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Financial Statement Preparation Skills for Business Actors Using Applications

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ABSTRACT

The digital era that is full of technological developments must be utilized to increase the profits of micro and small businesses. One of the efforts is to utilize an android application to record transactions. Some business actors do not understand the use of this application. The purpose of this community service is to increase awareness and skills of business actors in utilizing the android-based financial application "SME Accounting" to produce financial statements. The target subjects of student activities are some of which are business actors. The method used is service learning which involves presenting material (lectures) and mentoring. The lecture is intended to convey theory and is accompanied by questions and answers and followed by a demonstration of SME Accounting applications. Assistance is carried out in practice sessions filled with case resolution. The process of operating the SME Accounting application runs well. The training is able to improve participants' skills in operating android-based applications. This is evidenced through the actions of students before and after getting to know the Application for SMEs. Before the team conducted an application demonstration and mentoring, participants had difficulty in inputting transactions but after the demonstration and mentoring were carried out, participants were able to input transactions independently and enthusiastically.

Keywords: Accounting Training; Android Apps; Business Actors; Financial Statements.

INTRODUCTION

Based on data from the Ministry of Small and Medium Enterprises in March 2021, the number of MSMEs reached 64.2 million with a contribution to Gross Domestic Product of 61.07 percent or worth 8,573.89 trillion. MSMEs are able to absorb 97 percent of the total workforce, and can collect up to 60.42 percent of the total investment. has 19,783, Some business people are millennials who are studying in college. This shows that the business world

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is now starting to be rich in innovation. Starting from product innovation to innovation in financial records considering that millennials are very close to information technology.

The success of business actors cannot be separated from the ability to record finances. Errors in recording can threaten the sustainability of business actors. With good financial records, business actors can detect, prevent and make corrections to the recording of transactions that have been made. If recording is done well, it can support the increasing role of business actors in job creation and economic growth. Clear accounting information can be obtained by preparing financial statements. The existence of accounting information through transaction recording has been considered important by the government to make it easier for business actors to meet the requirements of financial statements and credit applications to formal credit institutions.

This city has potential in the development of business actors. The document in the 2021 Figures issued by the recording agency shows that until 2018 there were 2,861 business units that had Business Place Permits. Local governments and private parties support the development of business actors by providing financial assistance and providing Accounting Applications for business actors. Other support in the form of entrepreneurship training and assistance in preparing financial statements both from the government and universities has been carried out. However, these efforts have not produced significant results for business actors. Wijaya (2019) found that the quality of financial statements of business actors is still low. Business actors have not been able to compile financial statements properly and correctly. This has an impact on the distrust of banks to channel credit to business actors. Furthermore, Wiratama et al., (2019) found that the obstacles faced by business actors in preparing financial statements are based on.

Android is the lack of understanding of business actors regarding the operation of applications. Another obstacle is the irregular financial bookkeeping of business activities, and the still mixed business operational finances and personal finances make business actors unable to distinguish net profit and business turnover. In addition, business actors also often feel a loss in doing their business. The obstacles above encourage the team to conduct training for students as business actors and prospective business actors in the future to start getting used to android-based applications. In the long run, students are expected to be able to channel this knowledge and skills to their families or the environment where students live.

The manual financial recording process requires higher accuracy to obtain accurate results. Purchase and sales transactions in businesses that have just started may still be able to be done with manual recording, but when business actors have made many transactions, financial recording applications are needed to facilitate the recording process at business actors. This is in line with what was explained by Romney and Steinbart (2015) that to support a system to work optimally, it takes system components such as humans, procedures (instructions), data, software, information technology infrastructure, internal control and security to be able to work together to achieve the goal of presenting quality information.

Applications (software) include one of the most important components of accounting information systems. Without applications a system cannot perform its functions effectively. This is in accordance with the results of research by Maulida et al., (2021) that the availability of SME Accounting applications makes it easier for business actors to compile financial statements. In addition, the SME application also supports business actors to save time, cost, and energy. The use of applications can provide benefits in terms of time, energy and thought.

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Users simply input income or expenditure transactions and then process them by the system as financial statements. Ria (2018) found that financial recording using the Android Financial Application on smartphones greatly facilitates business people in purchase-sale transactions, accounts receivable, payment of operational expenses and others even to the preparation of financial statements. Furthermore, the quality of information contained in financial statements affects business performance (Pakpahan, 2020).

This training uses an android-based application by choosing one application that is easy to use, namely Accounting for business actors. This application can be used by all business people by downloading the application for free via Android phones on the playstore. The process of downloading and initializing requires an internet network, while the process of recording transactions does not use an internet network. That is, in recording business actors do not depend on an internet connection. This android application-based trading business financial statement preparation training aims to provide understanding (theory) and practice guidelines so that business actors can record their transactions optimally, especially related to financial reporting that can be used by investors / investors in banking or other non-bank financial institutions. Agustina et al., (2021) found that training activities for preparing financial statements were able to increase the understanding of business actors. This is evidenced by the difference in pre-test and post-test results. In addition, Hetika et al., (2020) also found that training activities were able to increase awareness of business actors to carry out financial records, and contribute to improving the skills of business actors in preparing financial statements.

RESEARCH ELABORATIONS

This training is designed to equip business actors, especially MSMEs, with understanding and practical skills in compiling financial statements using the Android application "Accounting". The main concept is to utilize familiar and easily accessible mobile technology to democratize financial literacy, so that business actors can manage their finances independently and professionally. The main objective of this training is Improving Understanding (Theory): Providing the basics of accounting and the importance of financial statements for business continuity. Improve Skills (Practice): Train participants to use Accounting applications effectively in recording daily transactions, managing financial data, and generating basic financial reports. Increase Awareness: Foster awareness of the importance of neat financial records for better business decision-making and access to capital. Facilitating Access to Capital: Allows business actors to present credible financial statements to investors (banks or non-bank financial institutions) to obtain financing.

The basic principle of this concept is Accessible and Cheap: The application is free and can be downloaded on the Play Store, allowing training to be carried out without expensive software licensing fees. Flexible and Independent: Transaction recording does not require an internet connection, providing flexibility for business actors to record anytime and anywhere.

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Relevant to MSME Needs: Focus on the essential features that MSMEs need most in compiling simple financial reports.

The training method will combine theoretical and practical approaches in a balanced manner, with a strong emphasis on the use of Accounting applications. Training Preparation by Participant Identification: The main target is small and medium enterprises (MSMEs) who have Android smartphones and the desire to improve their financial literacy. Training Material with Theory Module (Online/Offline): Introduction to basic accounting (assets, liabilities, capital, income, expenses), the importance of financial statements (profit and loss, balance sheet, simple cash flow), the benefits of financial recording, and the basics of simple financial statement analysis. Practical Module (Application-Based): Step-by-step guide to using the Accounting application, starting from download and installation, initial setup, transaction recording (sales, purchases, expenses, receipts), management of customer/supplier data, to making basic financial statements. Case Study by providing examples of daily business transactions that are commonly faced by MSMEs to be practiced in the application. This Training Media includes Projector and screen for presentation, Internet connection (only for application installation and initialization), Participants bring an Android smartphone that has an Accounting application installed. Print/digital module as a guide.

The implementation of this training has an Opening Session (30 minutes), Introduction and objectives of the training, The importance of financial recording for business continuity, Initial survey/pre-test to measure the level of understanding of participants. Basic Theory Session (1.5 hours) with Explanation of basic accounting concepts in easy-to-understand language, Focus on basic financial statements and their benefits, Interactive discussions and questions and answers. Accounting Application Introduction Session (1 hour) Application installation and initialization guide (requires internet), Orientation of the main features of the application, Initial demonstration by instructor. The Guided Practice Session (3 hours) was attended by Participants accompanied by instructors in recording various types of business transactions using Accounting applications (sales, purchases, expenses, cash receipts, etc.). Use of relevant case studies, Practice of making simple financial statements (income statements, balance sheets) from already recorded data, Instructors and assistants go around to provide individual assistance. Problem Solving and Discussion Session (1 hour) where Participants can ask questions and problems faced during practice, Discussion about tips and tricks for using the application, Discussion of specific cases relevant to the participant's business. Closing Session (30 minutes), Summary of training materials, Post-test to measure the improvement of participants' understanding. Evaluation of training by participants, Issuance of participation certificates.

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Post-Training Online Mentoring (Optional): Create a communication group (WhatsApp/Telegram) for further discussion, Q&A, and tip sharing between participants and instructors. Additional Materials by Providing additional resources such as short video tutorials or FAQs for self-reference. Impact Survey: Conduct periodic surveys (e.g. 1-3 months after training) to measure the extent to which participants are implementing financial recording using the app and its positive impact on their business. With this concept and method, it is hoped that this training will not only provide theoretical understanding but also practical skills that can be directly applied by business actors, so that they can manage their finances better and open up opportunities to access capital.

RESULTS AND DISCUSSIONS

The service implementation team carried out this activity essentially as a form of support for millennial business actors within the University in managing business amid the challenges of the Covid-19 pandemic. For this reason, the team focuses on finding solutions to the problems of partners (Student Business Actors) in utilizing android applications to record transactions and compile financial reports. This activity took place at the campus Computer Lab on November 20, 2021. The training took place in two sessions, namely the first session (09.00 – 12.00) and the second session (12.00 – 15.00). The participants of this activity were students majoring in accounting, general participants / MSME actors totaling 155 people. Each session has the same training weight, lectures (theory) and mentoring (practice).

First, Lecture (Theory) The lecture method is given at the beginning of the training, which is at 09.00. The material is packaged in the form of an interesting powerpoint so that it supports participants to understand well. The material presented is about the urgency of preparing financial statements in the current era, followed by reviewing some basic accounting concepts. This is intended to bring participants to master the scope of training well before getting to know accounting applications. Speakers and participants interacted with each other until the question and answer session. After ensuring that all participants understood the theory well, the team continued to the following method, namely Application Demonstration.

Second, Application Demonstration The demonstration method was carried out by the implementation team by demonstrating how to operate the android-based financial application "Accounting for business actors" to business actors. In this session the entire team takes a position among the participants and provides guidance individually. This is intended to reduce the level of confusion from participants and support participant customization of the application. All participants were directed to open the application from mobile phones and also from computers. The computer in the laboratory has installed the Accounting application for

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business actors. The demonstration of financial application installation was held on November 20, 2021 at the campus Lab and was attended by 155 participants.

Third, Practice and Mentoring This direct practice and mentoring activity was carried out after lectures and application demonstrations on the same day, November 20, 2021. Training participants practice installing Accounting applications for business actors such as during demonstrations. The implementation team also shared simple guidelines in the process of installing and using applications in the form of SOPs for the installation and use of SME Accounting applications for participants so that training participants are faster and more skilled because they feel and experience for themselves how to install applications and how to use Accounting applications for business actors. Huda & Sukadiono (2021) found that mentoring activities for trainees were able to increase participants' enthusiasm which encouraged them to switch from conventional approaches to digital approaches.

Obstacles to Financial Statement Preparation The difficulty of business actors in preparing Financial Statements is caused by several factors:

1. Low understanding Most business actors do not have sufficient knowledge about accounting concepts and the importance of preparing financial statements. In addition, curiosity about the preparation of financial statements is still low among business actors. Business actors view the process of preparing financial statements as difficult and increase the workload. This ultimately has an impact on stagnant and declining quality of business actors, especially the lack of access to bank credit due to the absence of accurate financial statements that can be referenced by banks.

2. Reluctant to change Business actors who have long built a business tend to be reluctant to adapt to changing times. They are comfortable with manual record-keeping processes and therefore have difficulty transforming to new systems that adopt technology. Business actors who are not literate about technological advances will certainly be left behind and miss the opportunity to achieve maximum profit.

3. Application unknown Most participants are not familiar with financial statement preparation applications. Android-based financial applications that should be easy for business actors to use are difficult because they are not widely known and there is still a lack of intensive training from related institutions such as the Cooperative Office, Banking, Creative Economy Agency, Higher Education Service Institution Center, and local government.

Because of the above obstacles, this service program offers solutions to conduct education in the form of strengthening theory (understanding) and practice (skills) in preparing financial statements. The ability to record and compile financial statements correctly can encourage business actors to make efficiency in order to maximize profits. Healthy financial

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flows like this will encourage business actors to improve the quality of products and services to customers.

The outputs resulting from this android-based financial statement preparation training program are: a. Participants' understanding of basic knowledge of financial bookkeeping (Accounting) increased. b. Understanding and skills using an android-based financial application known as Accounting for SMEs are increasing. c. Produced financial statements that are close to general standards of financial reporting. The indicator for the first output is an increase in business actors' understanding of the basics of accounting.

CONCLUSIONS

Conclusion Based on the description of the results and discussion of the service program above which refers to the problems of business actors, it can be concluded that the training on preparing financial statements using Android-based applications is proven to increase participants' understanding of the basic basics of financial bookkeeping and skills in using Android-based applications. In addition, the Accounting application for business actors is also proven to make it easier for participants to present financial statements in real-time. Based on the analysis of program weaknesses, the author provides suggestions to business actors who have difficulty in getting access to android-based financial bookkeeping information technology to recruit family members or closest relatives to assist in business financial administration through an android-based application that is practical and free and can be used anytime and anywhere.

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