

## *Abstract*

*Tempe is a food at a relatively cheap and has good nutritional content. Request tempeh every day in the city of Semarang is quite high, many buyers who buy tempeh to be used as a complementary side dish meals, fried foods businesses and others. Seeing the high demand led to many entrepreneurs tempeh began the business in the city of Semarang. But at this point tempe entrepreneurs are faced with conditions of the high price of raw materials, especially soybean production, while soybean prices remain. This study aims to determine the effect of the input variable cost and fixed costs of the business profits tempe entrepreneurs in the Southern District of Semarang.*

*This research used primary data obtained from direct interview to the respondents. The respondents examined were all tempe entrepreneurs in the District of South Semarang (60 entrepreneurs). The analysis model applied was the profit function model of Cobb-Douglas, applied the method of Ordinary Least Squares (OLS) processed by SPSS Program version 16.*

*The results showed that for the variable input costs which include the cost of soybean significant and positive impact on business profits with regression coefficient 1.634. To wage labor and fuel costs and a significant negative effect on profits with each regression coefficient 0,460 and 0,174, while for the yeast and physical other costs do not significantly influence the business profits. For business scale conditions (returns to scale) is formed Increasing Return to Scale (IRS).*

*Key word: Tempe entrepreneurs in the District of South Semarang, Cobb-Douglas function of profit, business profits, Return to Scale*