



B-CAk In Speeding Up Business Rate In The Beginning Of Small Beginners In The Era

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ABSTRACT

The large potential of SMEs needs to be made effective as the driving force of the national economy. However, efforts to develop SMEs still encounter various obstacles. Accounting is an important factor in developing SMEs has not been done much. The use of accounting information in decision making will affect company performance. The object of this research is the internal business environment, strategic planning, especially in the financial sector, as well as the development of the newly established Small and Medium Enterprises (SMEs). The founders of SMB beginners are generally new people in the business. Therefore, there are many problems faced in starting and building their business, especially in terms of managing finances. This research specifically identifies the problems faced by the founding SME founders. The research method used in this research is the case study method. Data collection techniques used were field research consisting of observations and interviews. To overcome this problem, the Accounting Record Book (B-CAk) can be an easy solution. B-CAk is a tool that helps financial records for novice entrepreneurs. This book is designed for beginner entrepreneurs who are just starting a business so that they are still unfamiliar with recording and accounting activities. This book is useful for providing the information needed by business owners in conducting their business activities so that it helps the decision-making process. B-CAk contains 6 records that are important in decision making, namely cash flow records, income statements, and balance sheets (includes a list of assets, debts, receivables, and capital). Financial reporting is absolutely necessary if a business wants to develop. SMEs who develop their businesses are required to make financial reports. B-CAk is one alternative. B-CAk was created with the aim that SMEs can easily make financial reports.

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1. Introduction

Efforts to develop and empower Small and Medium Enterprises (SMEs) are receiving considerable attention from various parties, including government, banking, private sector, non-governmental organizations, and international institutions. This is motivated by the large potential of SMEs that need to be effective as a driving force for the national economy after experiencing a prolonged economic crisis. This sector has a relatively better resilience compared to large businesses because of the lack of dependence on imported raw materials and high market potential given the relatively low prices of products produced so that it is affordable by the weak economy.

However, behind the resilience of tens of millions of SMEs over the efforts of developing SMEs still encounter various obstacles such as business management that is still traditional, especially in terms of finance, inadequate quality of Human Resources (HR), low scale and production techniques and still limited access to financial institutions, especially banks. Accounting practices, especially financial accounting for SMEs in Indonesia are still low and have many weaknesses. Weaknesses, partly due to lack of education, lack of understanding of Financial Accounting Standards (SAK) from the owner-manager, and because there are no regulations that require the preparation of financial statements for SMEs.

In addition, the Government now wants to implement activities normally again to reactivate activities outside the home to improve the economic system which has long been declining due to the COVID-19



pandemic. This new normal activity was carried out 1 month ago in early June 2020. It is hoped that the return of people to normal activities will again drive national economic activity, which has declined due to the Large-Scale Social Restrictions (PSBB). Indonesia's economic growth rate during the first year of this year was only 2.97 percent based on data from the Central Statistics Agency (BPS). (Suara.com:2020)

Based on this, the writer inspires this research in the hope that it can provide positive thinking ideas in participating in helping beginner SMEs in managing finance so that their business can develop and be well controlled. Because SMEs are the heart of the country's economy, it is hoped that the growth and development of SMEs can improve the economy of this country.

Based on this background, it can be formulated the problems that arise are what are the accounting problems in Beginner SMEs? And How can a simple accounting notebook help solve accounting problems in Beginner SMEs?

2. Theory Study

2.1. Definition of Small and Medium Enterprises (SMEs)

Understanding of Small and Medium Enterprises as referred to in Law no. 20 of 2008 are listed as follows:

TABLE 1
CRITERIA OF BUSINESS

No	Type of Business	Criteria		
		Total Net Worth of Sales	Annual Amount	Labor
1	Small business	more than Rp 50,000,000.00 up to a maximum of Rp 500,000,000.00 excluding land and buildings for businesses.	between Rp. 300,000,000.00 to Rp 2,500,000,000.00	5-19 people
2	Medium Business	greater than Rp. 500,000,000.00 up to a maximum of Rp. 10,000,000,000 excluding land and buildings for business premises	IDR 2,500,000,000 up	20-99 people

2.2 Concepts about Accounting

A company needs information about the state of all company activities quickly and reliably so that its business activities can run well. One of the most important information needed by the company is information about the financial situation and the results of operations that have been achieved. Information that presents the situation is known as accounting. According to the American Accounting Association defines accounting as: "... the process of identifying, measuring and reporting economic information, to allow for clear and explicit judgments and decisions for those who use that information" (Soemarso, 2008: 6). Accounting is used in almost all business activities throughout the world to make decisions so it is called the language of business.

2.3 Conceptual Framework

The conceptual framework is similar to the constitution. A coherent system consisting of fundamentally interrelated objectives and concepts that form the basis for setting consistent standards and determining the nature, function, and limits of financial accounting and financial statements. Why is a conceptual framework needed?

- a) To be useful, the standard-setting must be based and related to a set of concepts as well as fundamental objectives.
- b) New practical problems can be solved quickly if they refer to the basic theoretical framework that already exists.



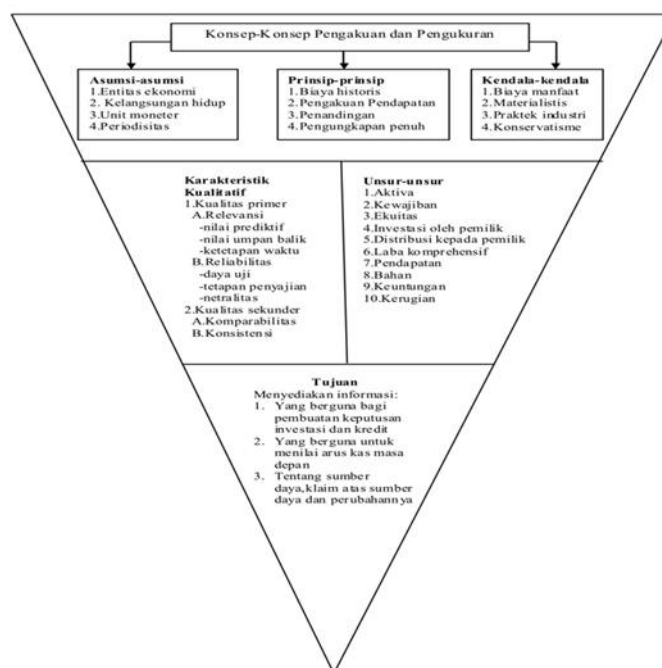


Fig 1. shows an overview of conceptual frameworks.

At the first level, objectives identify the goals and objectives of accounting and are the core building of the conceptual framework. The second level presents qualitative characteristics that make accounting information and elements of financial statements. At the last or third level, the concepts of measurement and recognition are presented which will be used in setting and applying accounting standards.

3. Research Methods

The research method used in this research is the case study method. In this case study, the data obtained will be processed, analyzed, and further processed with the basic theories that have been studied in order to obtain conclusions about the state of the object under study based on existing facts. The data collection technique used in this study is field research. Field research consists of observation, which is directly observing the object of research, and interviews, namely data collection techniques by way of question and answer or communicating directly with parties related to the problem under study to obtain adequate data.

4. Results and Discussion

4.1. Overview of Research Objects

The study was conducted on 3 SMEs engaged in different types of businesses. A profile of the three SMEs have been summarized in the following view:

Table 2. Research Objects

No	Business Name	Type	Owner	Location Business	Business Begin
1	CV Pijar Karya Cemerlang	Event Organizer	Ibrahim	Gubeng Kertajaya 16 No 27, Surabaya	2009
2	D-Lee	Manufaktur, produce and sell soy milk	Maulana	Pacar Keling 2 no 27, Surabaya	2010
3	Boutique Solution "Omah Klambi Apique"	Trade, sell a variety of Muslim equipment (hoods, clothes, mukena, etc.)	Himawan Rizki Utomo	Sumbersari, Malang	2010

From the research conducted on the three SMEs, the problems faced by beginner SMEs generally are as follows:

- a) Problems of lack of capital
- b) Mixed records of all transactions
- c) Uncontrolled cash and private cash flow
- d) There is no clear separation between company money and personal money
- e) Not yet implemented recording and making neat financial statements.

4.2 Identification of Decisions and Information Needed by SMEs

SME financial problems affect the decision-making activities which are certainly often done by business owners. Therefore, there needs to be a solution to each of these problems. From the research that has been done, the following is presented data on decisions that are often taken by SME owners along with the information needed in making these decisions.

Table 3.
Identification of Decisions and Information

No	Decision	Information Required	Financial Statements
1.	Determine the right price	1. Profit / loss obtained 2. Capital turnover 3. Desired profit	1. Income statement 2. List of capital
2	Obtain additional capital	1. Profit / loss obtained 2. Capital turnover 3. Availability of assets 4. Debt held 5. Procedures for obtaining credit	1. Income statement 2. List of capital 3. Register of assets 4. Register debts
3	Develop business	1. Cash flow 2. Profit / loss obtained 3. Availability of capital 4. Receivables owned	1. Cash flow statement 2. Income statement 3. List of capital 4. List of accounts receivable 5. Accounts receivable helper notes
4	Determine survival	1. Cash flow 2. Profit / loss obtained 3. Availability of capital 4. Availability of assets	1. Cash flow statement 2. Income statement 3. List of capital 4. List of assets

The data presented above proves that making financial statements is an important thing for SME owners to do. A good financial report can provide the information needed in the decision making process. In addition, the preparation of financial statements is also a solution to the problems faced by beginner SMEs as previously explained.

4.3 SME Simple Accounting Record Book (B-CAk)

Accounting Record Book (B-CAk) is a tool that helps financial records for novice entrepreneurs. This book is designed for beginner entrepreneurs who are just starting a business so that they are still unfamiliar with recording and accounting activities. The usefulness of this book is as follows:

- a) Provide information needed by business owners in conducting their business activities, both daily and periodically
- b) Assist the decision-making process
- c) Reducing the problems that are generally faced by beginner SMEs, especially in terms of financial management
- d) An easy and simple financial management solution for novice businessmen who are still unfamiliar in recording and accounting activities

B-Cak is a simple financial reporting that consists of several forms of reports, as presented in the following table:

Table 4.
Accounting Records (B-CAk)

Report Form	Usability
Cash Flow Statement	Provides information on daily cash income and expenditure so that it is useful in making decisions regarding the purchase of new assets, payment of employee salaries, debt repayment, and business development.



Report Form	Usability
IncomeStatement	Provide information about the profits or losses obtained by business owners periodically so that it is useful in making decisions regarding pricing, business development, and business survival.
Assets	Provides information on the availability of assets currently owned by the company.
Liabilities	Provide information about the debts that the company has along with the name and amount of each debt.
Accounts Receivable	Provide information about all receivables owned by the company along with the names and amounts of each receivable.

In the initial formation of the SME accounting logbook, a basic concept of the logbook is needed in the form of a basic conceptual framework for the SME Simple Accounting Logbook. At the first level of objectives means what decisions will be taken through B-CAk. The second level presents the qualitative characteristics and elements of financial statements containing accounting information needed to make decisions. At the last or third level, measurement and recognition concepts are presented that will be used in establishing and applying simple accounting standards for SMEs.

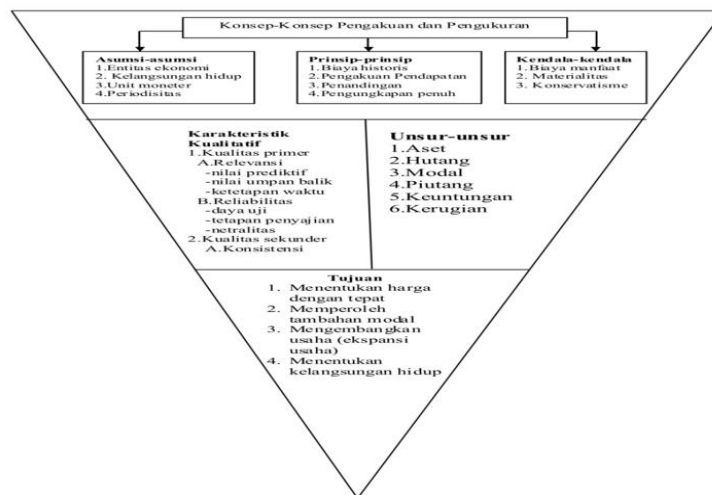


Fig 2. B-CA Conceptual Framework

FIRST LEVEL: BASIC OBJECTIVE

The purpose of this simple Accounting Record Book (B-CAk) for SMEs is to provide useful information for owners who are concerned with business activities/business to make decisions about (1) pricing right, (2) obtaining additional capital, (3) develop a business, and (4) determine the viability of the business.

SECOND LEVEL: FUNDAMENTAL CONCEPTS

Qualitative Characteristics of Accounting Information

Qualitative Characteristics are the most useful information characteristics for decision-making purposes. This characteristic also distinguishes useful information from information that is not useful. For information to be useful there must be relevance that is able to influence decisions. Relevant information helps the owner make predictions about the final outcome of past, present, future events (predictive value) and helps the user correct past expectations/evaluations (feedback values). As well as being relevant, accounting information must also have the nature of reliability, that is, it can be verified, presented appropriately, and is free from errors and biases. While consistency, which is applying the same accounting treatment for similar events, from period to period. Information can be of no use if the method used varies.

Basic Elements

One important aspect of the process of developing theoretical structures is the basic elements or definitions that will be incorporated into the structure. These elements are defined as follows:

- 1) Assets, i.e. economic benefits that may occur in the future, obtained or controlled by an entity.
- 2) Debt, which is an economic sacrifice that may occur in the future, and is caused by transactions or past events to transfer assets or provide services to other entities in the future.

- 3) Capital, which is the residual interest in the assets of an entity, after deducting its liabilities. In a business entity, equity is an ownership interest.
- 4) Receivables, i.e. sales made on credit.
- 5) Profits, i.e. profits generated by the business
- 6) Losses, i.e. losses incurred by the business

THIRD LEVEL: CONCEPTS OF RECOGNITION AND MEASUREMENT

This third level consists of concepts used to implement the basic objectives of the first level. These concepts explain what, when, and how the elements and financial events must be recognized, measured, and reported by the B-CAk accounting system.

Basic Assumptions

- 1) Economic Entity, meaning that business finance must be separate from the personal finances of the business owner
- 2) Survival, i.e. business/businesses will have a long life
- 3) Monetary Unit implies that money is a common denominator of economic activity and is the basis of accounting measurement and analysis.
- 4) Periodicity, i.e. the economic activity of a Usha can be separated into time periods.

Basic Principles of Accounting

- 1) Historical costs, i.e. costs that have important advantages over other valuations: that is, reliable.
- 2) Recognition of income, i.e. income is recognized if (1) has been realized / can be realized, and (2) has been generated.
- 3) Comparison, stating hard work (expense) is compared with achievement (income) as long as this is rational and applicable.
- 4) Full disclosure, recognizing that the nature and amount of information included in the financial statements reflects a series of valuation trade-offs.

The obstacles

- 1) Cost-benefits, i.e. the costs of providing the information must be borne by the benefits that can be obtained from the use of that information.
- 2) Materiality. Materiality constraints relate to the impact of an item on overall business financial operations.
- 3) Conservatism means that if in doubt, choose a solution that is very unlikely to result in an overestimation of assets and profits.

5. Conclusions

Based on the discussion of problems faced by novice SMEs, there is a lack of capital, mixed records of all transactions, uncontrolled cash flow and prizes, no clear separation between company money and personal money, and the neat recording and preparation of financial statements.

Based on this, a B-Cak (Accounting Record Book) was prepared for Beginner SMEs as a financial recording tool for budding entrepreneurs. The purpose of this book is to provide the information needed by business owners on a daily and periodic basis, to help the decision-making process, reduce problems in terms of financial management, and easy and simple financial management solutions for novice businessmen who are still unfamiliar in recording and accounting activities. B-Cak consists of a daily cash book, income statement, list of assets, list of debts, list of bills, and list of capital.

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