

ABSTRACT

This study aims to analyze the effect of quality costs on the profitability of PT Astra Internationa Tbk. The research data uses secondary data obtained from the company's financial statements during the 2014-2023 period. The method used is multiple linear regression analysis using the IBM SPSS Statistic 27 application.

The results of this study indicate that prevention costs partially have no positive effect on profitability, as well as internal failure costs, and external failure costs have no negative effect on profitability, while quality costs which include prevention costs, internal failure costs, and external failure costs simultaneously have a positive effect on profitability. These findings confirm that investment in quality costs can jointly increase firm profitability through reduced production costs and increased customer satisfaction.

Keywords: quality cost, prevention cost, internal failure cost, external failure cost, profitability, PT Astra Internaltional Tbk.