

Analysis of The Application of Accounting Software On MSMEs Going Concern During The Covid-19 Pandemic In Bandar Lampung

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Abstract

The presence of MSMEs and their ability to survive in the crisis stage responds to economic challenges in Indonesia. This is what makes this industrial sector a mainstay in the wheels of the community's economy. MSMEs in Indonesia absorb a total workforce of 97.2 million and contribute to GDP > 57%, greater than the contribution of large and largest businesses in all Asian countries. (Ina primaana, 2020).

The purpose of this research is to analyze the effect of using accounting software on the on going concern of MSMEs during the Covid-19 Pandemic in Bandar Lampung City. The results of this study are very important for MSMEs actors in Bandar Lampung City to take advantage of digital technology, namely by using accounting software in preparing their financial reports. With accounting software, MSMEs can make profit calculations clearly, avoid calculating errors during the process of calculating financial reports, and save costs during the COVID-19 pandemic.

The research was conducted using quantitative descriptive analysis using Excel and the results are displayed in the form of tables and figures to facilitate understanding. Quantitative descriptive is a statistical analysis method that aims to provide a description or description of the research subject based on variable data obtained from certain subject groups.

Keywords: MSMEs, Covid-19, Accounting Software, Descriptive Analysis

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INTRODUCTION

The COVID-19 pandemic disaster has brought down the joints of the world economy including Indonesia (Hardiansyah et al. 2021). The Indonesian government (2020) issued Presidential Decree Number 12 of 2020 stating that the spread of this virus is categorized as a non-natural national disaster. Since being declared a pandemic by the World Health Organization (WHO) on March 11, 2020, Covid-19 has had a huge negative impact. From a health standpoint, the impact of **COVID-19** can be seen from the number of positive cases which reached 222,793,280 cases as of September 8, 2021. Of these cases, the total number of patients who died reached 4,600,334 people ([CSSEGISandData](#), 2021).

Bandar Lampung City has considerable potential in MSMEs development, such as processed fish, various chips, melinjo chips, tapis cloth, intestinal embroidery, and Lampung batik or t-shirts. But along with the COVID-19 pandemic, MSMEs have experienced a significant reduction in capacity, this is indicated by a decrease in turnover due to a decrease in people's purchasing power (Bank Indonesia, 2021). In several cases in the MSMEs business, one of the reasons that most often arises when MSMEs go out of business is errors in the financial management process. This proves that financial management is an important point if you want the business to continue. It is not uncommon when MSMEs are in the process of recording financial statements, the mistakes that occur have a big impact on the entire business, for example, such as errors in calculating profits and losses so that MSMEs do not realize that the amount of debt is higher than the amount of profit.

Recording financial reports by utilizing good information technology (accounting software) is also very necessary in the current situation (Mon and Giorgio, 2022). Utilization of information technology (accounting software) allows MSMEs players to really carry out careful, effective, and efficient calculations and avoid mistakes that can result in the bankruptcy of the business being run so that they can survive the Covid-19 pandemic (Komalasari, 2020). Formulation of the problem Based on the background mentioned above, several problems related to the use of accounting software for MSMEs in Bandar Lampung City can be formulated, namely:

- (1) What is the level of MSME's understanding of accounting software?
- (2) Have MSMEs applied accounting software in their business activities?
- (3) How do the MSMEs process in recording financial reports which are used as the basis for making operational decisions for their business?



- (4) What is the strategy carried out by MSMEs actors in Bandar Lampung to survive during the COVID-19 pandemic?

The aims of this research are:

- (1) Know MSME's level of understanding of accounting software
- (2) Identify MSMEs that have applied accounting software in their business activities
- (3) identify the effect of using online accounting software on the quality of recording financial reporting and decision-making in MSMEs.
- (4) Analyzing the strategies carried out by MSMEs to maintain the continuity of their business during the COVID-19 pandemic.

LITERATURE REVIEW

Definition and Classification of MSMEs

MSMEs according to Law No. 20 of 2008, micro-enterprises are productive businesses owned by individuals and or individual business entities that meet the criteria for micro-enterprises. A small business is a productive business that stands alone and is carried out by individuals or business entities that are not subsidiaries of companies that are owned, controlled, or become part directly or indirectly of medium or large businesses that meet the criteria for small businesses. Medium business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become a part, either directly or indirectly, with small businesses or large businesses with a total net worth or annual sales results (Government of RI, 2008).

The definition of MSMEs according to Bank Indonesia in 2014, is Small businesses are productive businesses owned by Indonesian citizens, in the form of individual business entities, business entities that are not legal entities, or legal business entities such as cooperatives; are not subsidiary or branch company that is owned, controlled or affiliated, either directly or indirectly, with a medium or large business. Have a net worth of at most Rp. 200,000,000, excluding land and buildings or having sales proceeds of up to Rp. 200,000,000 per year, while a mid-sized business is a business that has fixed asset criteria with a different amount between the manufacturing industry (Rp. 200,000,000 - 500,000,000) and non-manufacturing (Rp. 200,000,000 - 600,000,000) (Bank Indonesia, 2014).



MSMEs Development Indicators

The benchmark for the level of success and development of MSMEs can be seen from the increase in sales turnover (Kotler and Armstrong, 2018). The benchmark for business development must be a parameter that can be measured so that it is not relative or even virtual which is difficult to account for. The more concrete the benchmark, the easier it will be for all parties to understand and justify the success achieved. Researchers suggest increasing sales turnover, workforce growth, and customer growth as measurements of MSMEs development (Soleh, 2008).

Accounting Software Or Application

According to Patmawati (2015), accounting software is a program created to facilitate accounting activities and records. All series of activities in accounting such as selling, posting to ledgers, compiling trial balances, and financial reports can be done through accounting programs. It can be said that the presence of this accounting software is able to cut the work of an accountant faster. There are various kinds of accounting software including MYOB, Accurate, Ms. Exel (Spreadsheet), Dac Easy Accounting (DEA), Peachtree, K-System Indonesia, Zahir Accounting, and others.

The development of MSMEs in Indonesia is growing rapidly, thus making competition increasingly fierce. Therefore, business people need to equip their skills in managing business with technology. One technology that can be applied is the use of accounting software, which can speed up and facilitate the preparation and management of business financial reports. Errors in managing financial reports are often the cause of MSMEs going out of business because sometimes the mistakes that occur have a significant impact on the entire business. These errors can be overcome, one of which is by maximizing the use of accounting software. (Legina, 2020). Based on the considerations above, the following are the reasons for the importance of using accounting software for MSMEs:

- (1) Clear calculation of profit,
- (2) Recording of MSMEs transactions
- (3) MSMEs financial reports,
- (4) Save cost



RESEARCH METHOD

The research was carried out in Bandar Lampung for 6 months (May – October) in 2022. The objects of research were MSMEs spread across Bandar Lampung with a focus on small and medium-scale businesses in the fields of trade, services, and industry.

Types and Data Collection Methods

The type of data in this study is primary data collected through observation, interviews, and distribution of questionnaires to MSMEs which are used as sampling in this study.

- (1) Interview, namely The researcher conducted interviews with MSMEs which were used as research samples.
- (2) Observation (observation), namely the researcher makes direct observations of the objects and targets to be studied, in order to obtain complete data and information material.
- (3) Questionnaire, namely the researcher provides written questions that must be answered by the object and target to be studied, in order to obtain complete data and information materials. In this questionnaire, there will be a design of questions that are logically related to the research problem and each question is an answer that has meaning in testing the hypothesis.

Analysis of Location and Type of Business

In this stage, the location will be determined as the object of research. Location analysis is the location of various company activities to make the products produced or sold affordable and available to the target market, in this case, related to how to deliver products or services to consumers and where the strategic location is (Kotler and Armstrong, 2018). The location analysis that will be carried out is to determine the type of business located in the city of Bandar Lampung which has a strategic position and is easy to reach, then determines the type of business that is the object of research, namely focusing on medium industrial businesses.

Data analysis

Data were analyzed descriptively quantitatively using Excel and the results are displayed in the form of tables and figures to facilitate understanding. Quantitative descriptive is a statistical analysis method that aims to provide a description or description of research subjects based on variable data obtained from certain groups of subjects

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(Sugiyono, 2014). From this analysis, a complete picture of the data is obtained, both verbally and numerically related to the data to be studied. The descriptive analysis steps are as follows:

1. Do problem formulation
2. Determine the type of information or data
3. Define data collection procedures
4. Perform data processing
5. Making decisions based on the results of data analysis.

RESULTS AND DISCUSSION

The following is data from a survey of respondents regarding MSME's understanding of the use of accounting software in Bandar Lampung.

Table 1. Data of Respondents on Understanding of Accounting Software

Question	Respondents Answer	
	Yes	No
1. MSMEs know about the application accounting software	20	10
2. MSMEs know about the importance of accounting software applications	28	2
3. MSMEs know how to use accounting applications	23	7

Based on Table 1, we can see that the level of understanding of MSMEs on the benefits of accounting software is quite large, this shows that accounting software is well known by the public, especially modern MSMEs, although there are still MSMEs who do not understand accounting software. If we describe it in the form of a diagram it will look like this:



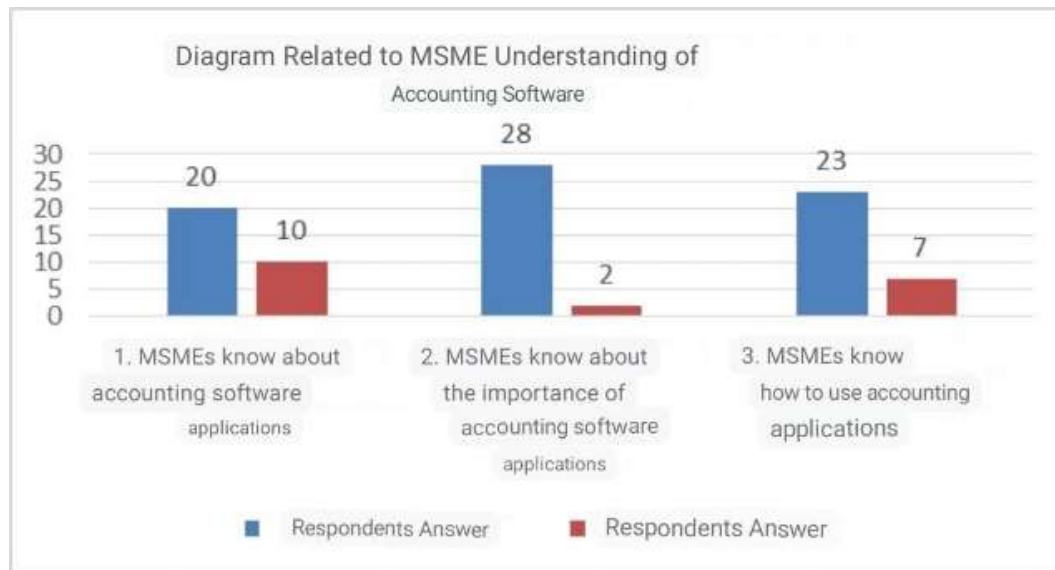


Diagram 1: Diagram Related to MSMEs Understanding

Table 2. Data of Respondents Who Have Used Accounting Software

Question	Respondents Answer	
	Yes	No
1. The business that I have has available computer equipment that is suitable for use	23	7
2. All transactions have used accounting software applications	24	6
3. My business uses accounting software applications (Excel, MYOB, Accurate, Accosys, etc.)	24	6

Based on Table 2, we can conclude that MSMEs that already use accounting software are larger than MSMEs that have not used accounting software, This shows that the majority of MSMEs actors already know that the application of bookkeeping using accounting software provides great benefits in business activities. run. If we describe it in the form of a diagram we can see as follows

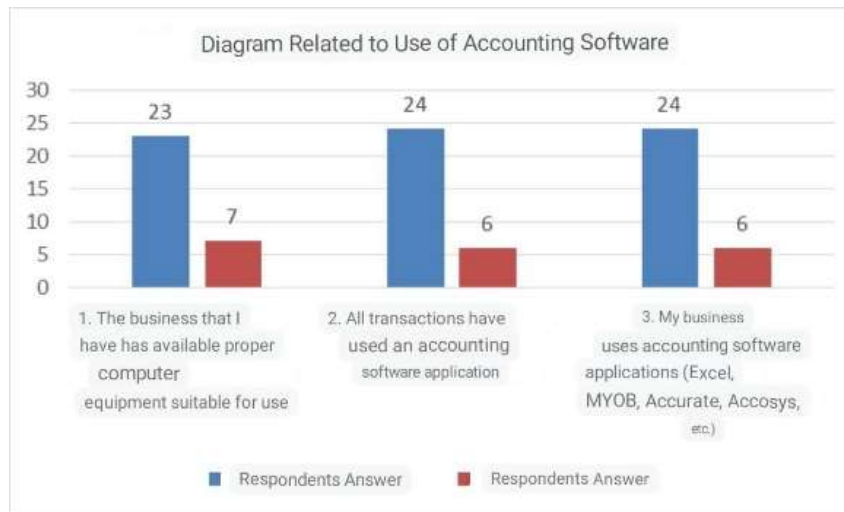


Diagram 2: Diagram Related to the Use of Accounting Software

Table 3. Data of Respondents Regarding Satisfaction Using Against Accounting Software

Question	Respondents Answer	
	Yes	No
1. Financial reports, etc. have been done on time	27	3
2. The resulting financial information can be tested	26	4
3. Financial report data processing software that is used according to business needs	26	4
4. With the existing system, employees can do their jobs more easily	22	8
5. The availability of accounting software applications is very helpful in efforts to make business policies	25	5
6. With the existence of accounting, applications can control business financial management in accordance with the plans made	26	4

Based on Table 3, we can conclude that the satisfaction of MSMEs in using accounting software is mostly stated that they are quite satisfied, This shows that accounting software is software that is able to help MSMEs in carrying out their business related to financial reports, etc. If we describe in the diagram we will see as follows:

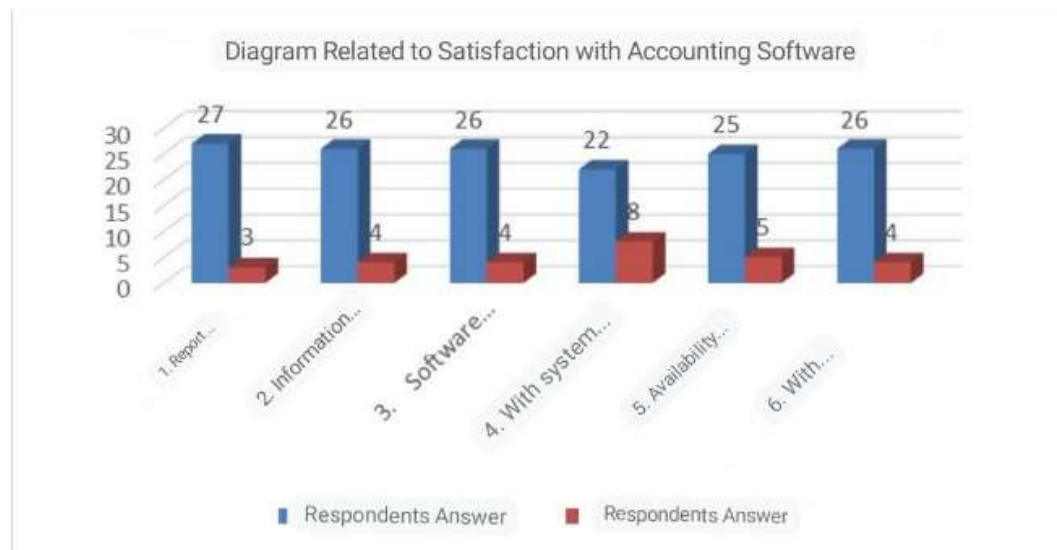


Diagram 3: Diagram Related to MSMEs Satisfaction with Accounting Software

Table 4. Data of Respondents Related to Business Strategy

Question	Respondents Answer	
	Yes	No
1. Perform more accurate calculations related to business efficiency by using accounting software applications	23	7
2. Reducing the amount of production	16	14
3. Reducing the number of employees	15	15
4. Making sales strategy changes by utilizing social media (online sales)	26	4
5. Improve product quality	26	4
6. Service quality improvement	30	0
7. Take advantage of technology	30	0

Based on Table 4, we can see that the average MSMEs are carrying out strategies to maintain their business amid the COVID pandemic in 2020 and 2021 in various ways and most of them are improving strategies by utilizing technology both in terms of improving services, sales strategies, more accurate cost calculations as well as in the presentation of financial statements. If we describe in the diagram we can see as follows:

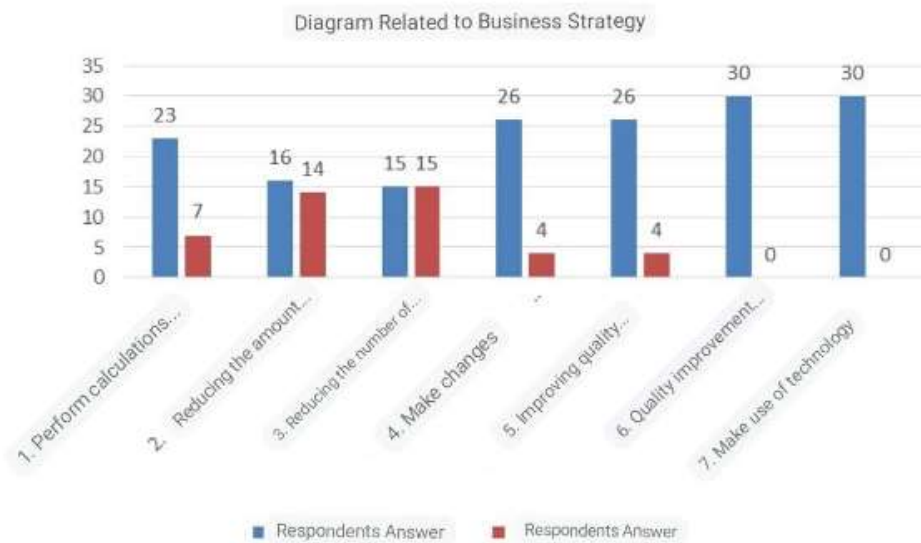


Diagram 4: Diagram Related to MSMEs Business Strategy

CONCLUSION

Based on the results of the research and discussion above, we can conclude that:

1. Based on the results of a questionnaire conducted on 30 MSMEs in Bandar Lampung, it shows that most MSMEs experienced a significant decrease in sales during the Covid pandemic, this is indicated by a decrease in the number of employees, only a small number of them experienced a decrease but did not reduce the number of employees.
2. Based on The results of the questionnaire related to the level of understanding of MSMEs on the benefits of accounting software, is quite large, this shows that accounting software is well known by the public, especially modern MSMEs, although there are still MSMEs who do not understand accounting software.
3. Based on the results of the questionnaire regarding MSMEs that have used accounting software, it can be concluded that MSMEs that have used accounting software are larger than MSMEs that have not used accounting software, this shows that the majority of MSMEs already know that the application of bookkeeping using accounting software provides great benefits in the business activities carried out.
4. Based on the results of related questionnaires MSME's satisfaction in using accounting software can be concluded that most stated that they were quite

satisfied, this shows that accounting software is software that is able to help MSMEs in carrying out their business related to financial reports, etc.

5. Based on the results of the related questionnaire on business strategies using technology, it can be concluded that on average MSMEs carry out strategies to maintain their business amid the COVID pandemic in 2020 and 2021 in various ways and most of them improve strategies by utilizing technology both in terms of service improvement, sales strategies, more accurate cost calculations as well as in the presentation of financial statements.
6. The results of distributing the questionnaires show that most of the MSMEs that have used accounting software are modern MSMEs, while the MSMEs that are still traditional have not used accounting software.
7. For MSMEs who have not utilized accounting software, researchers provide a solution for MSMEs actors to switch from a manual bookkeeping system to a computerized bookkeeping system or in other words apply accounting bookkeeping software.

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