

**THE QUALITY OF ACCOUNTING INFORMATION IS IMPORTANT TO THE
OWNER OF SMALL AND MEDIUM ENTERPRISES (UKM) IN BUTUNG
MARKET MAKASSAR CITY**

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ABSTRACT

This study aims to examine whether the understanding of accounting and the application of accounting recording systems has a significant effect on the quality of accounting information, so the information can be used as an important reference in conducting ongoing business evaluations. This research was conducted at the Butung Market in Makassar City. The object of this research is a basic understanding of accounting, application of accounting information systems, and the quality of accounting information. The type of data is quantitative data. The data source is primary data with a Likert scale. The population of this research is Los traders (shops) in Butung Market Makassar city. Determination of the sample is done by probability sampling technique with the simple random sampling method. Data collection was carried out using a questionnaire. The analytical model used is multiple linear regression analysis. The results of this study indicate that: 1) Basic understanding of accounting has a positive and significant influence on the quality of accounting information, it means that the higher level of understanding of the accounting basis of traders more able to provide quality accounting information; 2) The accounting information system has a positive and significant influence on the quality of accounting information, it means that the higher the commitment to implement the accounting system of traders in conducting their business more able to provide quality accounting information; and 3) Simultaneous hypothesis test results (F test) obtained a F_{count} value of $17.305 > F_{\text{table}}$ of 3.29 with a significance level of $0.000 < \alpha 0.05$, it can be concluded that at a 95% confidence level the basic understanding factors of accounting and accounting information systems are simultaneous significant effect on the quality of accounting information.

Key words: *Quality information, Basic Understanding of Accounting, Quality of Accounting Information*

1. INTRODUCTION

Information is an important material for the company. The information will make the company more rapid and appropriate movements to achieve its goals. Information is an important input for business development and progress, because companies can improve performance based on this information along with the development of existing business. The more advanced a company, the more advanced the information system needed. Accounting information is the key to business performance that is born from an accounting process commonly known as an accounting information system (AIS).

Information obtained from accounting is useful for measuring business performance, such as measuring profitability, knowing competitiveness, and monitoring business development. Strong information quality will drive the future of the business, because good quality information can bring success to the company. Indications the quality of accounting information are reducing uncertainty, supporting decisions, and encouraging better planning of work activities. As explained by (Failian & Diptyana, 2012) that the benefits of accounting information are a source of data to control the performance of small and medium enterprises (UKM) and for consideration of decisions.

Both in small-scale and large-scale companies, whatever the form of business motion, require information as a basis for setting the right steps in doing the best thing for the company. According to (Wibowo & Kurniawati, 2015) the use of accounting information affects the business success. Companies must use accounting information as a basis for making business decisions to get the right decisions that support the success of its business.

Good information is certainly born from a good accounting system too, in this case according to the standard (GAAP). Accounting records play an important role in managing business finances. Good and correct financial management makes it easy for business people to control and evaluate their business development. For example, cash receipts and disbursements can be easily managed, if recorded in a book called a cash book, it is part of the accounting system.

(Andriani et al., 2014) said SAK ETAP is one of the financial standards that makes it easy for small and medium enterprise (UKM) to present informative financial reports for investors and creditors to provide financial assistance for UKM. Furthermore (Andriani et al., 2014) said that UKM had implemented a financial recording system manually and it was still very simple, with the reason that making financial records would facilitate the owner in giving bonuses to his employees.

It is undeniable that the existence of small-scale businesses plays an important role in economic growth. Small and medium businesses are able to reach the lower layers, so entrepreneurs with small capital can take part in developing economy in country. For this reason, small and medium scale businesses need attention from all parties, so that they can be managed well and sustainably.

Small and medium scale businesses need quality information, to ensure the sustainability of their businesses. UKM always make decisions such as sales and purchases. This decision making process will occur all the time. But according to (Rudiantoro & Siregar, 2010) that it turns out that the quality of financial statements of UKM does not affect the amount of loans received by UKM, it is due to the low quality of financial reports of UKM so that banks still doubt the relevance and reliability of the quality of their financial statements.

The UKM have not been able to perceive that the application of the accounting system is proportional to its usefulness. So that sometimes UKM still do not know the exact financial condition, such as how much cash is available for the business, how much income should the owner receive, and how much should the costs be spent.

According to (Widyatama & Yanida, 2016) understanding of UKM related to the accountability embodied in the financial statements is important. Considering the financial statements produced, they must be accountable to external parties. But the results explain that UKM do not yet understand the importance of accountability. Likewise (Failian & Diptyana, 2012) said that the obstacles faced by owners and managers of UKM are on their knowledge and ability in applying accounting in UKM.

It can be said that UKM still need to increase their knowledge of the importance of the quality of information generated from the application of accounting information systems, which is in accordance with existing accounting standards. Indeed there are several factors that can affect the quality of financial statements, as said by (Mulyani, 2014) that many factors cause failures in micro, small and medium enterprises (UKM), one of them is the poor quality of financial statements made by UKM. The size of the business has a positive

influence on the quality of financial statements of UKM. While the level of education, educational background, and length of business there is no significant effect.

Wholesale Center Butung Makassar which consists of UKM scale shop entrepreneurs, but has quite high transactions, needs to understand accounting information systems, at least a simple system to be able to record transactions properly. The owner of UKM in Butung Market Makassar city also needs to understand the quality of financial information so that the owner of UKM can continuously evaluate their business performance.

Based on the description above, this research will examined whether the understanding of accounting and accounting recording systems has a significant effect on the quality of accounting information, so this information can be used as an important reference in conducting evaluations in the context of sustainable business development.

2. RESEARCH METHOD

Location and Research Object

The location of this research is the Butung Market in Makassar City. The research objects that will be used in this study are as follows: basic understanding of accounting, application of accounting information systems, and the quality of accounting information.

Operationalization of research variables

The research variables that will be used in this study are as follows:

- a. Independent Variables: Basic Understanding of Accounting (X1) and Application of Accounting Information Systems (X2).
- b. Dependent Variable: Quality of Accounting Information (Y).

Types, Sources and Methods of Data Collection

The type of data used in this research is quantitative data. The data source used in this study is primary data. Data collection was carried out using a questionnaire. The scale used in this study is a Likert scale.

Population, Sample and Unit of Analysis

The population of this research is the traders who own the Los (shop) in Butung Market Makassar. The method of determining the sample is done with probability sampling techniques that provide equal opportunities for each member of the population to be chosen. Whereas the sampling method used is Simple random sampling. The unit analysis of this study is the shop (stall) in Butung Market Makassar City, while the respondents are the shop owners (traders in Butung Market Makassar City).

Data Analysis Model

The analytical model used is multiple regression linear analysis. To test the hypothesis used partial hypothesis testing (t test), Simultaneous (F test), and R Square Determination Test (R²) previously performed classical assumption test consisting of: Normality Test, Multicollinearity Test and Heteroscedasticity Test. Instrument Test consists of validity test and reliability test.

3. RESEARCH RESULT

Testing the Validity and Reliability of Data

By looking at the results of testing the validity of the data it can be seen that the calculated r value is greater than the value of r table (0.334), so it can be said that all question items used are valid except question 6 for the basic understanding of accounting variables, where the value of r count $< r$ table or (0,300 $<$ 0,334). Furthermore, to see whether the data used in this study are reliable, the results of the reliability testing of the data carried out, show that of all the variables studied can be said to be reliable because the Cronbach alpha coefficient produced is greater than the value of 0.6 (Ghozali, 2006: 45).

Descriptive Statistical Testing

From the table of descriptive statistical test it can be seen that the amount of data used in this study were 35 samples. From the descriptive statistical test results in the above table, the following information is obtained:

The dependent variable (Y), namely the quality of accounting information has a minimum value of 3.44 and a maximum value of 5.00. The mean value of the quality of accounting information is 4.28 and the standard deviation is 0.32. The first independent variable (X1), namely the basic understanding of accounting has a minimum value of 4.00 and a maximum value of 5.00. The mean value of the basic understanding of accounting is 4.43 and the standard deviation is 0.28. the second independent variable (X2), namely the accounting information system has a minimum value of 4.00 and a maximum value of 5.00. The mean value of the accounting information system is 4.33 and the standard deviation is 0.29.

Testing Classic Assumptions

Based on the results of normality testing, it can be seen that the data is normally distributed. It can be seen from Asymp. Sig (2-tailed) of 0.272 it means $> \alpha = 0.05$ so that the data is normally distributed. Based on the results of multicollinearity testing, it can be seen that testing the basic understanding of accounting and accounting information systems on the quality of accounting information does not exist multicollinearity. It can be seen from the VIF value of the basic understanding of accounting (X1) and accounting information system (X2) of 1.502, it means no more than 10. It can also be seen from the tolerance value of basic accounting understanding and accounting information system of 0.666 which means no less from 0.1.

Based on the heteroscedasticity test plot graph, it shows that there is no heteroscedasticity because the points spread up and under number 0 on the Y axis and do not form a certain clear pattern.

Hypothesis Test Result

The Results of Multiple Regression Analysis

In this research, multiple linear regression was performed to examine the effect of the basic understanding of accounting (X1) and accounting information systems (X2) on the quality of accounting information (Y). The results of multiple linear regression can be seen in the table below:

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.312	.678		.460	.648		
	X1	.454	.172	.397	2.642	.013	.666	1.502
	X2	.452	.164	.415	2.762	.009	.666	1.502

a. Dependent Variable: Y

Source: Data processed by SPSS 2016

Partial Test Result (Test t)

Based on the table above, it is stated that the first hypothesis is accepted, namely the basic understanding of accounting has an influence on the quality of accounting information. It can be seen from the t_{value} of 2,642 > t_{table} value of 2,037 with a significance value of 0.013 < 0.05. The second hypothesis can also be accepted that accounting information systems have an influence on the quality of accounting information. It can be seen from the t_{value} of 2,762 > t_{table} value of 2,037 with a significance value of 0.009 < 0.05.

Simultaneous Test Result (Test F)

Based on the results of data management, anova test results obtained F value of 17.305 > F_{table} of 3.29 with a significance level of 0.000 < alpha 0.05, it can be concluded that statistically at a 95% confidence level the basic understanding of accounting factors and accounting information systems influence significant effect on the quality of accounting information.

Coefficient of Determination Test Result (R^2)

Based on the results of data management, the R Square (R^2) figure of 0.520 it means that the contribution of the basic understanding of accounting and accounting information systems to the quality of accounting information is only 52%, where the remaining 48% is influenced by other variables not in this research.

4. RESEARCH RESULT

The Influence of Basic Understanding of Accounting (X1) on the Quality of Information (Y)

The results of testing the first hypothesis in this research are the basic understanding of accounting affects the quality of accounting information. Based on the results of partial hypothesis testing (t test), the t_{value} of 2.642 > t_{table} of 2.037 was obtained with a significance value of 0.013 < 0.05. From this research also, the regression coefficient results obtained from the understanding of the basic accounting variables are positive 0.454. It means that a basic understanding of accounting influences the quality of accounting information so that the first hypothesis in this research is accepted. From the results of this research it can be

concluded that the higher level of understanding of the basic accounting, the positive and significant effect on improving the quality of accounting information on regulators in Butung Market Makassar City.

The results of this research are in line with the results of research shown by (Diani, 2014) understanding of accounting influences the quality of local government financial reports. According to (Ponamon, 2014) understanding of the financial accounting system affects the quality of local government financial statement information on the SKPD. According to (Purwanti & Wasman, 2014) understanding of accounting affects the quality of financial statements. According to (Nova, 2015) the effect of understanding accounting on the quality of local government financial reports.

The Influence of Accounting Informations (X₂) on the Quality of Accounting Information (Y)

The second hypothesis in this research is the accounting information systems have an influence on the quality of accounting information. Based on the partial hypothesis test results (t test), the t_{value} of 2.762 was obtained > the t_{table} value of 2.037 with a significance value of 0.009 < 0.05. From this research also, the results of the regression coefficient of accounting information system variables positive sign was 0.452. It means that the accounting information system has a positive and significant effect on the quality of accounting information, so that the second hypothesis in this study is accepted. From the results of this research it can be concluded that the higher the level of application of accounting information systems in UKM businesses, the more quality accounting information is presented from UKM business activities in the Butung Market in Makassar City.

The results of this research are in line with the results of the study shown by (Dewi et al., 2014) the management of regional finances influence the quality of information on the financial statements of local governments in the offices of Jembrana Regency. According to (Juwita, 2013) accounting information systems affect the quality of the company's financial statements. According to (Murapi, 2016) this research was conducted to determine the factors that influence the quality of information on local government financial statements. And find regional financial accounting systems, have a positive and significant influence on the quality of information on local government financial statements. According to (Ihsanti, 2014) the application of SAKD affects the quality of regional financial reports. According to (Artika et al., 2016) the application of the regional government financial accounting system, influences the quality of financial statements in local governments.

The Effect of Basic Understanding of Accounting and Recording of Transactions on the Quality of Information

The third hypothesis in this study is the understanding of accounting and accounting information systems have an influence on the quality of accounting information. Based on the results of the simultaneous hypothesis test (F test), the calculated F value of 17.305 > F_{table} is 3.29 with a significance level of 0.000 < α 0.05, so it can be concluded that statistically at a 95% confidence level, the basic understanding of accounting factors and accounting information systems positive and significant effect on the quality of accounting

information, so the third hypothesis in this research was accepted. From the results of this research it can be interpreted that the higher basic understanding of accounting and accounting information system for business activities, the more quality accounting information will be presented from the results of business activities on UKM in Butung Market Makassar City.

The results of this research are in line with the results of the study shown by (Diani, 2014) understanding of accounting and the use of regional financial accounting information systems affect the quality of local government financial reports (Empirical Study on Regional Work Units in Pariaman City) According to (Purwanti & Wasman, 2014) understanding of accounting, the use of accounting information systems affects the quality of financial statements (Survey on the Cooperatives of the Republic of Indonesia Bandung City) According to (Dewi et al., 2014) understanding of the regional financial accounting system and the management of regional finances on the quality of information on the financial statements of local governments Ihsanti, 2014) human resource competencies and application of regional financial accounting systems to the quality of regional financial reports.

5. CONCLUSSION

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

1. Basic understanding of accounting has a positive and significant effect on the quality of accounting information at Butung Market in Makassar City. It shows that the higher level of understanding of the accounting basis, the positive and significant effect on improving the quality of accounting information on traders in Butung Market Makassar City.
2. The accounting information system has a positive and significant influence on the quality of accounting information at the Butung Market in Makassar City. It shows that there is an influence between the accounting information systems on the quality of information. Because, a good and regular way to record transactions can produce financial reports to obtain good quality information for the future of their business.
3. Simultaneous hypothesis test results (F test) obtained F Calculate value of $17.305 > F_{table}$ of 3.29 with a significance level of $0.000 < \alpha 0.05$, it can be concluded that statistically at a 95% confidence level the basic understanding factors of accounting and information systems Accounting simultaneously has a significant effect on the quality of accounting information.

6. SUGGESTION

This research was conducted on the first and second floor of the Butung Market Makassar City. For further research, several things are suggested as follows: Improving the quality of information can be done by increasing the basic understanding of accounting and recording transactions continuously to produce a good financial report so it can be used by traders as a basis for making decisions for the future of their business. But in fact, there are still many traders who do not understand correctly about accounting logic, they are limited to interpreting the results of financial reports, so it is necessary to provide assistance to the owner of UKM in carrying out accounting activities, so that they can evaluate their business path and control and improve sustainably.

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