



# The Application of Financial Recording Applications Towards Financial Report for Micro, Small and Medium Enterprises

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**Abstract.** In this current era, many Micro, Small and Medium Enterprises (MSMEs) have started to use financial report recording applications in recording incoming and outgoing financial reports. This research aims to determine how much application of financial statement recording applications in making financial reports on Micro, Small and Medium Enterprises (MSMEs) using an android based financial recording application. This study uses descriptive quantitative research methods using data collection techniques in the form of questionnaires. The results of this study explain that the role of using applications to record financial reports for Micro, Small and Medium Enterprises has a positive impact on the sustainability of a business. By using an android-based financial recording application, it can make it easier to record financial reports and minimize errors in recording. Therefore, this research benefits Micro, Small and Medium Enterprises actors to understand better and understand technology so that they can apply financial statement recording applications properly.

**Keywords:** Financial Recording Application, Technology, Financial Statements, Micro Small and Medium Enterprises

## 1. Introduction

In this era of increasingly rapid technological developments, the preparation of financial reports has begun to use technology in the form of financial recording applications. Because the recording of financial records is considered to have some ease of use. Currently, there are many choices of applications that can be used. However, in general, the inability to practice accounting is the main factor that causes problems and ultimately causes the failure of MSMEs to develop their business [1]. Financial records have an important role in optimizing business operations because according to the financial statements, we can see transactions done at one time, however many of manual logging. Recording manually is inconvenient, especially if the transaction proof record is lost or damaged [2]. Financial Statements are conducted to present

fair information regarding the financial position, operating performance and cash flows of an organization or company [3].

Based on previous research conducted by Svetlana Saksonov and Irina Kuzmina-Merlino (2017) shows that the development of fintech was due to globalization giving a chance to small but sophisticated enterprises to develop financial services without the help of banks, by combining finance with IT, and offering consumers faster execution of typical banking processes and make it easier for small companies [4]. Ahmet Murat Ozbayoglu (2020) also conducted research with the same problem, and the results showed that the interest of the public was very enthusiastic about making financial applications, where using financial applications could make it easier in all matters of financial preparation [5]. In addition, research conducted by Primasari Dona et al. (2021) states that the application of financial management has a significant effect on the sustainability of MSMEs. This shows that the financial management application owned by MSME actors if it gets better will encourage business [6]. Ngoc Toan Nguyen et al. (2019), based on the established business strategy, the company will take action and develop general and specific plans to ensure the achievement of goals. This is confirmed because of the accounting application used [7]. Therefore, this study conducted a survey of Micro, Small and Medium Enterprises actors to find out how the actual impact of implementing the use of an Android-based recording application on a smartphone on the business they manage by implementing an easy financial recording application.

The purpose of this study is to find out how much MSMEs actors know in implementing an Android-based financial recording application that can be accessed via smartphone so that business actors can make financial reports. This study uses a quantitative descriptive method. Hope this research will have a positive impact on MSME actors to be able to always develop in this increasingly sophisticated technological era and hope that these MSME actors will be more aware of operating financial statement recording applications so that they can make good and correct financial reports also the financial reports are good quality too.

## **2. Method**

### **2.1 Questionnaire**

In this study using descriptive quantitative research methods, by distributing questionnaires as a method of data collection. The population in this study is to provide a questionnaire via Google Form to the perpetrators of MSMEs.

### **2.2 Data Collection Techniques**

The data collection technique in this study used primary data obtained by providing a questionnaire via Google Form containing 10 questions about the application of the Android-based financial recording application “BukuKas” to the preparation of financial statements. The respondents of this research are the perpetrators of Micro, Small and Medium Enterprises in Bandung City, West Java totaling 30 actors of Micro, Small and Medium Enterprises. The Likert scale is the scale most often used in collect responses from people in a survey. This study uses a 4 point likert scale (strongly agree, agree, disagree, strongly disagree) [8]. Rating table sequentially starting from the highest point to the lowest (See Table 1).

**Table 1.** Ranks on a Likert Scale

No	Description	Likert Scale
1	Strongly Agree	4
2	Agree	3
3	Disagree	2
4	Strongly Disagree	1

Table 1 shows strongly agree with point 4, agree to get point 3, disagree to get point 2 and strongly disagree to get point 1. The likert scale usually uses the application of the research topic carried out such as statements and also the understanding of the respondents [9]. In this research paper, the first thing that must be done is to identify whether MSME business actors use financial recording applications in carrying out calculations, then carry out a preliminary study conducted on how big the role of financial recording applications in helping Micro, Small and Medium Enterprises. The questionnaires that have been given are then filled out by the respondents and then the data will be analyzed using a likert scale model. The percent value ranges from 0%-25% which shows the result strongly disagree, 26%-50% shows the result disagree, 51%-75% indicates the result agree, and the percentage value 76%-100% indicates the results strongly agree.

**Formula**

$$P = \frac{f}{n} \times 100\%$$

- P = Percentage
- f = Frequency
- n = Total Score Ideal

**3. Results and Discussion**

In this study, the authors distributed 30 questionnaires through Google Forms to the perpetrators of Micro, Small and Medium Enterprises in the Bandung City area, West Java. Micro, Small and Medium Enterprises actors fill out a questionnaire based on their knowledge. Each question given aims to find out how big the MSME actors are in using the application to record every transaction, recording financial statements and making financial reports based on Android on smartphones. The questionnaire distributes to MSME actors used a data collection technique in the form of a likert scale, with a score of 4 for strongly agreeing, 3 agreeing, 2 disagreeing, and 1 for strongly disagreeing, with a maximum score of  $4 \times 30 = 120$ . Therefore, the final result in percentage of each question is obtained from the total score of each question divided by the maximum score and multiplied by 100%. After distributing it to 30 respondents of Micro, Small and Medium Enterprises, then the author analyzes the results of the questionnaire that has been obtained. So, from the results of the calculations that have been carried out, a graph is obtained that illustrates how big recording applications (See Table 2).

**Table 2.** Questionnaire Results

No	Indicator	Total Score	Maximum Score	Percentage	Description
1.	Every MSME actor must use a financial recording application in making financial reports.	104	120	86,6 %	Strongly Agree
2.	The financial recording application “BukuKas” is known to many people, especially SMEs.	92	120	76,6 %	Strongly Agree
3.	The importance of financial recording applications such as “BukuKas” in the activity of making financial reports for MSME actors.	102	120	85%	Strongly Agree
4.	By using the financial recording application “BukuKas” the resulting financial statements are more accurate.	102	120	85%	Strongly Agree
5.	By using the “BukuKas” financial recording application, you can minimize financial statement calculations errors.	100	120	83,3%	Strongly Agree
6.	By using the “BukuKas” financial recording application making financial reports becomes easier.	102	120	85%	Strongly Agree
7.	By using the “BukuKas” financial recording application you can increase productivity in business activities.	92	120	76,6%	Strongly Agree
8.	The use of the “BukuKas” recording application in preparing financial statements is more effective than manual.	99	120	82,5%	Strongly Agree
9.	In using the application for recording financial statements “BukuKas” a person must have special skills.	80	120	66,6%	Agree
10.	MSME actors often find it difficult to use applications to records financial reports.	83	120	69,1%	Agree

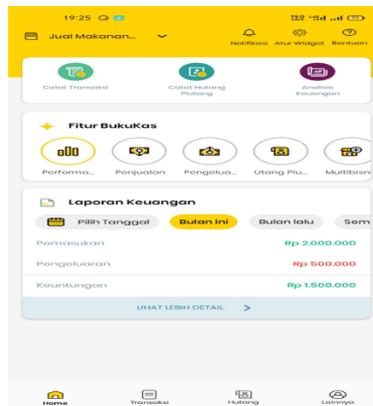
Table 2 shows the results of the questionnaire data that we have calculated, the enthusiasm of MSME actors who use increasingly sophisticated technology to facilitate their business, it can be concluded from 30 respondents as much as 86,6% strongly agree that every MSME actor must use financial recording applications in making financial reports. It can be seen that the financial recording application “BukuKas” is known to many people, especially MSMEs, as seen from the percentage value of 76,6%. Financial recording applications such as “BukuKas” are very important in the activity of making financial reports for MSME actors, which can be seen from the percentage value of 85%. By using the financial recording application “BukuKas”

the resulting financial statements are more accurate than those done manually, this can be seen from the percentage value of 86% which shows the respondents strongly agree. Using the financial recording application "BukuKas" can minimize calculation errors in financial statements it can be seen from the percentage value of 83,3%. By using the financial recording application "BukuKas" it is easier to make financial reports, the percentage value is 85%, which means that financial recording applications such as "BukuKas" are very helpful for MSME actors to make it easier to make financial reports. The use of the financial recording application "BukuKas" can increase productivity in business activities seen from the percentage value of 76,6%.

The use of the "BukuKas" recording application in making financial reports is more effective than manual, using a financial recording application does not need to take a long time to make it, so it is more effective in terms of time so that it can be used to carry out other activities in improving a business, this can be seen from the percentage value of 82.5% which means strongly agree. In using the application for recording financial statements "Bukukas" a person must have special skills, a percentage value of 66.6% which means they agree, because if they have skills it will make it easier for them to make financial reports using the application. MSME actors often find it difficult to use applications to record financial statements, it can be seen from the percentage value of 69.1%, not only one or two people find it difficult, but many people feel confused when using financial recording applications. Knowledge of technology also provides good feedback that can make it easier for every MSME actor to use the application. Especially, with the current developments, it provides great opportunities for business actors to take advantage of the media in increasing the productivity of their business development.

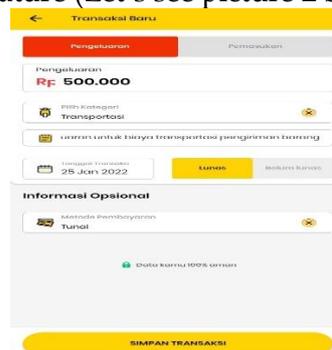
In general, the quality of financial statements are understandable, relevant, reliable, and comparable. Therefore, using a financial recording application such as "BukuKas" can assist in carrying out financial records within the company, producing financial reports of good quality, relevant results, and also easy to understand. The use of computerized Accounting information systems has brought opportunities for companies to perform the accounting functions more effectively and efficiently because the use of computerized AIS has brought significant time and cost savings [10]. The improvement of information technology and financial management, accounting software will become an important tool for financial accounting and management. Best financial software can significantly improve the financial level and efficiency of work, management of personnel resources to achieve the standard, scientific management [11]. The information technology that is increasingly sophisticated, now it is growing rapidly, not only can it be accessed using a computer, but now it can be accessed using a smartphone, which will make it easier for MSME actors to use it, the costs incurred are also cheaper, and the system is easier to understand.

It should be noted that a business must pay attention in and regarding the finances of the business being run for micro, small and medium enterprises. To be able to see the display that is present in the "Cash Book" application, figure 1 will be shown for the initial display of the "BukuKas" application (Let's see picture 1 below).



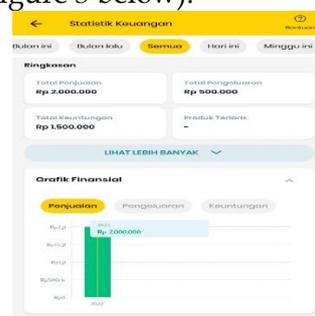
**Figure 1.** The Initial view of "BukuKas" (source: <https://bukukas.app.link/share-bukukas> accessed at 25th Jan 2022)

In the initial display of the "BukuKas" application, there are various features in the "BukuKas" application that MSME actors can use according to their respective functions. There is a new transaction recording feature for expenses and income where actors can enter costs when a transaction occurs more easily without having to record manually because they only need to enter the nominal in the feature (Let's see picture 2 below)



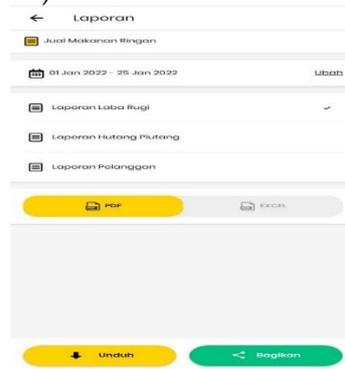
**Figure 2.** The New Transaction Recording Feature (source: <https://bukukas.app.link/share-bukukas> accessed at 25th Jan 2022)

Based on the expenses and income that have been made, a graph of financial statistics can be seen to see the increase or decrease that occurred in a certain period, the following is an increase and a decrease (Let's see Figure 3 below).



**Figure 3.** The Financial Statistics (source : <https://bukukas.app.link/share-bukukas> accessed at 25th Jan 2022)

On the other hand, from the results of the analysis of the graph that shows an increase or decrease, it can be seen that the output of the transactions carried out is in the form of a Financial Report (Profit/Loss) which can be downloaded using a pdf or excel file via a smartphone (Let's see Figure 4 below).



**Figure 4.** The Financial Statements (source: <https://bukukas.app.link/share-bukukas> accessed at 25th Jan 2022)

From the various features presented in the "BukuKas" application, MSME actors can easily access it anytime and anywhere without having to use manual methods. The benefits of using the "BukuKas" application, besides there are many features offered "BukuKas" application, have guaranteed data security so that business actors do not need to worry because all transaction data, be it expenses, income, and accounts payable, are stored safely. So, the role of accounting in android-based financial records will be easily applied by MSME actors to produce financial reports that are in accordance with Financial Accounting Standards in Indonesia. Based on previous research and the results of data processing that we did, namely by using this Android-based financial recording application, MSME actors felt the positive impacts, such as calculations being more accurate, being able to minimize recording errors, making financial reports easier, increase productivity in business activities.

#### 4. Conclusion

The conclusion of this study is that in the technological era, the application of financial recording has been widely carried out by MSME actors in making financial reports on the businesses they run. Using an android-based financial recording application that can be used through smartphones, MSME actors also feel the positive impacts they get, such as making calculations more accurate, minimizing recording errors, making financial reports easier, increasing productivity in business activities and MSME actors feel that by using a financial recording application, making financial reports is easier than having to manually make financial reports.

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