

**ABSTRACT**  
**THE EFFECT OF PRODUCTION AND NONPRODUCTION COSTS ON**  
**COMPANY NET PROFIT**  
*(Case Study on SMEs in the Nabilla Collection Embroidery Industry in the City*  
*of Tasikmalaya for the 2015-2020 period)*

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*This study aims to determine the effect of production and non-production costs on net profit in the Nabilla Collection Embroidery Industry in Tasikmalaya City. In this research, the method used is an analytical descriptive method with a case study approach and time series data collected from time to time. For research purposes, the authors took six years from 2015 to 2020 with annual data collection. Data collection techniques were carried out by interviews, documentation, and observation as well as literature studies. To test the hypothesis, the authors use regression analysis, correlation coefficient analysis and analysis of the coefficient of determination. and by using the t-test statistic at the 95% confidence level it turns out that tcount is greater than ttable. Therefore, the conclusion of this study shows that Ho is rejected and H1 is accepted, this means that production and non-production costs have a significant effect on net income.*

*Keywords: Production costs, non-production and net profit*