

ACCOUNTING IMPLEMENTATION IN THE TRADITIONAL STORES OF MADURESE IN BABELAN, BEKASI, WEST JAVA

Asy'ari¹

STIE Mahardhika Surabaya
INDONESIA
Email: 1asyari.acc@gmail.com

ABSTRACT

Accounting is a language that aligns various businesses that produce information for those interested in economic activities and company conditions. Small and medium-sized micro enterprises are the backbone of the nation's economy, which until now still many who have not applied accounting in their business. This study took 15 SMES in the form of Madurese traditional stores in Babelan, Bekasi, West Java. The data used are primary data obtained through interview. The analysis technique of this research is descriptive qualitative analysis. The results show that most SMES in Babelan, Bekasi have not made accounting records, most of which they do are reporting income and purchase only.

Keywords: Accounting, Accounting Principles, Business

INTRODUCTION

Indonesia is a developing country, where developing countries focus on development and economic growth in a better direction. The development process today has a direct influence on the growth and development of the business world which are the units of the national economy.

Along with the rapid progress of the economy, more and more emerging new companies both government and private with small or large scale. A company that operates by selling products either goods or services to its customers in order to maximize profit. Information generated by the company is expected to serve as one of the considerations for economic decisions by interested parties. So as to maintain the existence of the company amid the existing competition depends on the accounting treatment and its analysis, which are summarized in the financial statements.

In line with the development of the business world a lot of good forms of business forms that are small, medium to large scale. In the current era of globalization, especially when the global crisis is sweeping the world is expected every form of business is required to be able to move forward and survive in running the business world.

In the development of the business world itself, needed a professional attitude of every element in the company and a control for all activities to run properly. This is very important in order to maintain its survival. This professional attitude can be reflected in the company's ability to compete in the market, a strategy where the company can take advantage of all the opportunities and strengths that exist and be able to close the weaknesses and neutralize the obstacles, strategies in the dynamics of the business encountered. All that can be done if the management is able to take decisions based on objective input. Financial problems related to SMES are slightly different from large-scale enterprises. In large-scale business generally use accrual method in accounting recording, whereas at SMES generally use cash-based method which recognize income and expense when cash received or issued. One of the SMES that need accounting is the shop business. The accounting required for the store business includes financial recording and reporting. Through the recording and financial reporting can know the position of its business, the amount of accounts receivable, payable, inventory, sales, and profit per period. Recording and financial reporting is very useful for the decision-making process of a business to continue their business. Although accounting provides financial information is important for the success of SMES, but until now there are still many SMES that have not applied accounting in their business.

In the midst of an urgent need with high turnover of money and income forced the community to consumptive. And one form of business is quite mushrooming is traditional stores. Where in every area

there must be a store that stands selling a variety of needs. Either micro or medium scale. In the middle of the consumptive society with the biggest salary of UMR in Indonesia, Bekasi is one of the high turnover fields of money.

Based on the background that has been described above, then the problem of this research is still many small businesses are less aware of the role of accounting for a business. If this accounting is implemented properly and sufficiently then it can help improve their business and can produce a reliable and reliable report so that it can be used for various purposes by business managers. The research issues discussed are:

1. How is the implementation of accounting done by SMES in traditional stores Babelan, Bekasi West Java?
2. What are the obstacles that hamper the SMES in the implementation of accounting?

LITERATURE REVIEW

Accounting

In the development of the business world, accounting is often said to be the language of the business world (*the language of business*). The reason, accounting has a universal language and can be understood by all parties in the hemisphere. Any business relationship, must have the same communication in order to understand each other because if not, the purpose of communication can be hampered. Accounting is the language for any party who will communicate in the business world wherever located.

There are some opinions from experts or institutions that propose definitions and opinions about accounting. According to *Accounting Principles Board (APB) statement no.4 (1970)*, entitled "*Basic Concepts And Accounting Principles Underlying Financial Statements of Business Enterprises*" (quoted from Heri, 2017: 1) accounting is "a service activity, in which its function is to provide quantitative information, especially information on finance and economic entities, which are intended to be useful in economic decision making (in making choices among the various alternatives. While Kieso (2014) defines accounting as" a system with *inputs of data / information and output* in the form of information and financial statements useful for internal or external users" (Martani, et, al., 2016: 4).

According to the *American Institute of Certified Public Accountants (AICPA)*, accounting is "the art of recording, classifying n, and summarizing transactions and financial events in a particular way and in monetary measure, including the interpretation of the results" (Heri, 2017: 1).

Warrant, et al., (2015: 3) and Purwaji, et al., (2016) says that accounting is an information system that provides reports to stakeholders on economic activity and condition of the company. This means that every company that uses the language of business that is accounting as *kominikasinya* then various financial reports must be provided to explain the economic activities within the company.

According Harahap (2017: 2) accounting is a "business language that can provide information about business conditions and results of its business at a certain time or period. So with the accounting of the businessmen can be aligned in the translation that occurs within the company.

In general, the accounting applied in SMES is not different from other types of business scale that is making financial information through the accounting process. The accounting process involves recording, classifying, summarizing, and reporting. However, the only difference is that transactions on SMES are simpler (Kansil, 2013).

According Fitria (2014: 29), the process of accounting through the process of stages are usually called the accounting cycle. Accounting cycle is an overview of the accounting stage which includes four important phases namely the recording stage, the classification stage, the pengikhtisaran stage, and the reporting stage.

Accounting is done when a transaction has occurred. A transaction is an event of a business transaction that may affect a company's financial position and produce a proof of transaction (Isnawan, 2012). According to Fauziah (2017: 20) transaction evidence is physical evidence of a transaction that occurs in the company. Examples of proof of transaction are (1). Note that the proof of sale transaction or purchase of goods in cash, (2). Bon is proof of purchase transaction of goods to be paid in the future (debt), (3). Receipts are proof of transaction receipt or delivery of money in cash, (4). Invoice is proof of sale transaction or purchase of goods on credit, (5). Check is proof of transaction in the form of a warrant to the Bank to give some money to the person whose name is listed in the check.

The rapid growth of the economy is in line with the growth of the business language itself. Sadeli (2016: 5) explained that in line with technological advances and rapid economic growth, there has been a wide range of specializations in accounting. Various accounting outline, namely:

1. Financial Accounting

The accounting functions related to the recording of transactions in a company or an economy that is another, and the preparation of periodic financial statements of the note. Therefore, financial accounting presents the financial information needed in decision making for the management of the company, owner, creditor, government, and society.

2. Accounting (*Auditing*)

The field of activity which involves an examination of the accounting records independently. Accounting checks are the main services commonly provided by public accountants. In performing its duties, the accountant conducts an examination of the records supporting the financial statements of a company, and finally releases a statement of opinion regarding the feasibility and fairness of the financial statements. In addition, it can also provide reports of useful advice for management.

3. Management Accounting

Accounting type it uses historical data and estimates data to assist management in daily operations and planning future operations. The main purpose of management accounting is to present relevant decision-making information to corporate management (internal parties). Management accounting makes an important contribution to the planning and management functions of a company's management, through the use of cost accounting, *budgeting*, and accounting systems.

3. Cost Accounting

Accounting charge emphasizing the problem determination and control of costs, mainly related to the cost of production of goods. Cost accounting also serves to assist management in the planning and supervision of costs over various activities of funding, processing, distribution, and sale of goods or services. And the main function of cost accounting is to collect and analyze cost data, both accrual data and projection data. The data is used by management company leaders in controlling ongoing operations or to create future plans.

4. Budgetary accounting

Accounting type presents a plan of financial operations for a given period, by recording and summarizing the data of operations. In addition, it also provides a comparison data analysis of the actual operation with a predetermined plan, so it is a combination of planning activities with future operating control.

5. Accounting System

System is a special field that handles the planning and implementation of procedures to collect and report financial data. a system accountant, must plan a system that has checking and elements *balanceto* be able to safeguard company property, and has an efficient and useful information flow for management.

6. Tax Accounting

Tax Accounting includes the preparation of a tax return (SPT), as well as consider the tax consequences of business transactions planned or seek alternative best execution.

7. Accounting for Government

Government accounting including the accounting for nonprofit *organization*, specializing in problems of recording and reporting transactions of government units, and organizations, *nonprofit* such as mosques, charities, foundations, hospitals, and educational institutions. The function of government accounting is to provide useful accounting reports on the administrative aspects of government administration, and assist management in the implementation of oversight of expenditure through the budget, in accordance with applicable laws.

8. Social Accounting

Social accounting tasks is a matter of the use of funds of social welfare in the community. This task is a part of a government study, which not only in terms of facilitating trade flows, but also improving the local environment well.

9. International Accounting

Accounting involves special problems associated with international trade of multinational companies. An accountant in this field must know the details of customs, law, and taxation from various countries.

10. Educational Accounting

This accounting is a special field involving accounting education. However, in addition to teaching, accounting teachers sometimes also conduct research, accounting examinations, or engage in accounting work taxation or other accounting fields.

There are some basic views and assumptions about accounting. Heri (2017: 2) describes there are many parties who provide views on accounting, among others:

a. Accounting as an ideology

Accounting is considered as a social structure, economy, and capitalist politics. In fact, according to Karl Mark, accounting is a false form of consciousness and a tool for memistikkan, rather than providing the correct information about the social relationships that make up the production institutions.

b. Accounting as a business language

Accounting is often regarded as a business language, whose function is to communicate corporate information to stakeholders (*stakeholders*). Through the accounting language, parties who have an interest in the company can get a picture of the financial condition and results of company performance.

c. Accounting as a historical record

Accounting is considered as a vehicle to provide an overview of the history of the organization and the transactions it does with its environment in the past.

d. Accounting as the current economic reality

Accounting is considered to provide an overview of the state or economic reality of the company at this time. The consequence is that the company's assets and liabilities should be recorded and reported using current fair market values, not historical costs.

e. Accounting as an information system

Accounting is a technique that describes the process of relationship between financial data sources with the recipients of information through certain communication channels called the accounting sector.

f. Accounting as a commodity

Commodity is the goods needed by consumers because of its usefulness. Accounting output in the form of financial statements, which contains information about the financial position and results of company performance is the result of an accounting system.

g. Accounting as Accountability

The financial statements as the final product of a series of accounting, is one form of management accountability to the principal (investor, owner of funds) to report the results or performance that has been done throughout the period.

h. Accounting as a technology Accounting

Theory is part of practice. In order for accounting theory to be used in practice it is necessary a technology to bridge between the theory with practice.

The accounting profession has developed a set of generally accepted standards and is accepted *universally*. This standard is named as generally accepted accounting principles. This standard is treated as a guideline in the preparation of standard financial statements. With this standard, the management as a fund manager and corporate activities can record, summarize, and report all the results of operational activities and *financial* companies in a standard (which is generally accepted) and transparent.

According to Heri (2014: 1), there are four basic assumptions underlying the process of preparing the overall accounting report. The basic assumptions are:

1. Monetary Unit (Assumption)

Transaction data to be reported in the accounting records must be expressed in units of currency (monetary unit). This assumption allows accounting to quantify (measure) every business transaction or economic event into value for money. In this case, money is regarded as the common denominator of economic activity and is an appropriate basis for the importance of accounting measurement and analysis. The monetary unit assumption is also directly related to the implementation of the concept of historical cost. The concept of historical cost is used as the basis for the preparation of financial statements.

2. Economic / Business Entity Assumption (Assumption Economic Entity / Business)

The separation of recording the transaction the company as an economic entity with the owner as an individual transaction and the transaction of other economic entities. In other words, the activities of a business entity must be separated and differentiated from the owner's activity by the activities of each other business unit.

3. *Accounting / Time Period Assumption Accounting*

Information is required on a *timely basis*. The age of the company's activities can be divided into several accounting periods, such as monthly, quarterly or annual. Users of financial statements should be notified of the performance results and financial position of the company from time to time in order to evaluate and compare them with other companies. Thus, in this case accounting information should be reported periodically.

4. *Going Concern Assumption*

Company is established with the intention of not being liquidated (dissolved) in the near term, but the company is expected to continue to operate for a long time. Although many firms also go bankrupt (business failure), but based on this assumption it should be that the company will live long enough or have a long life to run its vision and mission.

Accounting Principles

Principles is a value that is modeled and adhered to by the accounting standard maker. According to a lecturer at one of *the universities* private in Jakarta, namely Syamsu Alam (quoted from Fitria, 2014: 6), he divided the accounting principles based on conceptual accounting of non-government into six accounting principles, including:

1. Principles of Acquisition Cost

This principle has a rule that the cost of assets, capital (*equity*), obligations/debts (*liabilities*), and revenue /income (*revenue*) is calculated from the price of the acquisition in accordance with the agreement by both parties to a transaction. This acquisition cost is objective with the price recorded in cash (*Cash*).

2. Principles of Realization of Income

This principle is a discussion of how to measure and determine the value of income earned. Measurement of income (*Revenue*) can be measured by the addition of assets (*Assets*) and loss of debt (*Liabilities*) or increasing the amount of cash (*Cash*). There are several ways of measuring income that generally occur:

- a. Income or income can be recorded on the sale of goods or services, which can be measured its value. This measurement usually occurs in a banking company or creditor.
- b. Revenue or earnings made before the sale transaction, but both parties have entered into an agreement by signing a contract / agreement with a fixed sale price.
- c. Income or earnings made during the transaction. This revenue can be seen based on the amount of cash receipts.

3. Principles of Meeting Income and Expenses

According to Syamsul Alam in Fitria (2014), "to bring in revenues and expenses in the same period, a revenue and cost recognition method is needed." The theory shows that to earn a value of income that can actually be recognized as income and expense over a period of time accounting, the need to meet the cost and income that will be used as guidelines for making adjusting entries.

4. Objective

This principle refers to financial statements supported by the evidence of existing transactions. If there is no proof of transaction, then there is no transaction record. This principle requires the supervision and control of internal parties to avoid frauds to manipulate evidence of transactions and records.

5. The Principle of Full Disclosure

In the preparation of accounting reports should disclose a full information presented both qualitatively and quantitatively that can influence decision making.

6. Principles of Consistency

In preparing financial statements should have a consistent value in using methods, guidelines, and standards in the making. The financial statements should also have an appeal value, which means that financial statements can be compared with different companies with the same period or vice versa.

Micro and Small Medium Enterprises

The form of SMES can be individual companies, partnerships, such as firms and CVs, as well as limited liability companies. Kurniawati, (2012). SMES can be categorized into three primarily based on total assets and turnover as stated in Law Number 20 Year 2008 regarding MSME (UMKM) as follows:

1. **Micro:** Productive business owned by individual and/or individual entity fulfilling the following criteria:
 - a. Assets \leq Rp50,000,000,00 Having net worth of less than or equal to Rp50,000,000.00 (fifty million rupiahs)
 - b. Having Omzet \leq Rp300,000,000.00 annual sales less than Rp300,000,000.00 (three hundred million rupiah)
2. **Small:** Productive economic enterprise that stand-alone, conducted by an individual or a business entity that is not a subsidiary or not a branch of a company owned, controlled, or a part, directly or indirectly from a medium-sized or large-scale business that meets the following criteria:
 - a. Rp 50,000,000,00 $<$ Assets \leq Rp. 500.000.000,00 Having net worth more than Rp. 50.000.000,00 (fifty million rupiah) excluding land and building of business place); or
 - b. Rp300,000,000.00 $<$ Omzet \leq 2,500,000,000.00 Having annual proceeds of more than Rp300,000,000.00 (three hundred million rupiah) up to a maximum of Rp2,500,000,000.00 (two billion five hundred million rupiahs)
3. **Medium Enterprises:** Productive, self-sustainable economic enterprises conducted by individuals or business entities that are not subsidiaries or branches of a company owned, controlled, or become part of, directly or indirectly, by a small business or a large business that meets the following criteria:
 - a. Rp 50.000.000,00 $<$ Assets \leq Rp. 10.000.000.000,00 Having net worth more than Rp. 500.000.000,00 (Five hundred million rupiah) up to a maximum of Rp. 10,000,000,000.00 (Ten billion rupiahs) excluding land and building of business premises; or
 - b. Rp2,500,000,000.00 $<$ Omzet \leq Rp50,000,000,000.00 Having annual proceeds of more than Rp2,500,000,000.00 (two billion five hundred million rupiah) up to a maximum of Rp50,000,000,000.00 (fifty billion rupiah).

Sukirno, (2004) suggests that some of the factors driving the development of the first company are potentially there is demand for goods to be in production and the second there is a desire to earn income for profit from the business. This means one of the driving factors in doing business on a micro, small and medium scale is there is a desire to get results.

RESEARCH METHODS

This research uses qualitative research methods. The qualitative research method is a research method based on an interpretive/constructive paradigm, which views social reality as a whole, complex, dynamic, meaningful, and interactive phenomenon (philosophy *post positivism*), used to examine natural objects, and data analysis is inductive/qualitative (Sugiyono, 2015: 9).

The type of research conducted in this study is qualitative descriptive. According to Sugiyono (2015: 209), descriptive qualitative is a type of research that encourages researchers to explore and photograph the social situation that will be examined thoroughly, widely, and deeply.

The population in this study are Madurese traditional stores in Babelan, Bekasi, West Java. According Sugiono (2015: 80), the population is a generalization region consisting of subjects or objects that have certain qualities and characteristics set by the researchers to be studied and then drawn conclusions. Thus, the population is not only people, but also objects and objects

RESULTS AND DISCUSSION

Objects in this study are traditional stores that exist in Babelan, Bekasi, West Java that meet the criteria as SMES (SMES). Madurese shop in Babelan is dominated by traditional food stores. They sell every need of the surrounding community with relatively cheaper prices than modern stores. That's why people tend to prefer traditional stores than *hypermart*.

Implementation of Accounting at Madurese Stores Proof of Transaction

Examples of proof of sale or purchase transactions are Notes, Bon, Receipts, Invoices, and Checks. At Madurese stores in Babelan, Bekasi. The results of the study shows that not all respondents have evidence of transactions in their business. The 15 respondents can be seen the number of SMES that have and do not have proof of transaction.

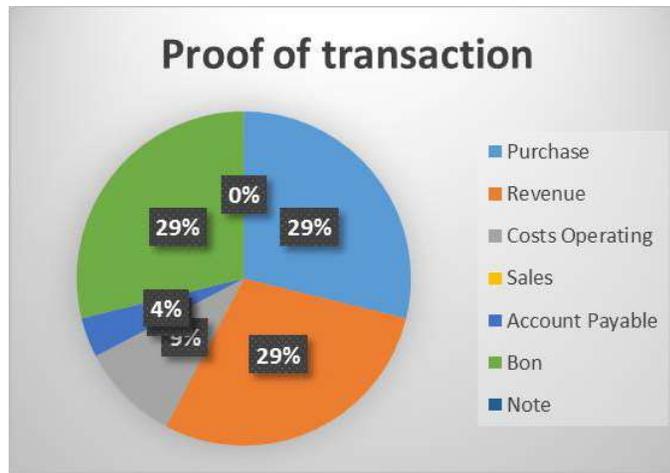


Figure 1. Proof of Transaction

Source: Author

The average of merchants there has proof of purchase, income and receipts. Because the proof of purchase they record themselves on a book that contains the needs of their agents, while their income requires to book revenues during the bookstore because it is related to the results they will get. They acknowledge the result = 10% of the daily payday. While the proof of the average bon transaction they have, the article of purchase notes in their book when short of money when shopping is automatically written as debt by the agent. But not all of them have proof of sale, notes and 4% have books of debt because there are many traditional stores that do not serve debt-debt. From the above data in accounting there are many who are willing to make accounting records, whereas accounting has a very important role for SMES, among others, facilitate business activities, material performance evaluation company, perform effective planning, and convince outside parties (Isnawan, 2012). But in fact, there are still many SMES that have not applied accounting to their business. Personal awareness is a major factor for MSME actors to apply accounting to their business.



Figure 2. Store Management Data

Most of Madurese's traditional stores in Babelan, Bekasi, West Java are 67% self-managed and 33% are managed by others. Though managed by others, he is still the closest person to the shopkeeper's family.

This means that the system of trust and kinship is very closely in the store management. Even with close relatives but monthly reporting routine and calculated from the income per day.

10% of revenues are operating profits, and if the business is employed to others (not on their own) then 10% is divided into two. This is quite large if the accumulated monthly profit from some Madurese traditional stores in Babelan, Bekasi ranged from Rp. 6,000,000, - up to Rp. 15,000,000 there is even a larger if the store stands for more than five years. The reason for the long standing of a store affects on income and business results. Because with the length of time will be more people who know the store business.

Behavior of stores Owners

There are very diverse attitudes, attitudes and behaviors. Some of them directly mingle with the community around the diverse tribes of both tribes, native Betawi, Batak and others. Some are less open to the surrounding community. From the results of research that open behavior and mingle with neighbors greatly affect the results and income of their stores, but they have not realized it because their behavior and open attitude is innate.

Proximity of the shop owner with the community is an important thing, in addition to the community feel like shopping for communicative also there is a term entrust themselves and shop on the neighbors. The term entrusted itself is very thick in the area of Madurese, the article many Madurese who believe and remain humble because they are immigrants. by entrusting themselves with neighbors means they hang their safety on the community around. It will also strengthen kinship as immigrants in various layers of society.

Implementation of accounting and obstacles

Almost all the perpetrators of SMES Traditional stores do not apply the overall accounting that they do only record revenue per day only. Because 10% of the income they earn is recorded as profit. They feel that accounting records such as arranging ledger as a whole are less important. One of the obstacles of educational background, as a whole they only received education from junior high and high school equivalent.

a. Constraint in Transaction Proof

From the data obtained, not all SMES have evidence of transactions. The reason they do not have proof of transaction becomes a constraint of ownership of proof of sale transaction. Of the 10 respondents who did not have proof of transaction, the obstacle that caused them was 9 SMES (90%) felt that transaction proof was not needed for their business and 1 SMES (10%) felt that the use of transaction proof was a waste of time.

b. Constraints in Phase Recording

From the data obtained, not all SMES apply the stage of recording. The reason of them for not implementing the recording stage makes the accounting practices is not running optimally. Nine stores interviewed have thought that they do not need the information as the result of recording stage for their businesses.

c. Constraints in Categorizing phase

Based on the data, not all SMEs implement the categorizing phase and it contribute to impractically accounting practices. There are 9 of 15 respondents (about 60%) do not think it necessary to get information as the result of categorizing phase and the other 6 respondents think it wastes time to do categorizing phase.

CONCLUSION

Based on the research result and its analysis, then it can be concluded that:

1. The financial management from accounting principles implementation in SMEs among Madurese-owned traditional stores in Babelan, Bekasi West Java has not been completed. It is limited in recording the purchase and selling only.
2. The education background is one of the most important factor to implement the accounting principles in their businesses, as most of the store owners thought that recording transaction based on the accounting principles is not necessary and time wasting.

REFERENCE

- Fauziah, Ifat. (2017). *Buku Dasar-Dasar Akuntansi Untuk Orang Awam dan Pemula*, Ilmu: Jakarta.
- Fitria, Dina. (2014). *Buku Pintar Akuntansi untuk Orang Awam dan Pemula*, LaskarAksara: Jakarta Timur
- Harahap, Sofyan Syafri. (2016). *Analisis Kritis Atas Laporan Keuangan*, Rajawali Pers: Jakarta.
- Hery. (2017). *Akuntansi Dasar 1 & 2*, Pt. Grasindo: Jakarta.
- _____. (2014). *Akuntansi untuk Pemula Update + Revisi*, Gaya Media: Yogyakarta.
- _____. (2017). *Teori Akuntansi Pendekatan Konsep dan Analisis*, PT. Grasindo: Jakarta.
- Isnawan, Ganjar. (2012). *Akuntansi Praktis untuk SMES*. Laskar Aksara: Jakarta Timur
- Kansil, Irma Wati. (2013). *Penerapan Akuntansi pada Usaha Kecil dan Menengah*, <http://repository.uksw.edu> (Accessed on 10 July 2018, 19:29)
- Kurniawati, Elizabeth P., et al. (2012). *Penerapan akuntansi pada usaha mikro kecil dan menengah (SMES)*. JMK, Vol.10 No. 2, September
- Martani, Dwi, et, al. (2014). *Akuntansi Keuangan Menengah*. Salemba Empat: Jakarta.
- _____. (2016). *Akuntansi Keuangan Menengah Berbasis PSAK*, Salemba Empat: Jakarta.
- Purwaji, Agus, et. al. (2016). *Pengantar Akuntansi 1*. Salemba Empat: Jakarta
- Rudianto. (2012). *Pengantar Akuntansi Konsep dan Teknik Penyusunan Laporan Keuangan*. Erlangga: Jakarta
- Sadeli, Lili & M. Haji. (2016). *Dasar – Dasar Akuntansi*. Bumi Aksara: Jakarta.
- Sadono, Sukirno. (2004). *Pengantar Bisnis*. Prenada Media Group: Jakarta
- Sugiyono. (2015). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. CV. Alfabeta: Bandung.