

## How to Cite

Susanti, I. A. M. D., & Pratiwi, L. P. K. (2021). Feasibility analysis of pasar rakyat kertha. *International Journal of Business, Economics & Management*, 4(1), 97-102. <https://doi.org/10.31295/ijbem.v4n1.1250>

# Feasibility Analysis of Pasar Rakyat Kertha

**Ida Ayu Made Dwi Susanti**

*Agribusiness Study Program, Mahasaraswati University Denpasar, Indonesia*  
Corresponding author email: [dwisusanti1989@unmas.ac.id](mailto:dwisusanti1989@unmas.ac.id)

**Luh Putu Kirana Pratiwi**

*Agribusiness Study Program, Mahasaraswati University Denpasar, Indonesia*

**Abstract**---The people's market is a center of economic activity as a manifestation of welfare. This is because the people's market has been proven to be able to survive and provide services for the needs of the crisis even for low-income people. The agribusiness system is a series of agribusiness activities seen in a system concept that is divided into four subsystems. One of the subsystems is the organizational support subsystem, including traditional markets. Under the Regulation of the Minister of Trade of the Republic of Indonesia No: 56/M-DAG/PER/9/2014, the term traditional market is read as people's market. Pasar Rakyat Kertha is a profit-oriented organization engaged in the rental of a place. It has a financial report in the form of an income statement. Through the Income Statement, it can be seen whether a company is feasible or not. The feasibility of a business can be calculated using the R/C ratio.

**Keywords**---business feasibility, income analysis, pasar rakyat kertha.

## Introduction

The people's market is a center of economic activity as a manifestation of welfare (Cho et al., 2014; Currie et al., 2009). This is because it has been proven to be able to survive and provide services for the needs of the crisis even for low-income people. In the framework of structuring the people's market in general, the Government has a legal umbrella, namely Presidential Regulation No. 112/2007 concerning the arrangement and development of traditional markets, shopping centers, and modern stores. This regulation states that the government and regional governments, either individually or jointly, following their respective duties, carry out the arrangement, guidance, and supervision of traditional markets. This regulation serves as the initial guideline for various programs for structuring and revitalizing the people's market.

The agribusiness system is a series of agribusiness activities viewed in a system concept that is divided into four subsystems (Dalton et al., 2010; Elkadeem et al., 2019; Kazem et al., 2017). The agribusiness system consists of a production subsystem, a processing subsystem (agro-industry), a marketing subsystem, and supporting institutions. The supporting institution subsystem provides services for the upstream agro-industry subsystem, the downstream agribusiness subsystem, and the marketing subsystem. The agribusiness system can run smoothly, consisting of an infrastructure form and an organizational form. The subsystem of supporting institutions in the form of an organization includes traditional markets (Antara, 2009).

Under the Regulation of the Minister of Trade of the Republic of Indonesia No. 56/M-DAG/PER/9/2014, the term traditional market is read as people's market. Pasar Rakyat Kertha is one of the people's markets located in Denpasar City, namely in East Denpasar District. It is a form of public market located in urban village areas. It is a people's market that was established in 2007. The advantage of Pasar Rakyat Kertha is that it is very strategically located on the side of the Jalan By-Pass I.B Mantra which is the supporting infrastructure of Karangasem, Gianyar, and Klungkung. Previously, it was a market managed by the private sector by renting land in Desa Adat Tanjung Bungkak. However, after the rental contract was completed, it has now been managed by them and has become a village market.

Pasar Rakyat Kertha is a profit-oriented organization engaged in leasing a place. It has a financial report in the form of a profit and loss report. The income statement is a report that presents information on expenses, income, and

profit or loss generated by the company during a certain period. Through the profit and loss statement, it can be seen whether a company is feasible or not. The feasibility of a business can be calculated using the R/C ratio. This study aims to (1) determine the costs amount, revenues, and profits in Pasar Rakyat Kertha, and (2) to know the level of feasibility.

## Research Methods

According to the regulations issued by President No. 112/2007 (Basri, 2012), traditional markets/people's markets are markets that are built and managed by local governments, private companies, state-owned enterprises, and regional-owned enterprises, including cooperation between the government and the private sector, in the form of shops, kiosks, stalls, and tents owned or managed by entrepreneurs with micro, small and medium enterprises and in the process of buying and selling goods and services through bargaining. This location was taken on purposive with the consideration that Pasar Rakyat Kertha is a market located in a very strategic place, namely on Jalan Prof. Dr. Ida Bagus Mantra, which is one of the routes between districts and is a market at the time of this collection, is a market that is privately owned.

The data collected in this study include primary data and secondary data. Primary data were obtained through direct interviews with the help of filling out the questionnaire that had been previously provided by the researcher. The secondary data required were obtained from relevant literature such as books, research journals, the internet, and reports related to this research. Methods of data collection are carried out through direct observation or observation of an overview of the research, in-depth interviews, and distributing questionnaires to all parties involved in the research, literature study, and documentation. The data analysis method used in this research is descriptive analysis and quantitative analysis. Descriptive analysis is used to determine the resources owned in supporting the business, while the quantitative analysis used includes analysis of revenue and profit as well as analysis of business feasibility. The quantitative analysis is described in detail as follows.

### *Cost Analysis*

Production costs are all costs incurred during the production process. Production costs are divided into fixed costs and variable costs (Hanani, 2012). Fixed costs are costs whose amounts are not affected by the level of output produced, while variable costs are costs that always change according to changes in the resulting output. Total costs are the sum of fixed costs and variable costs. The calculation of *Total Cost* can be written mathematically as follows.

$$TC = TVC + TFC$$

Annotation:

TC = total cost

TFC = total fixed costs

TVC = total variable costs

### *Total Revenue Analysis*

Total revenue is the result of the selling price with total production. The mathematical acceptance calculations can be written as follows.

$$TR = P \times Q$$

Annotation:

TR = total revenue

P = price per unit

Q = amount of product produced

### Income Analysis

Income is the difference between revenue and all costs incurred in one period. The mathematical calculation of income can be written as follows.

$$\Pi = TR - TC$$

Annotation:

$\Pi$  = income  
 TR = total revenue  
 TC = total cost

### Feasibility Analysis

Soekartawi (2002) stated that to determine the feasibility of a business, it can be calculated using revenue cost ratio (R/C-ratio) analysis. In this study, the business feasibility is calculated using the R/C ratio. R/C ratio analysis is used to show the level of economic efficiency and competitiveness of the products produced. R/C-ratio stands for revenue cost ratio or known as the ratio between TR and TC, which is formulated as follows.

$$R/C = \frac{TR}{TC}$$

Annotation:

TR = total revenue (IDR)  
 TC = total cost (IDR)  
 R/C = comparison between total revenue with the total cost

If  $R/C = 1$ , it means that the farm is not profitable and does not lose or break even, then if  $R/C < 1$ , indicates that the business is not feasible, and if  $R/C > 1$ , then the farming is feasible to be cultivated.

### Results and Discussion

Pasar Rakyat Kertha was established under the status of private ownership (private) based on a permit from the Denpasar City Government - Denpasar City Planning & Building Office No. 6/2001, IMB No. 1528 of 2006 with a land area of approximately 16 are. It stands on the land belonging to Desa Adat Tanjung Bungkak. The deed of establishment of the market was approved by both parties (the first party-the tenant on behalf Ir. I.B Adi Wirawan, the second party, namely the manager in front of a notary under the name Pasar Rakyat Kertalangu with permission to rent until 2020.

The idea and capital in building the market came from Ir. I.B. Soerya who made him the owner and I.A. Utami Pratiwi, S.T. as the head of the market and changed his name to Pasar Rakyat Kertha. This name change is intended so that there is no misunderstanding that the traditional market is a village market (Susanti, 2013). Since September 2020, it has changed ownership to the property of Desa Tanjung Bungkak seen in Figure 1.



Figure 1. Pasar Rakyat Kertha

Since its inception, Pasar Rakyat Kertha has nine stalls, 12 semi- kiosks, nudges, and 60 market tables, and 10 trading carts. The addition of rolling doors to kiosks and trade dividing lines at booths, semi- kiosks in the form of roofs, floors, and walls is modified by tenants (traders) according to their trading needs with the limit for displaying their merchandise as far as one meter from the semi- kiosks front floor. Access is available in the eastern and western parts of the market-leading to the rear area of the market, which can be passed by motorized vehicles, namely two-wheeled and four-wheeled vehicles. The parking area is located at the front of the market office and next to the front market. The access road to the market is completely covered with paving blocks. This research uses data in the form of a profit and loss report for the months of January-September 2020. The data obtained is limited due to a transfer of management, which was previously managed by a private sector to become management managed by a traditional village.

#### *Analysis of Costs*

The cost analysis consists of fixed costs and variable costs. The fixed costs incurred are the *banjar* and garbage fees. Fixed costs incurred are IDR 22,250,000. The variable costs consist of employee salaries, holiday allowance, electricity pulses, offerings, maintenance, consumption, stationery, employee uniforms, purchase of market facilities, and other costs. The variable cost incurred is IDR 357,531,900. Thus, the total cost incurred from January 2020 to September 2020 is IDR 380,031,900. Details of costs can be seen in [Table 1](#).

Table 1  
Fixed Costs, Variable Costs, and Total Costs January-September 2020

No	Fixed cost (FC)	(IDR)	Variable Costs (VC)	(IDR)
1	<i>Banjar</i> fees	2.250.000	Employee salary	311.212.000
2	Garbage	20.250.000	Holiday allowance	3.750.000
3			Electricity pulse	11.635.000
4			Banten/Offerings	20.942.000
5			Maintenance	4.057.900
6			Consumption	1.757.000
7			Office stationery	843.000
8			Employee Uniforms	325.000
9			Purchase of Market Facilities	2.450.000
10			Miscellaneous expense	560.000
Total FC		22.500.000	Total VC	357.531.900
Total Cost Pasar Rakyat Kertha (TC)				380.031.900

Source: Primary processed data, 2020

### Analysis of Revenue and Profits

In the revenue analysis, Pasar Rakyat Kertha revenue comes from retribution, parking, electricity, and rental income from booths, kiosks, semi-kiosks, tables and nudge rental. The total revenue from January 2020 to September 2020 is IDR 733,210,000. Income can be found by reducing revenue by the total costs incurred in one period. The income earned is IDR 353,178,100. Details of costs in calculating revenue and income can be seen in Table 2.

Table 2  
Revenue Analysis for January 2020-September 2020

No	Income Type	Revenue per Month (in IDR)								
		January	February	March	April	Mai	June	July	August	September
1	Rent Los	18.100.000	9.750.000	18.650.000	21.600.000	7.000.000	35.159.000	27.700.000	63.650.000	31.650.000
2	Kiosk Rental	1.600.000	18.800.000	10.700.000	15.250.000	8.500.000	16.367.000	6.750.000	18.800.000	13.300.000
3	Rent table	3.900.000	9.750.000	9.650.000	9.200.000	6.500.000	9.750.000	7.800.000	5.200.000	9.450.000
4	Rent <i>Senggol</i>	6.775.000	5.025.000	3.725.000	7.450.000	4.925.000	8.575.000	8.325.000	6.600.000	7.575.000
5	Parking	0	2.346.000	0	0	0	0	0	0	0
6	Retribution	30.139.000	28.677.500	27.104.000	28.492.000	29.389.500	27.906.000	28.175.000	28.021.000	29.459.000
7	Electricity revenue	0	0	0	0	0	0	0	0	0
	(Per month)	60.514.000	74.348.500	69.829.000	81.992.000	56.314.500	97.757.000	78.750.000	122.271.000	91.434.000
Total Revenue (January-September 2020)									IDR 733.210.000	
Income (January-September 2020)									IDR 353.178.100	

Source: Primary processed data, 2020

### Feasibility Analysis

To measure the feasibility of a farm, the analysis of the R/C ratio (Return per cost ratio) is used, which is the efficiency of the business, namely the ratio between total revenue and total cost. By calculating the R/C ratio of a farm, it can be seen whether the farm is economically feasible (profitable) or not economically feasible (not profitable). The R/C ratio value is 2.01. This calculation is obtained by dividing the total revenue of IDR 733,210,000 with a total cost of IDR 380,031,900. This shows that Pasar Rakyat Kertha is an economically feasible (profitable) business because the value of the R/C ratio is  $> 1$ .

### Conclusion

Based on the above research, it can be concluded that the results of the income analysis show that the income of the Pasar Rakyat Kertha from January to September 2020 is 353,178,100. The results of the R/C ratio analysis show that it's business is feasible to run. This is evidenced by the value of R/C which was obtained in the amount of IDR 2.01. This means that it is an economically viable (profitable) business.

### Suggestion

From the conclusion, it is suggested that all parties who play a role in the Kertha People's Market are expected to work together in market development. Then, there is a need for more optimal maintenance in all market support facilities, especially in improving cleanliness and punctuality in paying rent, electricity, and retribution, so that all parties involved can achieve satisfaction.

### References

- Antara, M. (2009). *Pertanian, bangkit atau bangkrut?*. Arti Foundation.
- Basri, M. C. (2012). *Rumah Ekonomi Rumah Budaya*. Gramedia Pustaka Utama.
- Cho, J., Yoo, C., & Kim, Y. (2014). Viability of exterior shading devices for high-rise residential buildings: Case study for cooling energy saving and economic feasibility analysis. *Energy and Buildings*, 82, 771-785. <https://doi.org/10.1016/j.enbuild.2014.07.092>
- Currie, R. R., Seaton, S., & Wesley, F. (2009). Determining stakeholders for feasibility analysis. *Annals of tourism research*, 36(1), 41-63. <https://doi.org/10.1016/j.annals.2008.10.002>

- Dalton, G. J., Alcorn, R., & Lewis, T. (2010). Case study feasibility analysis of the Pelamis wave energy convertor in Ireland, Portugal and North America. *Renewable Energy*, 35(2), 443-455. <https://doi.org/10.1016/j.renene.2009.07.003>
- Elkadeem, M. R., Wang, S., Sharshir, S. W., & Atia, E. G. (2019). Feasibility analysis and techno-economic design of grid-isolated hybrid renewable energy system for electrification of agriculture and irrigation area: A case study in Dongola, Sudan. *Energy Conversion and Management*, 196, 1453-1478. <https://doi.org/10.1016/j.enconman.2019.06.085>
- Hanani, N., & Hanafi, A. A. (2012). Analisis usaha dan kelayakan agroindustri minuman sari buah apel. *Agricultural Socio-Economics Journal*, 12(1), 13.
- Kazem, H. A., Albadi, M. H., Al-Waeli, A. H., Al-Busaidi, A. H., & Chaichan, M. T. (2017). Techno-economic feasibility analysis of 1 MW photovoltaic grid connected system in Oman. *Case Studies in Thermal Engineering*, 10, 131-141. <https://doi.org/10.1016/j.csite.2017.05.008>
- Peraturan Menteri Perdagangan Republik Indonesia No. 56/M-DAG/PEK/9/2014 tentang Perubahan Atas Peraturan Menteri Perdagangan Nomor 70/M-DAG/PER/12/2013 Tentang Pedoman Penataan dan Pembinaan Pasar Tradisional, Pusat Berbelanjaan dan Toko Modern.
- Soekartawi (2002). *Teori Ekonomi Produksi*. PT. Raja Grafindo Persada. Jakarta.
- Susanti, I. D., Darmawan, D. P., & Astiti, N. S. (2014). Strategi pengembangan pasar tradisional Kertha, Desa Kesiman Kertalangu, Kecamatan Denpasar Timur. *Jurnal Manajemen Agribisnis (Journal Of Agribusiness Management)*.