International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

The Effect Of Accounting Literacy On Financial Report Preparation Readiness With Psychological Capital As A Moderating Variable

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Abstract

This research is motivated by the low level of preparedness of Micro, Small, and Medium Enterprises (MSMEs) in preparing financial reports in accordance with applicable accounting standards. The study aims to analyze the influence of accounting literacy on the readiness to prepare financial reports and examine the role of psychological capital as a moderating variable. The study used a quantitative approach with a causality design. The study population was MSMEs in Karawang Regency, with a sample of 103 respondents determined using the Slovin formula and simple random sampling techniques. Data were collected through a questionnaire with a five-point Likert scale. Data analysis was performed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with the help of SmartPLS. The results showed that accounting literacy had a positive and significant effect on the readiness to prepare financial reports with a coefficient value of 0.897 and a p-value of 0.000. Meanwhile, psychological capital did not have a significant effect on the readiness to prepare financial reports nor did it act as a moderating variable in the relationship between accounting literacy and the readiness to prepare financial reports. The conclusion of this study confirms that the readiness to prepare financial reports in MSMEs is more determined by the accounting competencies possessed by business actors than by psychological factors, so that strengthening accounting literacy is a priority in developing the capacity of MSMEs.

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Keywords: Accounting Literacy, Financial Reporting Readiness, Psychological Capital, Resource Based View, SMEs

INTRODUCTION

The following is the introductory narrative that has been rearranged according to the structure you requested: 2 paragraphs on the research phenomenon, 3 paragraphs on the research problem, and 1 paragraph on the objectives, urgency, and novelty of the research.

Micro, Small, and Medium Enterprises (MSMEs) are a strategic sector that plays a vital role in the Indonesian economy. Their contribution to the national Gross Domestic Product (GDP) reaches approximately 61% and they absorb nearly 97% of the Indonesian workforce. The number of MSMEs, which exceeded 64 million by 2024, demonstrates the high level of economic activity and confirms their position as a key driver of national economic growth. In addition to contributing to economic growth, MSMEs also play a role in encouraging local innovation, strengthening regional economic resilience, creating jobs, and improving social welfare more equitably. These conditions make MSMEs a crucial instrument in realizing inclusive and sustainable economic development amidst the dynamics of the global economy (Bambang, 2023).

Amidst the rapid growth of MSMEs, demands for sound financial management are also increasing. Financial reports are a crucial instrument that serves as a basis for evaluating business performance, decision-making, and supporting access to financing from formal financial institutions. To support these needs, the Indonesian Institute of Accountants (IAI) has issued the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) as a guideline for preparing simpler and more easily implemented financial reports for MSMEs. Implementation of these standards is expected to improve the quality of the resulting financial information, strengthen business transparency and accountability, and increase stakeholder trust in MSME performance (IAI, 2020; Fauzan, 2025).

However, the growth in the number and contribution of MSMEs has not been fully matched by the ability of business actors to prepare financial reports in accordance with applicable standards. Many MSMEs still maintain simple financial records and have not yet compiled systematic financial reports. Based on initial observations of several MSMEs in Karawang Regency, the recording generally focuses only on cash receipts and disbursements without the preparation of a statement of financial position or profit and loss statement. Furthermore, the practice of mixing personal and business finances is still

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found, resulting in financial information that does not accurately reflect the business's condition. This condition indicates that the readiness of MSMEs to prepare financial reports is still relatively low, potentially hampering business development and access to formal financing sources (IAI, 2020).

One factor suspected of influencing readiness for financial reporting is accounting literacy. Accounting literacy reflects an individual's ability to understand concepts, procedures, and practices for financial recording and reporting in accordance with applicable standards. Adequate understanding of accounting enables MSMEs to prepare financial reports more accurately, systematically, and relevantly for business management needs. Various studies have shown that accounting literacy influences the quality of transaction recording, the use of accounting information systems, and the effectiveness of business decision-making. However, most previous studies have focused more on the quality of financial reports or business performance as outcome variables, while the aspect of readiness for financial reporting as the initial stage of implementing accounting practices has received relatively little specific research (Pujiati, 2019; Handayani, Novi, Hasanuddin, 2024).

In addition to technical capabilities, readiness to prepare financial reports is also influenced by the psychological factors of business actors. Psychological capital (PsyCap), which consists of self-efficacy, optimism, hope, and resilience, is believed to influence an individual's confidence, motivation, and ability to face various business challenges. MSMEs with high psychological capital tend to be more confident in applying their knowledge, more optimistic in facing change, and more resilient in overcoming obstacles that arise in financial management. Therefore, psychological capital is expected not only to directly influence readiness to prepare financial reports but also has the potential to strengthen the relationship between accounting literacy and readiness to prepare financial reports. However, studies integrating accounting literacy and psychological capital in explaining readiness to prepare financial reports in MSMEs are still limited, requiring further research (Hotijah, 2019; Salloomi, 2025; Hariyanto, 2024).

Based on these phenomena and problems, this study aims to analyze the influence of accounting literacy on the readiness to prepare financial reports for MSMEs and examine the role of psychological capital as a moderating variable in this relationship. This research is important because the readiness to prepare financial reports is the main foundation in realizing transparent, accountable financial management in accordance with the Indonesian Financial Accounting Standards (SAK) for MSMEs. In addition to providing a practical contribution to increasing the capacity of MSMEs in managing

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business finances, this study also provides a theoretical contribution through the development of a model that integrates technical capabilities in the form of accounting literacy with psychological aspects in the form of psychological capital. The novelty of this study lies in the use of psychological capital as a moderating variable in the relationship between accounting literacy and readiness to prepare financial reports for MSMEs, which is still relatively rarely studied in previous research.

LITERATURE REVIEW

Resource Based View Theory(RBV)

The theory that serves as the conceptual foundation in this research is the Resource-Based View (RBV). This theory emphasizes the importance of internal resource management as a primary factor in developing capabilities and creating sustainable competitive advantage. According to Barney (1991), an organization's competitive advantage is determined by its ability to manage and utilize valuable, rare, difficult-to-imitate, and non-substitutable resources. Therefore, an entity's success depends not only on external factors but also on the quality of its internal resources. In the context of this research, internal resources include not only tangible assets and organizational systems but also intangible resources inherent in individuals, such as knowledge, skills, competencies, and psychological capital. Accounting literacy can be viewed as a form of knowledge resource that enables MSMEs to understand and apply accounting practices effectively, while psychological capital is a psychological resource that supports motivation, self-confidence, optimism, hope, and resilience in carrying out business activities. Based on the RBV perspective, both resources play a crucial role in shaping MSMEs' readiness to prepare financial reports accurately and in accordance with applicable standards. Thus, technical capabilities and psychological resources can be viewed as strategic capabilities that support improving the quality of financial management and reporting in MSMEs.

In this study, accounting literacy is positioned as a human capital-based resource that represents an individual's level of knowledge, understanding, and technical skills in managing and implementing accounting practices. These resources are crucial for enabling MSMEs to effectively record transactions, manage finances, and prepare financial reports in accordance with applicable standards. Meanwhile, readiness to prepare financial reports is viewed as a form of operational capability reflected in an individual's ability to utilize accounting knowledge and skills to produce relevant, reliable, and systematic financial information. On the other hand, psychological capital (PsyCap)

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is viewed as an internal psychological resource consisting of dimensions of self-efficacy, optimism, hope, and resilience. The existence of this psychological capital can influence how individuals manage and utilize their knowledge resources in carrying out business activities. Within the Resource-Based View (RBV) framework, psychological capital has the potential to strengthen the effectiveness of accounting literacy utilization, thereby increasing MSMEs' readiness to prepare financial reports. Conversely, low psychological capital can hinder the optimization of existing accounting capabilities, resulting in low readiness in carrying out the financial reporting process. Therefore, psychological capital is positioned as a moderating variable that has the potential to influence the strength of the relationship between accounting literacy and readiness to prepare financial reports.

Accounting Literacy

Accounting literacy is defined as an individual's ability to master an understanding of basic accounting principles, the ability to record and manage financial transactions, apply relevant accounting standards, and systematically prepare financial reports in accordance with applicable regulations. From the Resource-Based View (RBV) perspective, accounting literacy is seen as a strategic resource with significant value because it directly contributes to improving the quality of decision-making and financial accountability. Individuals with a good level of accounting literacy tend to be able to process, analyze, and present financial information effectively to support the sustainability and development of the organization appropriately, thereby contributing to improvements in financial reporting processes and results. Operationally, accounting literacy is reflected through several main dimensions. The first dimension is mastery of basic accounting knowledge, which includes an understanding of fundamental concepts such as the accounting equation, account groupings, and debit and credit mechanisms. Mastery of these concepts serves as a foundation for individuals in interpreting and recording financial transactions. The second dimension is bookkeeping or record-keeping skills, which demonstrate technical skills in preparing journals, ledgers, and trial balances as the primary sources of accounting data. The third dimension relates to an individual's level of understanding of applicable accounting standards, such as PSAK and SAK ETAP, enabling them to apply provisions related to recognition, measurement, and presentation in the preparation of financial statements. Furthermore, the fourth dimension reflects technical skills in the process of preparing financial statements, which include presenting the statement of financial position, income statement, cash flow statement, and notes to the financial statements accurately and in accordance with established standards. The

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fifth dimension is the ability to utilize accounting software or systems, which serve to improve the efficiency and accuracy of the reporting process.(Maulana & Mulyandani, 2021).

Readiness for Preparation of Financial Reports

Readiness in preparing financial statements reflects the condition in which individuals and organizations have sufficient capabilities to produce financial statements in a timely, reliable manner, and in accordance with applicable accounting standards. From the Resource-Based View (RBV) perspective, readiness in preparing financial statements is not viewed as a resource, but rather as a form of capability resulting from the utilization of various resources owned by the organization. Rather, it is understood as a capability formed through the integration and utilization of various internal resources. Readiness in preparing financial statements is reflected in several key supporting conditions, including the availability of human resources with accounting competencies, completeness and regularity of transaction evidence as the basis for recording, and the existence of adequate accounting systems and infrastructure to support the reporting process. Furthermore, this readiness is also reflected in the availability of structured accounting procedures and operational standards, the implementation of an adequate internal control system, the ability to meet reporting timeliness requirements, and the quality of financial statements produced in accordance with applicable accounting principles. This capability reflects the extent to which accounting literacy has been optimally implemented in the operational practice of preparing financial statements.(Ngurah et al., 2023).

Psychological Capital

Psychological capital is a positive psychological resource comprised of four main dimensions: self-efficacy, hope, resilience, and optimism. Psychological capital is state-like, indicating that these characteristics can be developed and enhanced continuously, and has a significant influence on individual attitudes, behaviors, and performance in carrying out organizational tasks. In this study, psychological capital is positioned as a moderating variable that influences the strength of the relationship between accounting literacy and financial reporting readiness. Individuals with high levels of self-efficacy generally have stronger self-confidence in completing complex accounting tasks. The hope dimension encourages individuals to set financial reporting goals and identify various alternative strategies to achieve them. Furthermore, resilience enables

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individuals to persist and adapt when facing errors, obstacles, or pressure during the reporting process, while optimism fosters positive expectations regarding the work results to be achieved. In the Resource-Based View (RBV), psychological capital plays a role in increasing the value of utilizing accounting literacy as an internal resource, thereby strengthening the process of transforming accounting literacy into financial reporting readiness capabilities.(Putri & Muhid, 2025).

Framework

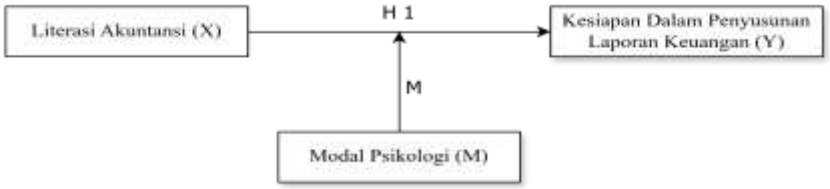


Figure 1. Framework of Thought
Source: Data processed by researchers (2026)

The conceptual framework in this study illustrates the relationship between accounting literacy as an independent variable, financial statement preparation readiness as a dependent variable, and psychological capital as a moderating variable. Accounting literacy plays a crucial role in enhancing MSMEs' readiness to prepare financial statements, as an understanding of accounting concepts, principles, procedures, and standards forms the basis for businesses to manage and report financial information accurately. An adequate level of accounting literacy enables MSMEs to systematically record financial transactions, manage business finances, and prepare financial statements in accordance with applicable standards. The higher the level of accounting knowledge and skills possessed by business actors, the greater their ability to produce relevant, accurate, and reliable financial statements that can be used as a basis for decision-making. Therefore, accounting literacy is expected to have a positive influence on financial statement preparation readiness. Furthermore, this relationship is thought to be influenced by the psychological capital possessed by MSMEs. Psychological capital, consisting of self-efficacy, optimism, hope, and resilience, acts as a psychological resource that can increase individual confidence, motivation, and resilience in facing various challenges related to financial management and reporting. MSMEs with high psychological capital tend to be more confident and consistent in applying their

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accounting knowledge. Therefore, psychological capital is thought to strengthen the influence of accounting literacy on financial reporting readiness.

On the other hand, psychological capital is seen as a factor that has the potential to influence the strength of the relationship between accounting literacy and financial reporting readiness. Psychological capital, consisting of the dimensions of self-efficacy, optimism, hope, and resilience, is a positive psychological resource that can increase an individual's confidence, motivation, and ability to face various challenges related to financial management and reporting. The existence of high psychological capital enables MSMEs to be more confident in applying their accounting knowledge, while maintaining their commitment to carrying out the process of recording and preparing financial reports on an ongoing basis. MSMEs with high levels of psychological capital tend to have stronger motivation, greater perseverance, and greater adaptability in the face of various obstacles, both technical and non-technical. This condition allows individuals to optimize the use of their accounting literacy, thereby increasing their readiness to prepare financial reports. Therefore, psychological capital is expected to act as a moderating variable that strengthens the influence of accounting literacy on financial reporting readiness. In other words, the higher the psychological capital possessed by MSMEs, the more effective the use of accounting literacy in supporting the preparation of systematic, accurate, and regulatory-compliant financial reports.

HYPOTHESIS

Accounting literacy influences the readiness of preparing financial reports

Accounting literacy is an individual's ability to understand accounting concepts, principles, and procedures and apply them systematically in recording transactions and preparing financial reports. In the context of Micro, Small, and Medium Enterprises (MSMEs), accounting literacy serves as a knowledge resource that supports effective and accountable business financial management. MSMEs with a high level of accounting literacy tend to be able to consistently record financial data, manage financial information accurately, and prepare financial reports in accordance with applicable standards. This ability ultimately improves MSMEs' readiness to prepare relevant, reliable financial reports that can be used as a basis for decision-making. However, readiness to prepare financial reports is not only determined by technical skills derived from accounting literacy but is also influenced by an individual's psychological factors. In this case, psychological capital, consisting of the dimensions of self-efficacy, hope, resilience, and optimism, acts as a psychological resource that can support the effective utilization of accounting

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literacy. High psychological capital enables individuals to have greater levels of self-confidence, motivation, optimism, and resilience in facing various challenges related to financial management and reporting. Thus, the existence of psychological capital can strengthen the ability of MSME actors to implement their accounting knowledge, thereby increasing their readiness to prepare financial reports systematically and in accordance with applicable regulations.

This research is based on the Resource-Based View (RBV) perspective, which views internal resources as a key factor in developing capabilities and creating sustainable excellence. Within this framework, accounting literacy is positioned as a form of human capital, reflecting an individual's technical knowledge and skills in understanding and applying accounting practices. Meanwhile, readiness to prepare financial statements is viewed as an operational capability formed through the effective utilization of internal resources in the financial management and reporting process. On the other hand, psychological capital is positioned as an intangible resource consisting of dimensions of self-efficacy, hope, resilience, and optimism. These psychological resources play a role in increasing motivation, self-confidence, resilience, and individual adaptability in facing various challenges related to business financial management. From the RBV perspective, psychological capital has the potential to strengthen the effectiveness of accounting literacy utilization, thereby increasing the readiness of MSMEs in preparing financial statements. Various previous studies have shown that accounting literacy has a significant influence on the readiness and quality of financial reporting in MSMEs. Furthermore, psychological capital has also been shown to contribute to increasing the effectiveness of the application of individual knowledge and skills. Therefore, the synergy between knowledge-based resources and psychological resources is believed to be able to strengthen the capacity of MSME actors in preparing financial reports that are systematic, reliable, and in accordance with applicable standards.

Accounting literacy is expected to have a positive influence on the readiness of MSMEs in preparing financial reports. Accounting literacy reflects an individual's level of knowledge, understanding, and skills in comprehending and applying accounting concepts, principles, and procedures, from the process of identifying, recording, classifying, summarizing, to reporting financial transactions. This ability forms the basis for MSMEs in managing financial information effectively and preparing financial reports in accordance with applicable standards. MSMEs with a high level of accounting literacy tend to be more capable of systematically recording financial records, managing financial

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information accurately, and utilizing financial reports as a basis for business decision-making. Furthermore, an adequate understanding of accounting enables business actors to prepare financial reports in accordance with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM), thereby ensuring the quality and reliability of the resulting financial information. From a Resource-Based View (RBV) perspective, accounting literacy can be viewed as a knowledge-based resource that contributes to the development of financial management capabilities. The higher the level of accounting literacy possessed by MSMEs, the greater their ability to optimize the financial recording and reporting process. Various previous studies have also shown that accounting literacy positively impacts the quality and effectiveness of financial reporting in MSMEs. Therefore, it can be assumed that improving accounting literacy will enhance MSMEs' readiness to prepare financial reports systematically, accurately, and in accordance with applicable reporting standards.(Darwin Warisi, Meita Sekar Sari, 2024).

H1: Accounting Literacy influences the Readiness of Preparing Financial Reports

Psychological capital moderates the influence of accounting literacy on the readiness to prepare financial reports

Psychological capital is thought to act as a moderating variable in the relationship between accounting literacy and financial reporting readiness in MSMEs. From the Resource-Based View (RBV) perspective, psychological capital is viewed as an intangible resource that can enhance the effectiveness of knowledge-based resource utilization, including accounting literacy. Therefore, the influence of accounting literacy on financial reporting readiness is expected to be stronger if MSMEs possess a high level of psychological capital. Psychological capital consists of the dimensions of self-efficacy, optimism, resilience, and hope, reflecting an individual's positive psychological state in carrying out business activities. Self-efficacy fosters an individual's confidence in their ability to complete tasks related to financial management and reporting. Optimism helps individuals view challenges as opportunities to achieve desired goals. Resilience enables entrepreneurs to persevere and adapt when facing various obstacles in the process of recording and preparing financial reports, while hope encourages individuals to continue striving to achieve predetermined targets. MSMEs with high psychological capital tend to be more confident in implementing their accounting knowledge, more consistent in maintaining financial records, and better able to navigate various administrative and operational obstacles that arise in business activities. Conversely, even with adequate accounting literacy, business owners with low psychological capital may struggle to

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optimally apply this knowledge to their financial reporting practices. Therefore, psychological capital is expected to strengthen the influence of accounting literacy on MSMEs' readiness to prepare financial reports.

Furthermore, the application of accounting literacy in practice is not only determined by an individual's technical abilities but also requires positive psychological support. Adequate accounting knowledge and skills cannot necessarily be implemented optimally without adequate self-confidence, motivation, optimism, and resilience. Therefore, even if MSMEs possess a high level of accounting literacy, the effectiveness of utilizing this knowledge in the financial reporting process will be more optimal if supported by strong psychological capital. This condition indicates that psychological capital plays a role in enhancing an individual's ability to implement accounting literacy consistently and effectively, thereby strengthening MSMEs' readiness to prepare financial reports in accordance with applicable standards.(Budiantara et al., nd).

H2: Psychological Capital moderates the influence of Accounting Literacy on Readiness for Preparing Financial Reports

METHODOLOGY

Research Design

This study uses a quantitative approach with a causality research design that aims to analyze the cause-and-effect relationships between research variables. The focus of the study is to examine the effect of accounting literacy on the readiness of financial reporting and to analyze the role of psychological capital as a moderating variable in this relationship among Micro, Small, and Medium Enterprises (MSMEs). The quantitative approach was chosen because it can provide objective, systematic, and structured measurements of the relationships between variables through the use of statistical analysis techniques. With this approach, the direct and moderating effects that occur between variables can be tested empirically based on data obtained from research respondents.

Population, Sample and Sampling Techniques

The population in this study is all Micro, Small, and Medium Enterprises (MSMEs) operating in Karawang Regency and meeting the established research criteria. This population was selected because MSMEs are directly involved in business financial management and reporting activities, making it relevant to the research objective of examining the readiness of financial reporting. The sample size was determined using

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the Slovin formula to obtain a representative sample size for the research population. Meanwhile, the sampling technique used was simple random sampling, a sample selection method that provides an equal opportunity for each member of the population to be selected as a respondent. The use of this technique aims to minimize the potential for bias in the sample selection process, so that the obtained sample is expected to be able to represent the characteristics of the population more accurately and objectively.

$$n = \frac{N}{1 + N(e)^2}$$

Information:

- **n**= Number of research samples
- **N**= Population size
- **e**= Error tolerance → 10% 5% 1%

Calculation Method:

$$n = \frac{10.322}{1 + 10.322(0,10)^2}$$

$$n = \frac{10.322}{1 + 10.322(0,01)}$$

$$n = \frac{10.322}{1 + 103,22}$$

$$n = \frac{10.322}{104,22}$$

$$n = 99,04$$

Source: Data processed by researchers (2026)

Based on the results of calculations carried out using the Slovin formula with an error rate of 10%, a sample size of 103 people was generated to be more representative in the study.

Data Sources and Data Collection Techniques

This study uses two types of data sources: primary data and secondary data. Primary data were obtained directly from respondents through questionnaires distributed to Micro, Small, and Medium Enterprises (MSMEs) as the research sample. Primary data were used to obtain information on the respondents' level of accounting literacy, readiness for financial reporting, and psychological capital. Meanwhile, secondary data were obtained through literature studies relevant to the research topic, such as scientific journal articles, previous research results, reference books, and accounting regulations and standards related to the preparation of financial reports in MSMEs. Secondary data

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were used to support the theoretical basis, develop hypotheses, and interpret the research results. The data collection instrument used in this study was a questionnaire containing a number of statements related to the variables of accounting literacy, readiness for financial reporting, and psychological capital. Each statement was measured using a five-point Likert Scale, with a response range ranging from 1 (strongly disagree) to 5 (strongly agree). The use of this scale aims to systematically and measurably measure respondents' level of agreement with each statement.

Table 1. Likert Scale

Score	Assessment Categories
1	Strongly Disagree (STS)
2	Disagree (TS)
3	Neutral (N)
4	Agree (S)
5	Strongly Agree (SS)

Source: Data processed by researchers (2026)

Data Analysis Techniques

The data analysis in this study used the Structural Equation Modeling Partial Least Squares (SEM-PLS) method with the assistance of SmartPLS software. This method was chosen because it is able to analyze the relationships between variables simultaneously and comprehensively evaluate measurement and structural models. The analysis stage begins with descriptive statistics to describe the characteristics of the research data through the average (mean), minimum, maximum, and standard deviation values. Next, instrument quality testing was conducted through validity and reliability tests to ensure that the indicators are able to measure the constructs accurately and consistently.

After the instrument was declared valid and reliable, an evaluation of the measurement model (outer model) was conducted, including convergent validity, discriminant validity, composite reliability, and Average Variance Extracted (AVE). Furthermore, the evaluation of the structural model (inner model) was conducted by testing the R-Square (R^2), Adjusted R-Square, Q-Square (Q^2), and effect size (f^2) values. Hypothesis testing was conducted using bootstrapping techniques by analyzing the path coefficient, t-statistic, and p-value. In addition, this study also examined the moderating

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E-ISSN : 2964-0865
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role of psychological capital in the relationship between accounting literacy and financial reporting readiness in MSMEs.

RESEARCH RESULTS AND DISCUSSION

Outer Model



Figure 2. Outer Loadings

Source: Data processed by researchers (2026)

The results of the measurement model evaluation (outer model) indicate that all research indicators have outer loading values above the recommended minimum limit of 0.70. This finding indicates that each indicator is able to adequately represent the measured construct and meets the criteria for convergent validity. For the accounting literacy variable, the outer loading values range from 0.795 to 0.930, indicating that all indicators have a strong correlation with the accounting literacy construct. The financial statement preparation readiness variable has an outer loading value between 0.849 and 0.960, thus all indicators are declared able to measure the construct validly and have a high level of convergent validity. Meanwhile, the psychological capital variable shows an outer loading value ranging from 0.980 to 0.996. These values indicate that the indicators used have a very strong relationship with the psychological capital construct being measured. Overall, the results of the outer loading test show that all indicators in this study have met the convergent validity criteria, so they are suitable for use in the next analysis stage, including construct reliability evaluation and structural model testing (inner model).

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***R-Square*(R²)**

Table 2. R-Square

	R2	R2 Adjusted
Financial Report Readiness	0.793	**0.786**

Source: Data processed by researchers (2026)

The evaluation results of the structural model (inner model) show that the financial statement preparation readiness variable has an R-Square value of 0.793 and an Adjusted R-Square of 0.786. The R-Square value indicates that 79.3% of the variation in the financial statement preparation readiness variable can be explained by the independent variables contained in the research model, namely accounting literacy and its interaction with psychological capital. Meanwhile, the remaining 20.7% of the variation is explained by other factors outside the research model that are not included in the analysis. The Adjusted R-Square value of 0.786 indicates that after considering the number of constructs and indicators used in the model, the model's predictive ability remains at a high level. This finding indicates that the research model has strong explanatory power in explaining variations in financial statement preparation readiness among MSMEs. Thus, the developed model is considered capable of providing an adequate explanation of the relationship between accounting literacy, psychological capital, and financial statement preparation readiness.

***F-Square*(f2)**

Table 3. F-Square

	F-Square
The Influence of Accounting Literacy	**2,354**
Psychological Capital	**0.001**
Psychological Capital×Accounting Literacy	**0.001**

Source: Data processed by researchers (2026)

The effect size (f^2) evaluation results show that the accounting literacy variable has an f^2 value of 2.354. This value indicates that accounting literacy has a very strong influence on the financial statement preparation readiness variable. This finding indicates

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that accounting literacy is a major contributing factor in explaining variations in the readiness of MSMEs in preparing financial statements. Thus, increasing the level of accounting literacy has the potential to increase the readiness of business actors in systematically recording and reporting finances in accordance with applicable standards. In contrast, the psychological capital variable has an f^2 value of 0.001, indicating that its contribution to changes in the financial statement preparation readiness variable is very small. These results indicate that psychological capital does not have a substantive influence in explaining variations in financial statement preparation readiness in the research model used. Furthermore, the interaction variable between accounting literacy and psychological capital as a moderating construct also produces an f^2 value of 0.001. This value indicates that the resulting moderation effect is in the very weak category. Thus, psychological capital has not been able to make a significant contribution in strengthening or weakening the relationship between accounting literacy and financial statement preparation readiness. This finding indicates that the influence of accounting literacy on the readiness to prepare financial reports tends to occur directly and is not substantially influenced by the existence of psychological capital.

***P-Value*(Significance Test)**

Table 4. P-Value

	Coefficient (β)	T-Statistic	P-Value
Accounting Literacy→Readiness for Preparation of Financial Reports	0.897	16,515	**0,000**
Psychological Capital→Readiness for Preparation of Financial Reports	-0.020	0.209	**0.834**
Psychological Capital×Accounting Literacy→Readiness for Preparation of Financial Reports	-0.015	0.342	**0.732**

Source: Data processed by researchers (2026)

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The results of the hypothesis testing indicate that accounting literacy has a positive and significant effect on the readiness to prepare financial statements. This is indicated by a p-value of 0.000 (<0.05), thus the first hypothesis is accepted. This finding indicates that the higher the level of accounting literacy possessed by MSMEs, the higher their readiness to prepare financial statements. The ability to understand and apply accounting concepts and procedures enables business actors to record and report finances more systematically, accurately, and in accordance with applicable standards. Conversely, psychological capital does not show a significant effect on the readiness to prepare financial statements. This is indicated by a p-value of 0.834 (>0.05), so the direct effect of psychological capital on the readiness to prepare financial statements is not empirically supported. Furthermore, the results of the moderation effect test indicate that the interaction between accounting literacy and psychological capital is also insignificant, as indicated by a p-value of 0.732 (>0.05). Thus, the second hypothesis is rejected because psychological capital is not proven to moderate the relationship between accounting literacy and readiness to prepare financial statements. Based on these results, it can be concluded that the readiness of MSMEs to prepare financial reports is more determined by their level of accounting literacy than by psychological capital. This finding indicates that accounting knowledge and skills are the more dominant factors in improving MSMEs' readiness to prepare financial reports.

DISCUSSION

Accounting literacy influences the readiness of preparing financial reports

The results of the study indicate that accounting literacy has a positive and significant impact on the readiness of MSMEs in preparing financial reports. The higher the level of understanding of accounting concepts, principles, and procedures, the higher their readiness to record transactions, manage financial information, and prepare financial reports systematically. Although most MSMEs have implemented financial recording, this practice is not fully compliant with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM). This finding indicates that accounting literacy plays a crucial role in shaping the readiness to prepare financial reports. From the Resource Based View (RBV) perspective, accounting literacy is a form of human capital that supports the ability of MSMEs to produce more accurate and reliable financial reports.

Improving accounting literacy through training, mentoring, and education is essential to ensure MSMEs are able to prepare financial reports more systematically and in accordance with standards. In addition to supporting the quality of financial reporting,

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accounting literacy also facilitates more effective business decision-making. This finding aligns with previous research, which suggests that adequate accounting understanding improves MSMEs' ability to manage financial information and comply with applicable reporting requirements. Therefore, the higher the accounting literacy, the greater the readiness of MSMEs to prepare relevant and reliable financial reports (Kusumawardani, Fairuz Awwabi Ahmad, Vika Fitranita, 2024).

Psychological capital moderates the influence of accounting literacy on the readiness to prepare financial reports

The results of the study indicate that psychological capital does not significantly influence financial statement preparation readiness and is unable to moderate the influence of accounting literacy on this readiness. This finding indicates that psychological aspects such as self-efficacy, optimism, hope, and resilience are not the primary factors determining MSMEs' readiness to prepare financial statements. Financial statement preparation activities depend more on technical competence, accounting understanding, and practical skills than on individual psychological conditions. Therefore, the influence of accounting literacy on financial statement preparation readiness occurs directly without being reinforced by psychological capital.

From a Resource-Based View (RBV) perspective, these results indicate that knowledge-based resources, in the form of accounting literacy, play a more dominant role than psychological resources in shaping financial reporting capabilities. The characteristics of MSMEs, which rely more on practical experience and operational learning, also make technical competence a more decisive factor. These findings confirm that improving financial reporting readiness is more effective through strengthening accounting literacy, technical training, and understanding applicable financial reporting standards.

The results of this study support various previous studies that emphasize the importance of accounting literacy in improving the ability and readiness of MSMEs to prepare financial reports. However, these findings differ from several studies that suggest that psychological capital can strengthen the relationship between individual competence and performance. This difference suggests that the effectiveness of psychological capital depends on the characteristics of the activity being undertaken. In activities that require technical competence, such as preparing financial reports, the influence of accounting skills is more dominant than the individual's psychological state. Therefore, accounting training, mentoring, and education programs need to be prioritized to improve the quality

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of financial reporting and support the sustainability of MSME businesses (Desiyanti & Kassim, 2020).

CONCLUSION

This study demonstrates that accounting literacy has a positive and significant impact on the readiness to prepare financial reports for MSMEs in Karawang Regency. The findings indicate that the higher the level of accounting knowledge, understanding, and skills possessed by business actors, the higher their readiness to record transactions, manage financial information, and prepare financial reports in accordance with applicable standards. Conversely, psychological capital was not proven to have a significant effect on the readiness to prepare financial reports or act as a moderating variable in the relationship between accounting literacy and readiness to prepare financial reports. These results indicate that the readiness to prepare financial reports is more influenced by accounting technical competence than individual psychological factors. Theoretically, these findings strengthen the Resource Based View perspective, which positions accounting literacy as a knowledge-based resource that plays a crucial role in developing MSME financial management capabilities.

This study has limitations because it was conducted only on MSMEs in Karawang Regency with a relatively limited sample size. Therefore, generalization of the results requires caution. Furthermore, the research model only included accounting literacy and psychological capital, so there is still the possibility of the influence of other factors that have not been analyzed. Therefore, further research is recommended to expand the scope of the study area, increase the number of respondents, and include other variables such as technological support, accounting training, business experience, and the use of accounting information systems. Practically, the results of this study demonstrate the importance of ongoing accounting training, mentoring, and education for MSMEs to improve their ability to prepare systematic, accurate financial reports in accordance with the Indonesian Financial Accounting Standards (SAK) for MSMEs, thereby supporting more professional and sustainable business management.

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