

**THE EFFECT OF UNDERSTANDING ACCOUNTING RECORDS
AND CAPITAL READINESS ON THE EFFICIENCY OF UMKM
INCOME**
**(CASE STUDY OF FOOD AND BEVERAGE TRADERS
REGISTERED AT UMKM MEDAN CITY)**

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Abstract:

The purpose of this study is to discover how the accounting records and capital readiness of MSMEs in the food and beverage sector that are registered with the MSMEs of Medan City impact the revenue efficiency of such MSMEs. A questionnaire was utilized as the method of data collecting in the study. Then the data analysis techniques used in this study were statistical tests, classical assumption tests, multiple linear regression tests, hypothesis testing and coefficient of determination tests. This study uses primary data that comes from the results of distributing questionnaires and interviews conducted by researchers to meatball traders and secondary data that is used comes from the MSMEs of Medan City. The results of the analysis show that the understanding of accounting records and capital readiness together have a positive effect on income efficiency.

INTRODUCTION

Every firm will have an upward trend in its development over time, especially those that are now in demand, such as Micro, Small, and Medium-Sized Enterprises (MSMEs). MSMEs are defined as follows in Chapter 1 of Article 1 of Law No. 20 of 2008 Concerning Micro, Small and Medium Enterprises. Businesses that satisfy the requirements for micro-enterprises and are owned by individuals or individual business entities are considered micro-enterprises. Small businesses are independent, productive businesses operated by people or organizations that are not subsidiaries of larger

corporations but are instead owned, controlled, or a direct or indirect component of medium- or large-sized businesses that fit the definition of a small business. Medium-sized enterprises are productive economic businesses that stand alone, which are carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become part of either directly or indirectly with small businesses or large businesses with a total net worth or annual sales results.

Capital is one of the most important factors of production activities, for companies that are just established or starting to run their business, capital is used to be able to carry out business activities. (Nugroho & Indah, 2020) say that there are many different formulations of capital, usually capital is considered to consist of cash, credit, the right to make and sell something, machinery and buildings. In accordance with research conducted (Indah, 2020). Capital can also be said to be an asset in the form of goods or funds that are used as the basis for running a business or business, if business actors can manage capital funds properly, then business actors will also be able to build a better business, because in fact capital is the foundation for running a business.

The main problem that is almost experienced by MSMEs and should be the focus of attention at this time is to improve accounting properly, MSME actors have not carried out a complete accounting process because they think that accounting is difficult and requires certain time and costs. One of the major impacts felt was in 1998 where there was a global economic crisis which caused many companies to experience bankruptcy and layoffs which resulted in the number of unemployed which indirectly had a major impact on economic growth in Indonesia after the global economic crisis.

However, there are also some business actors who have unwittingly carried out the initial stages of the accounting process, namely recording transactions and having proof of transactions. The obstacles that hinder these MSMEs in the application of accounting include, among others, seen in terms of abilities which include inadequate educational background, have never participated in accounting training, and accounting needs are still inadequate in terms of management, there is no wholeness towards the application of accounting. From interviews and surveys conducted at Warung Nasi Satu Putri located at Jalan Gatot Subroto Medan, Mrs. Endang, who is the owner of the rice shop, stated that she has not made accounting records in running her business, and has

difficulty in managing finances, as well as operational costs, and capital turnover. The owner of Warung Nasi Satu Putri also stated that she does not often experience losses due to lack of capital and lack of visitors, this has an impact on business income that has not been maximized.

Literature Review

Capital is one of the things needed to start a business, capital requirements are determined by the size of the business scale. To open a micro-scale business, of course, the capital requirements are relatively small, if you want to build a medium-to-high-scale business, of course, the capital value depends on the size of the desired business. Capital is an important factor that must be considered before the establishment of a business. The business will run and develop with the encouragement of capital. Capital can be obtained in various ways.

Efficiency is the input components used such as time, energy and cost can be calculated for use and do not have an impact on waste or meaningless expenditure. Efficiency refers to getting maximum output from a small number of inputs. (M.Sawir 2020). Revenue is very influential for the survival of the company, the greater the income obtained, the greater the company's ability to finance all expenses and activities that will be carried out by the company. In addition, revenue also affects the company's profit and loss presented in the income statement. Revenue is the lifeblood of a company. Without income there is no profit, without profit eating there is no enterprise. This of course is impossible apart from the influence of income from the company's operating results.

Entrepreneur comes from French, *entre* means between, *prendre* bermeans take. In terms of entrepreneurship, it is a picture of people who dare to take risks and create something creatively to include new innovations. Philosophically, the word entrepreneur emerged in the 18th century by French economist Richard Cantillon, who linked entrepreneurship with risk-bearing activities in the economy. The word *entrepreneur* became popular in the 1980.(Wijatno 2009)

Entrepreneur according to Joseph Schumpeter who is an economist and politician argues that, entrepreneurs are people who have the ability to see and evaluate business

opportunities, by obtaining resources with the aim of taking advantage and the right actions to succeed. Epistemological entrepreneurs essentially have the skills to utilize the mind as a whole for the completeness of life. People who dare to take risks by creating new opportunities and building an entrepreneur (entrepreneur) are called entrepreneurship. (Wijatno 2009)

Entrepreneurs and business people have the same goal, which is the same as doing business activities (entrepreneurship) to get profits. However, entrepreneur and business have different meanings, entrepreneur can be said to be business, business cannot be said to be entrepreneur. That is, business activities only sell and buy goods for profit alone without innovating and creativity, while entrepreneur activities are not only getting profits, but daring to innovate to create creativity and new business opportunities and dare to take risks by paying attention to the conditions of employees, consumers and the general public. Because the main requirements to become an entrepreneur are creativity and innovative. (Wijatno 2009)

RESEARCH METHODS

Associative research was the method of research employed in this study. When looking at the data type, the research takes a quantitative approach, but it also takes an associative approach when looking at the method of explanation. data from questionnaires submitted, as well as a number of interviews with researchers conducted with Medan City's food and beverage MSMEs. Population is a generalized area consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to be studied and then drawn conclusions (Sugiyono, 2017). The population to be used in this study is Food and Beverage MSME actors registered with the Cooperative Office, Small and Medium Enterprises of Medan City, amounting to 1743 MSME business actors. The sample is part of the number that the population has. The number of samples to be taken by researchers is 70 MSME business actors registered with the Cooperative Office, Small and Medium Enterprises of Medan City. In this study the sample used was determined using purposive sampling techniques, namely the selection of samples with certain criteria.

RESULTS AND DISCUSSION

Validity Test

The results of the validity of each question can be seen in the total value of pearson correlation which is a correlation between items and item scores that can be used to test the validity of the instrument, to find out the validity of the question items must be 38 compare r_{tabel} at $\alpha = 0.05$ (5%) with df (degree of freedom) = 33, $n = 35$, then $r_{tabel} = 0.333$ instrument validity test results can be seen in the following table:

Table 1. Results of Validity of Understanding Accounting Recording

No.	Rhitung	Rtabel	Keterangan
1.	0,839	0,333	Valid
2.	0,694	0,333	Valid
3.	0,865	0,333	Valid
4.	0,795	0,333	Valid
5.	0,423	0,333	Valid
6.	0,630	0,333	Valid

The value for r_{tabel} for a sample of significant level 0.05 is 0.333. The table above shows that question items (1-6) about Understanding Accounting Records (X1) are valid. Because the value of r calculate is greater than the value of r table.

Table 3. Results of Revenue Efficiency Validity

No.	Rhitung	Rtabel	Keterangan
1.	0,839	0,333	Valid
2.	0,694	0,333	Valid
3.	0,865	0,333	Valid
4.	0,795	0,333	Valid
5.	0,630	0,333	Valid

The r table value for a significant sample of 0.05 is 0.333. From the table above it can be seen that items (1-6) questions about Income (Y) are valid, because the calculated value is greater than the r_{tabel} . Thus all items for questions about Revenue Efficiency are declared valid.

Reliability Test

Table 4. Variable Reliability Test Results

Variabel	Cronbach's Alpha	Reliabel	Keterangan
mahaman Pencatatan Akuntansi	0,957	0,60	Reliabel
Kesiapan Modal	0,975	0,60	Reliabel
efisiensi Pendapatan	0,956	0,60	Reliabel

Source: Data Processed 2023

The results of testing the reliability of all variables with Cronbach's Alpha which can be seen in the table above show that the Alpha value is more than 0.60. Therefore, it can be determined that all these research instruments are reliable.

Descriptive Statistical

Data Analysis Techniques

Table 5, Descriptive Statistical Test

	N	Minimum	Maximum	Mean	Std. Deviation
mahaman Pencatatan Akuntansi	70	8,00	24,00	18,5714	3,26408
an Modal	70	9,00	24,00	18,6571	3,29200
si Pendapatan	70	5,00	20,00	15,6000	2,88625
Valid N (listwise)	70				

Source: Data Processed 2023

The descriptive statistical table above shows that the range used is a likert scale of 1-5. Number 1 strongly disagrees, number 2 disagrees, number 3 disagrees, number 4 agrees and number 5 strongly agrees. The Accounting Recording Understanding variable has an average value of 18.57. The average value indicates that the Accounting Recording Understanding variable taken as a sample is good. The minimum value is 8.00 and the maximum value is 24.00. While the standard deviation value is 3.264, which is away from the number 0 so it can be said that the distribution of data is quite diverse.

Classical Assumption Test

Normality Test

Tabel 6. Result Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		70
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.79521147
Most Extreme Differences	Absolute	.110
	Positive	.110
	Negative	-.099
Test Statistic		.923
Asymp. Sig. (2-tailed)		.362
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: Data Processed 2023

Based on the spss output table above, it shows that the significant value of Asymp. Sig (2-tailed) of 0.362. This indicates that the value of Asymp. Sig (2-tailed) is greater than the significant level of 0.05. So it can be concluded that all variables have a normal distribution.

Multicollinearity Test

Table 7. Multicollinearity Test Results

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error				Beta	Tolerance
1	(Constant)	.641	1.478		.434	.666		
	Pemahaman	327	.075	.370	4.349	.000	.796	1.256
	Pencatatan Akuntansi							
	Kesiapan Modal	.476	.075	.543	6.373	.000	.796	1.256

a. Dependent Variable: Efisiensi Pendapatan

Source: Data Processed 2023

Based on the table above shows that the data is free of multicollinearity between independent variables in the regression model. It can be seen that each VIF value of each independent variable is around 1 to 10, as well as a tolerance value close to 1 or above 0.10

Heteroskedasticity Test

Table 8. Heteroskedasticity Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3,061	1.037		2.952	.004
	Pemahaman Pencatatan Akuntansi	.031	.053	.080	.596	.553
	Kesiapan Modal	-.066	.052	-.169	1.266	.210

a. Dependent Variable: Abs

Source: Data Processed 2023

Based on the table above, it shows that the results of the heteroscedasticity test with the glejser method obtained a significance value of 0.553 and 0.210 greater than 0.05. So it can be concluded that the data does not occur heteroscedasticity problems.

Multiple Regression Test Results

Table 9. Regression Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.641	1.478			
	Pemahaman Pencatatan Akuntansi	.327	.075	.370	.796	1.256
	Kesiapan Modal	.476	.075	.543	.796	1.256

a. Dependent Variable: Efisiensi Pendapatan

Source: Data Processed 2023

Based on the table above, it can be known the results of linear regression tests for variables of understanding accounting records, capital readiness for income efficiency.

$$Y = 0.641 + 0.327X_1 + 0.476 X_2 + e$$

To interpret the results of the analysis, it can be explained:

- A value of 0.641 with positive parameters shows the amount of income efficiency if the variables Understanding Accounting Records (X1), Capital Readiness (X2) are zero (0).
- The regression coefficient X1, namely Understanding Accounting Records, shows a positive value of 0.327. Thus, it can be seen that Understanding Accounting Recording can increase Revenue Efficiency.
- The regression coefficient X2, namely Capital Readiness, shows a positive value of 0.476. Thus it can be seen that capital readiness can increase Revenue Efficiency.

Test Hypothesis

Partial Test

Table 10. T Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.641	1.478		.434	.666
	Pemahaman Pencatatan Akuntansi	.327	.075	.370	4.349	.000
	Kesiapan Modal	.476	.075	.543	6.373	.000
a. Dependent Variable: Efisiensi Pendapatan						

Source: Data Processed 2023

The Effect of Understanding Accounting Records (X1) on Revenue Efficiency (Y)
The Accounting Recording Understanding Variable is known to have a value significantly smaller than the value of Coefficientsa Model Unstandardized Coefficients Standardized Coefficients B T Sig. Std. Error Beta 1 (Constant) .641 1.478 .434 .666

Understanding Accounting Records .327 .075 .370 4.349 .000 Capital Readiness .476 .075 .543 6.373 .000 a. Dependent Variable: Income Efficiency 76 Areas of negative influence Areas of positive influence Areas of no influence t Table 1.996 t calculate 4.349 probabilities, or values of $0.000 < 0.05$. Then H1 is accepted, H0 is rejected. Variable X1 has a tcount of 4.349 greater than ttable 1.996 So it is concluded that Understanding Accounting Records has a positive influence on Revenue Efficiency.

The Effect of Capital Readiness (X2) on Income Efficiency (Y) The behavioral variable Capital Readiness is known to have a value significantly smaller than the probability value, or value of $0,000 < 0,05$. Then H1 is accepted, H0 is rejected. The variable X2 has a tcount of 6.373 greater than that of the ttable of 1.996. So it is concluded that Capital Readiness (X2) has a positive influence on Revenue Efficiency

Simultaneous Test

Simultaneous Test F test is used to test whether a regression model with a dependent variable and a dependent variable has a statistical effect. The following F test results are obtained as follows:

Tabel 11. Result Simultaneous Test

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	352.428	2	176.214	53.093	.000 ^b
	Residual	222.372	67	3.319		
	Total	574.800	69			
a. Dependent Variable: Efisiensi Pendapatan						
b. Predictors: (Constant), Kesiapan Modal, Pemahaman Pencatatan Akuntansi						

Source: Data Processed 2023

Based on the table above, it is known that $F_{\text{calculate}} > F_{\text{table}}$ is $53.093 > 3.13$ and significant values of $0.000 < 0.05$. This shows that the variables of Understanding Accounting Records and Capital Readiness simultaneously have a positive effect on Revenue Efficiency

Coefficient of Determination Test Results

In Santoso's opinion, the test criteria for the Multiple Determination Coefficient Analysis are as follows:

1. If the R square value is above 0.5, it can be said to be good.
2. If the R square value is below 0.5 then it can be said to be not good.

Tabel 12. Coefficient of Determination Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783 ^a	.613	.602	1.82181
a. Predictors: (Constant), Kesiapan Modal, Pemahaman Pencatatan Akuntansi				

Source: Data Processed 2023

Based on the calculation results obtained from the result of the coefficient of determination of 61.3%. From the results of the calculation above, it can be said that Understanding Accounting Records and Capital Readiness (variable X) has an effect in increasing Income Efficiency (variable Y) by 61.3% and the remaining 38.7% is influenced by other variables outside this study.

Discussion

The effect of understanding accounting records on revenue efficiency

Based on the results of testing the first hypothesis which shows that the variable Understanding Accounting Records X1 has a significant value smaller than profitability 0.05 or a value of $0.000 < 0.05$, then H1 accepted H0 is rejected. The variable (X1) has a tcount of 4.349 greater than the ttable 1.996 So it can be concluded that the variable Understanding Accounting Records has a positive effect on Revenue Efficiency. Understanding accounting records may therefore improve the effectiveness of revenue. This is consistent with studies by Siregar and Rinayanti (2021), which found that knowledge of accounting science improves the success of businesses. This demonstrates how comprehending accounting records has a significant impact on improving revenue efficiency and company continuity since it makes it simple for business actors to manage their finances and make business-related choices.

The Effect of Capital Readiness on Revenue Efficiency

Based on the results of testing the second hypothesis which shows that the modality readiness variable X2 has a significant value smaller than profitability 0.05 or a value of $0.000 < 0.05$, H1 is accepted H0 is rejected. Variable X2 has a tcount of 6.373 greater than

that of 83 ttable 1.996. So it is concluded that capital readiness has a positive influence on income efficiency. This means that capital readiness affects the income efficiency of MSME actors registered with the Medan City MSME Office. This is in line with research conducted by (Nugroho & Indah, 2020), that capital affects income. Similarly, capital readiness affects income efficiency. With a large capital, and easy to obtain, it will generate a large income. So traders should increase their business capital if they want to get efficient income.

The effect of understanding accounting records and capital readiness on income efficiency.

Based on the results of testing the third hypothesis which shows that the variables of understanding accounting records X1, and capital readiness X2 to income efficiency Y are known to have a $F_{\text{calculate}} > F_{\text{table}}$ value of $53.093 > 3.13$ and a significant value of $0.000 < 0.05$. This shows that the variables of understanding accounting records and capital readiness simultaneously have a positive effect on revenue efficiency

CONCLUSION

Based on the research above, the results of this study can be concluded as follows:

1. Understanding accounting records has a positive effect on income efficiency. This shows that understanding accounting records is very influential in increasing revenue efficiency and business continuity, because by understanding accounting records, business actors can manage business finances, and it is easy to make decisions to process business.
2. Capital readiness has a positive effect on income efficiency. This shows that if with large capital, and easy to obtain, it will generate large income. So traders should increase their business capital if they want to get efficient income.
3. Understanding accounting records and capital readiness have a positive effect on revenue efficiency.

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