

# Analysis and Review of MSME Financial Reports at Edo Cell

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## ABSTRACT

Financial reports can be a reference for knowing the company's financial performance in one period. Regular presentation of financial reports can show how the business conditions are developing. And business owners can evaluate company performance. The aim of this research is to analyze the preparation of MSME financial reports, whether SAK EMKM is implemented, and to analyze the advantages and disadvantages of recording financial reports on Edo Cellular. The research method used is a descriptive method, namely analyzing financial reports prepared by Edo Cellular. The results of the research show that in preparing its financial reports, Edo Cellular does not use an accounting application so reports on cash receipts and disbursements are prepared manually and the implementation of SAK EMKM on Edo Cellular has not been implemented in preparing its financial reports, considering that there is no competent workforce and the absence of the government's role. which collaborates with MSME players to provide knowledge and apply applicable accounting standards.

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## 1. INTRODUCTION

Indonesia is a developing country that focuses on economic growth and development in a better direction. Micro, Small, and Medium Enterprises (MSMEs) have made an important and large contribution in providing employment and income for the Indonesian people. Micro, Small, and Medium Enterprises (MSMEs) are one of the economic activities carried out by the majority of Indonesian people. The most important goal of a business is to get the maximum possible profit, this also applies to Micro, Small, and Medium Enterprises (MSMEs). The number of Indonesian MSME industry entrepreneurs is among the largest among other countries.

In accordance with the development of MSMEs in reporting their financial reports, Micro, Small and Medium Entity Financial Accounting Standards (SAK EMKM) have now been issued. Since the enactment of SAK EMKM, perceptions from various parties have emerged in response to the level of effectiveness, efficiency, level of convenience, and usefulness of the new standards. With the existence of SAK EMKM, in the future, it is hoped that MSMEs will be able to carry out accounting books to present more informative financial reports.

This research takes the object of MSMEs, namely the "Edo Cell" cell phone counter which is located at Jalan Mayang-Kalisat, Glagahwero Village, Kec. Kalisat. Until now, the Edo Cell cellphone counter has not implemented good financial reports that are in accordance with the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) so that the owner has experienced difficulties in recording and preparing financial reports due to the lack of knowledge they have. This is the background for the

author to conduct research with the title "Analysis of MSME Financial Reports (Case Study on Edo Cell).

The objectives of this research are:

- a. Analyzing the preparation of Edo Cell MSME financial reports.
- b. Analyzing the application of Financial Accounting Standards for Micro, Small and Medium Entities at Edo Cell in preparing financial reports
- c. Analyze the advantages and disadvantages of recording Edo Cell's financial reports

## 2. METHODS

### Types of research

The method used in this research is a descriptive method using qualitative and quantitative approaches. Qualitative, namely by explaining various phenomena experienced by researchers from various literature sources. Quantitative, namely coming from cash incoming and outgoing reports recorded by Edo Cell. The limitation of this research is the cash report that has been prepared by Edo Cell, after that the researcher explains various theories in the cash report and then prepares the financial report based on SAK EMKM.

### Place and time of research

The place for this research is Edo Cell which is located on Jl. Mayang-Kalisat, Glagahwero Village, District. Kalisat, Kab. Jember. The time to conduct this research is 1 month, namely April 2023.

### Research procedure

The research procedures carried out are as follows:

- a. Survey of research objects.
- b. Take company data and interviews.
- c. Compare and process company data and information based on the theory used.
- d. Make conclusions and provide suggestions.

### Data Collection Methods Data Types

Data Types Sugiyono (2010:7) states that data types are divided into two types, namely quantitative data and qualitative data. The types of data used in this research are quantitative data and qualitative data. Qualitative data in this research is data obtained from within the company which is not in the form of numbers, but in oral or written form, such as a brief history of the company, company procedures and the company's organizational structure. Meanwhile, the quantitative data in this research is the cash receipts and disbursements report prepared by Edo Cell.

### Data source

Primary data is data obtained by field surveys using all original data collection methods. Meanwhile, secondary data is data collected by data collection institutions and published to the data user community (Kuncoro (2003:127)). The data used in this research is primary data obtained directly from Edo Cell, such as information on company history, company structure, and data in the form of information from daily cash incoming and outgoing records. Meanwhile, secondary data was obtained from books, journals, and the internet which supported this research.

### Data collection technique

This research data collection technique was collected using:

- a. Preliminary survey

The first step in the data collection technique is an online interview at the Edo Cell. This preliminary was carried out to obtain a clear initial picture of the Edo Cell, and especially about its financial report data so that it can be prepared in accordance with SAK EMKM.

- b. Field Survey

In the form of observation activities. Documentation is carried out by recording data related to the problem that is the object of research.

### **Data analysis method**

The method used in this research is descriptive research. The aim of this descriptive research is to create systematic, factual and accurate descriptions, images or paintings regarding the facts, characteristics and relationships between the phenomena being investigated.

## **3. RESULTS AND DISCUSSION**

### **A Brief History of Edo Cell**

Edo Cell is an MSME that runs a cellphone counter business which was founded by Edo Vebrian and family in 2021 located on Jl. Mayang-Kalisat, Glagahwero Village, District. Kalisat. The name "Edo Cell" itself is taken from the name Edo Vebrian. This business was founded because Edo had gained experience from working in the same field before, so Edo had the intention to build his own business, namely Edo Cell. Since the beginning of his business, Edo has been selling cellphones and cellphone accessories. Edo runs his own business and has not yet recruited employees.

### **Data Presentation**

When conducting interviews, the recording and bookkeeping of financial reports carried out by MSME Edo Cell was still manual and very simple. Recording is only done in the form of cash receipts for sales, cash disbursements in the form of purchases of merchandise inventory, electricity payments and other expenses. Edo Cell does not use applications in preparing its financial reports. The following is a presentation of research data;

### **Financial statements**

Simanjuntak et al. (2020) defines financial reports as presenting data that can describe an entity's financial condition and aims to present financial information to consider economic decisions to be taken. The financial reports intended in this research are financial reports that are easy to understand and refer to financial accounting standards. Thus, the financial report in question is a financial report that is prepared in accordance with applicable accounting standards, namely SAK EMKM.

Based on the results of interviews conducted by researchers, Edo Cell has carried out recording and bookkeeping of financial reports carried out by Edo Cell MSMEs, which is still manual and very simple. Recording is only done in the form of cash receipts for sales, cash disbursements in the form of purchases of merchandise inventory, electricity payments and other expenses. Cash receipts are recorded on the debit side, while purchases of merchandise inventory and other expenses are recorded on the credit side, then totaled and become the balance. Edo Cell records the data in Microsoft Excel.

### **Knowledge about SAK EMKM**

Based on Law no. 20 of 2008, Financial Accounting Standards for Micro, Small and Medium Entities are specifically intended for micro, small and medium enterprises. The purpose of issuing SAK EMKM is to serve as a reference in preparing financial reports that present information on the financial position and performance of a business. SAK EMKM is expected to help MSME owners prepare their business financial reports. However, Edo Cell MSME owners have not implemented SAK EMKM due to lack of knowledge about SAK EMKM.

### **Discussion**

Based on the factors that hinder Edo Cell's financial reports from being prepared, the

researcher prepared a financial report based on data obtained from Edo Cell, namely in the form of a cash receipts and disbursements journal for March 2023.

Based on data obtained from Edo Cell MSMEs for the March 2023 period, Edo Cell's initial capital was IDR 25,000,000,-, and earned income of IDR 3,490,000,- which came from sales of merchandise. Expenses paid during March are atk expenses Rp. 15,000,-; Electricity Expense Rp. 50,000; Cash on hand amounted to IDR 4,373,000,-, with remaining merchandise inventory amounting to IDR 17,000,000,-.

#### Income statement

Table 1. Edo Cell Profit and Loss Report March 2023

EDO CELLULAR			
LAPORAN LABA RUGI			
Per 31 Maret 2023			
Pendapatan			
Penjualan Bersih	Rp 3.460.000		
<b>Jumlah Pendapatan</b>		Rp 3.460.000	
<b>Beban</b>			
Biaya ATK	Rp 15.000		
Biaya Listrik	Rp 50.000		
<b>Jumlah Beban</b>		Rp 65.000	
<b>Laba Bersih Sebelum Pajak</b>			Rp 3.395.000
<b>Pajak Penghasilan</b>			Rp -
<b>Laba Bersih Setelah Pajak</b>			Rp 3.395.000

Source: Data processed by researchers, 2023

Based on the profit and loss report above, the total gross profit is IDR 3,460,000,- with calculations as in the table above. Edo Cell has operational expenses of IDR 65,000 and net profit of IDR 3,395,000. Edo Cell is not subject to Final Income Tax because its turnover is relatively small. This rule is stated in PP No. 23 of 2018 concerning Income Tax on income from businesses obtained by taxpayers who have a certain gross.

#### Statement of Changes in Equity

Table 4 Edo Cell Equity Change Report as of March 2023

EDO CELLULAR		
Laporan Posisi Keuangan		
Per 31 Maret 2023		
Modal Edo	Rp 25,000,000	
		Rp 25,000,000
Laba Bersih	Rp 3,395,000	
Prive Edo	Rp -	
		Rp 3,395,000
Modal Akhir		Rp 28,395,000

Source: Data processed by researchers, 2023

In the March 2023 period, Edo Cell has succeeded in increasing its business capital from initially IDR 25,000,000 to IDR 28,395,000,- which comes from net profit after tax

#### Financial Position Report

Table 3. Edo Cell Financial Position Report as of March 2023

EDO CELLULAR			
Laporan Posisi Keuangan			
Per 31 Maret 2023			
<b>ASET</b>			
Aset Lancar :			
Kas	Rp 9.395.000		
Persediaan Barang Dagang	Rp 19.000.000		
Jumlah aset lancar	Rp 28.395.000		
<b>Jumlah Aset</b>			Rp 28.395.000
<b>LIABILITAS</b>			
Utang	Rp -		
Total Liabilitas	Rp -		
<b>EKUITAS</b>			
Modal	Rp 28.395.000		
Total Ekuitas	Rp 28.395.000		
<b>Total Liabilitas &amp; Ekuitas</b>			Rp 28.395.000

Source: Data processed by researchers, 2023

In this report, it can be seen that the total assets of Edo Cell are IDR 28,395,000 and the total liabilities and equity is IDR 28,395,000

#### 4. CONCLUSION

Based on the results of the research and discussion, conclusions can be drawn as follows :

1. Financial recording at MSME Edo Cell only uses simple records. Recording is only done in the form of cash receipts from sales and cash disbursements. The process of recording financial transactions is only understood by the owner and also the one who records the financial transactions of Edo Cell MSMEs.
2. The results of the analysis of the Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) in presenting financial reports to Edo Cell MSMEs can be seen that the financial recording process carried out by Edo Cell MSMEs is not in accordance with SAK EMKM because they do not present profit and loss reports, capital change reports, and statements of financial position. After preparing financial reports based on SAK EMKM, it can be concluded that the financial reports of Edo Cell MSMEs are of higher quality.

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