

The findings are consistent with the principle of differential analysis, which focuses on differences in revenue and costs between alternatives rather than on total revenue or costs in isolation. At Anggi Laundry, the IDR 3,000,000 increase in revenue was accompanied by an IDR 2,100,000 increase in recorded costs, resulting in an additional IDR 900,000 in profit. This relationship illustrates why revenue growth must be assessed alongside cost changes to understand its implications for business performance. The interpretation is consistent with the application of cost analysis to managerial decision-making (Dumadi et al., 2020). It also supports the broader view that management accounting information can help micro, small, and medium-sized enterprises (MSMEs) assess operating conditions and make informed business decisions. However, the usefulness of such information depends on its completeness, availability, and appropriate interpretation (Armitage et al., 2016; Acintya, 2020; Ratmono et al., 2023).

Previous studies on relevant cost analysis for special-order decisions emphasize the need to identify incremental revenue and costs before accepting an order (Hernanik, 2020; Isdaryanto et al., 2021). The present study extends this discussion to a small, home-based laundry service by examining monthly financial data over two years. Rather than evaluating a single special-order decision, it examines changes in revenue, costs, and profit to identify patterns that may inform managerial review. However, because the available records do not

document an actual special order, the study cannot establish whether accepting a particular order would increase Anggi Laundry's profit. Its contribution therefore lies in extending the application of the analytical framework to a service-business context, rather than in measuring the actual effect of a special-order decision.

The same principle applies to make-or-buy decisions. Such decisions should be based on costs that differ between alternatives while also considering other relevant factors (Maharani & Agustin, 2025). In a laundry business, this principle could conceptually inform decisions about sourcing materials or arranging particular operational activities. A comparison should not be based on purchase price alone; quality, supplier reliability, delivery time, and potential effects on service continuity also matter. This interpretation is consistent with the broader application of relevant cost analysis in MSMEs (Pinontoan et al., 2020; Muchtar et al., 2024). Nevertheless, because Anggi Laundry's records do not document an actual make-or-buy decision, this application remains illustrative. The study thus supports the relevance of differential cost principles while showing the limitations of applying them when only summarized financial reports are available.

Theoretically, this study demonstrates how relevant cost analysis and differential information can be applied to a small service business using monthly financial statements as a starting point for performance evaluation. Its contribution is not the introduction of a new management accounting concept, but the demonstration of how established concepts can be used to interpret changes in business performance and identify the additional information required before making operational decisions. The finding that costs grew faster than revenue underscores the importance of connecting retrospective performance assessment with forward-looking cost evaluation. Financial statements can therefore serve not only as records of business outcomes but also as a basis for formulating more specific managerial questions. However, relevant cost analysis still requires evidence of which costs would actually change under each alternative, rather than relying solely on annual comparisons.

In practical terms, Anggi Laundry's owner should prioritize monitoring electricity and water costs because these two categories accounted for IDR 1,200,000 of the IDR 2,100,000 increase in recorded operating costs. Monthly records of electricity and water consumption, laundry volume, and service types would help determine whether higher costs are associated with increased workloads, tariff changes, or inefficient resource use. More detailed records could also capture material prices, the quantities of detergent and fabric

softener used, and the number of plastic packages consumed. Such information would support more meaningful comparisons across periods and improve estimates of the additional costs associated with new orders. The owner could also review service prices periodically while considering customer affordability and competitive conditions.

A simple digital accounting system could further improve the availability of financial and operational information. Digital records may facilitate transaction classification, cost monitoring, and periodic performance summaries. This potential is relevant to research on digital management accounting systems and their role in supporting SME decision-making (Ratmono et al., 2023). The findings also have implications for MSME support initiatives delivered by universities, accounting practitioners, and business associations. Training could emphasize complete operating-cost records, distinctions between cost categories, and the use of differential information when evaluating additional orders or alternative sourcing arrangements. Nevertheless, the effectiveness of such interventions requires further investigation involving more businesses and more comprehensive operational data.

Several limitations constrain the interpretation of the findings. The study examines only one business, Anggi Laundry, using 24 months of data from January 2024 to December 2025. The findings therefore describe the case under investigation and cannot be generalized directly to all laundry businesses or service-sector MSMEs. In addition, the available reports record revenue and five cost components: electricity, water, washing powder, fabric softener, and plastic wrapping. Labour costs, premises rent, and equipment depreciation are excluded. Consequently, the profit analyzed represents the result based on the recorded items rather than a comprehensive measure of economic profit. The absence of data on laundry volume, order counts, service prices, utility tariffs, and resource consumption also limits the study's ability to explain the causes of cost increases or accurately distinguish fixed from variable costs.

Another limitation is the absence of documented special-order or make-or-buy decisions during the study period. The discussion of these decisions is therefore conceptual and should not be interpreted as an evaluation of actual managerial choices. The 26.7% ratio of additional costs to additional revenue across the three months with revenue growth also cannot be treated as the marginal cost of a specific order. It is derived from aggregate monthly comparisons and may reflect changes in activity, prices, or other operating conditions. In addition, managerial decisions can be affected by qualitative considerations,

including service quality, customer relationships, supplier reliability, delivery time, and operating capacity. These factors cannot be adequately assessed through financial statements alone (Dewianawati et al., 2024; Sriwedari et al., 2026).

Future research could include more businesses, extend the observation period, and combine financial statements with operational data such as laundry weight, order volume, service prices, machine operating hours, and electricity and water consumption. More complete data would enable more accurate distinctions between fixed and variable costs and improve estimates of incremental costs. Further studies could also examine actual special-order or make-or-buy decisions, allowing differential revenue, differential costs, and differential profit to be calculated using real alternatives. Interviews with business owners or direct observation of operational processes could clarify capacity constraints, opportunity costs, and qualitative considerations. These approaches would support a more detailed assessment of how relevant cost information informs short-term decisions and how the quality of accounting records affects managerial decision-making.

CONCLUSION

This study examined changes in Anggi Laundry's revenue, costs, and net profit during 2024–2025 and considered the relevance of relevant-cost and differential-accounting concepts to managerial decision-making. The findings indicate that revenue increased by 4.2%, whereas recorded total costs rose by 7.7%. Consequently, net profit grew by only 2.1%, while the profit margin declined from 61.7% to 60.4%. Electricity and water accounted for the largest share of the increase in recorded costs. Monthly comparisons further revealed that annual profit growth was primarily supported by three months of higher revenue, whereas costs generally increased during months when revenue remained unchanged.

These findings address the research objectives by demonstrating that revenue growth does not necessarily translate into proportionate profit growth, making cost control an important management priority. Conceptually, relevant costs, differential accounting information, capacity, opportunity cost, and qualitative considerations provide a framework for evaluating alternative business decisions. The study's contribution lies in applying this framework to a home-based laundry service through annual and monthly financial comparisons. This approach identifies patterns in financial performance that may be

obscured by annual aggregates, although it cannot establish the causes of cost changes or demonstrate that special-order and make-or-buy decisions were actually undertaken.

In practical terms, Anggi Laundry should monitor individual cost components and improve its records by documenting laundry volume, service rates, resource consumption, labour costs, rent, and equipment depreciation. Such information would support more comprehensive profitability assessments and decision-specific cost calculations. Future research should examine multiple businesses over longer periods and incorporate detailed operational data to investigate cost behaviour, estimate differential costs more accurately, and evaluate actual managerial decisions. These developments would strengthen the empirical basis for applying management accounting concepts to small service enterprises while addressing the limitations of descriptive analysis based on a single business.

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