Analysis of Financial Statements in Sustainable Business SME Culinary in Karawang Regency

Irvan Y. Pardistya(✉), Heikal M. Zakaria and Wirman Wirman

Faculty of Economics, University of Singaperbangsa Karawang, Karawang, Indonesia
`irvan.yoga@fe.unsika.ac.id`

Abstract. The study aims to analyze financial statements on the sustainability of culinary businesses in Karawang Regency. The subject of this study was a culinary company that operated in Karawang Regency for 3 years, so that 30 Culinary MSMEs were obtained in Karawang Regency. The test results show that financial statements affect business continuity. Managers and Karaywan understand the importance of knowing financial statements in business development strategies. Make a proper and good financial report illustrating the sustainability of culinary businesses that are able to compete in the market for a long time, so that business actors still survive.

Keywords : Business continuity, Financial statements, Culinary SMEs.

1 Introduction

In the era of economic turbulence in Indonesia, resulting in the running of business accompanied by uncertainty. For this reason, strategic steps are needed in dealing with it. Then, this step must be implemented in business. Today's business demands that companies provide an advantage over each other's products or services needed by consumers. In addition, business people must be able to perform their maneuvers optimally.

The basics of the issue, then, are linked in his current business situation. In certain sectors, companies move dynamically in carrying out their business. The most important thing is the conditions within the company. These conditions will reflect the business ventures within each company. These conditions will also vary in each company that faces the problem.

The entire business sector is now facing such challenges. One of the sectors that is now being debated is the culinary Medium Small and Medium Enterprises (MSMEs) sector of Karawang Regency. In its movement, MSMEs are one of the industrial sectors that have an effect on encouraging the economic performance of a country. For this reason, every company in the sector is required to work optimally. The performance must be monitored and evaluated carefully at all times.

In this reform era, the government has also begun to provide a lot of support or partiality, especially to culinary MSMEs in Karawang Regency. Although currently there are many programs carried out by the government. in the field of capital, such as People's Business Credit (KUR) which can be obtained at certain banks such as Bank Jatim

and Bank UMKM. The reason why Culinary MSMEs in Karawang Regency do not use funds or capital from creditors is the scale of the business that is still small and the old business is still new (1-3 years). Another reason is the complexity of the requirements provided by the creditor. One of the requirements is the existence of information on MSME financial statements that reflect the real state of the company. However, many MSMEs do not provide or compile financial statements in their business. The reason is MSMEs that are too focused on the production process and operations, so they do not pay attention to recording or bookkeeping.

The allocation of People's Business Credit (KUR) which has not been absorbed until now has reached Rp129 trillion or 67.8 percent of the total allocation of Rp190 trillion. According to the Minister of Cooperatives and SMEs (Menkop UKM) Teten Masduki said, the funds have not been absorbed because there are still many Micro, Small and Medium Enterprises (MSMEs) who have difficulty accessing credit and financing. The problem is that the disbursement of funds from the government is still not easy for MSMEs to access there (KUR and financing),

Financial Statement analysis carried out within the company will make the company able to continue to monitor its performance and provide feedback on company performance information. Then, the Financial Statement Analysis defines the types of information based on the performance represented by the sub-accounts in the Financial Statements. For this reason, the success or failure of the company's performance can be seen from the results of the analysis of the Financial Statements contained in the Financial Statements at a certain time or period. Thus, the results of the Financial Statement Analysis can be translated into the performance of the company's achievements.

2   Method

This study used secondary data. Secondary data collection in this study by conducting a desk evaluation study of the company's Financial Statements that are used as the object of research. In this context, this study uses sampling techniques in the form of nonprobability sampling; Nonprobability Sampling is a sampling technique that does not provide an equal opportunity for each element or member of the population to be selected as a sample (Sugiyono: 2017). The sampling technique of non-probability sampling is purposive sampling. purposive sampling is a data sampling technique based on certain considerations (Sugiyono: 2017).

This research was conducted by a descriptive method where each result of the data acquisition that has been analyzed is described as a condition; This descriptive research method is carried out to find out the existence of independent variables, either only on sat variables or more (stand-alone variables or free variables) without making comparisons of the variables themselves and looking for relationships with other variables. (Sugiyono: 2017) The data obtained from the Company's Financial Statements that are the object of the study are analyzed using financial ratios. The ratio will describe the condition of the company at a certain period. For this reason, companies that become object in the research will be shown their performance achievements. The plot of this research is as follows in Fig. 1.
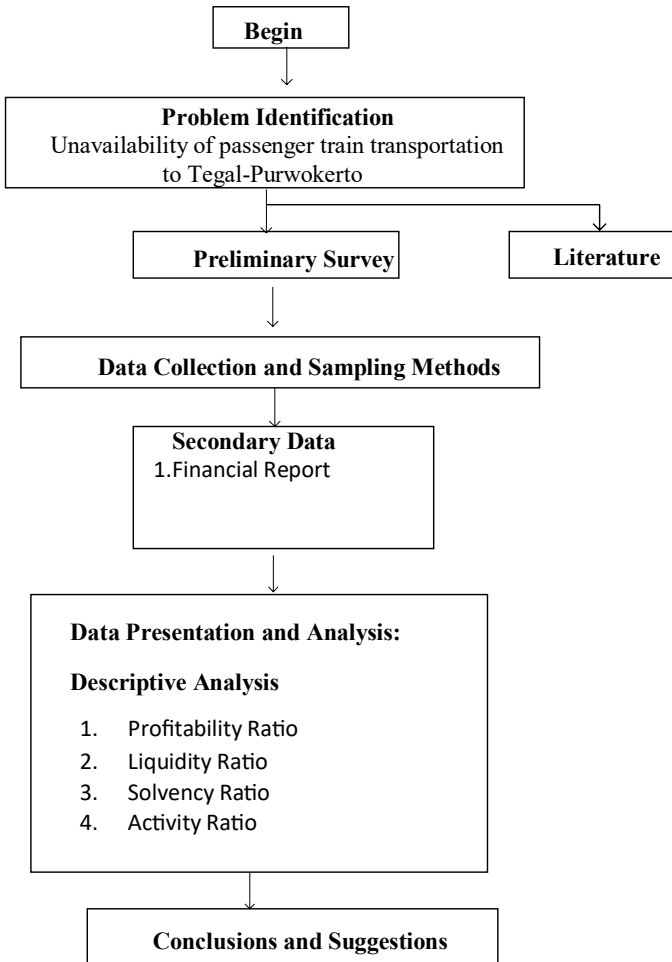
Fig. 1. Research flow chart

This research will use an approach to describe the condition of the company. The condition is calculated by analyzing the Company's Financial Statements with financial ratios. The financial ratios that will be used are profitability ratio, liquidity ratio, solvency ratio and activity ratio. Furthermore, the ratio provides a comparison of numbers in an account component where the result is a percentage (%). This percentage will be a benchmark for whether or not the performance achievements have been made by the company. Thus, all these steps become a collaboration of calculations and interpretations of data processing results.

Table 1. Profile of Research Respondents

No	Business name	Address	Respondent Manager	Respondent Employee
1	Sisitik Kangkung Deskia & Pisang Lumer	Rumah Dinas PT. Indoliberty, Desa Puseurjaya	1	1
2	Kue Biji Ketapang	Perum CKM Blok L7/11, RT/RW 046/012, Dessa Benhle, Kec. Majalaya, Karawang	1	1
3	Soto Gempol Karawang	Jalan Ranggagede, Kelurahan Tanjung Pura, Kec. Karawang Barat	1	1
4	Kedai Teh mayang	Perum Citra Kebun Mas Blok S1/2 RT 20/8	1	1
5	Outlet farisya halsya	Dusun Sukamulya RT 25/RW 06	1	1
6	Makyus	perumnas BTJ BLOK A no 198 RT 07 RW 11	1	1
7	Ini cake	Perum Karaba Indah blok Gi no 2 RT 07 RW 09	1	1
8	R&S Catering	Dusun Sentul RT. 001/RW. 001	1	1
9	Niken Takoyaki	Jln Lingkar Tanjungpura Kepuh No 22 Kel Nagasari Kec Karawang Barat	1	1
10	Teh Jagad	Poponcol kidul Rt/Rw 002/007	1	1
11	N'dahlia Cake & Cookies	Dsn Tengah I RT 002/ RW 001	1	1
12	Uli Ma'Usan	graha Pratama permai blok B4 no 14 RT 32 RW 05	1	1
13	Teteh Kukis	Jl Dewi Sartika, Lingkungan Santiong Selatan no.10 RT01/19 Nagasari	1	1
14	DR Snack n Drink	Perum citra kebun Mas blok C12 no 21 Rt33/11	1	1
15	Yummy Zi	Perumnas Bumi Teluk Jambe Blok J No 82	1	1
16	Keripik Melinjo	Dusun II Rt.11 RW.004	1	1
17	Rosi Cake	Perum Citra Kebun Mas	1	1
18	K.B.U melati bolu kijing bp Ocal	Dusun Krajan 1 b RT 03 RW 02 Desa kutagandok Kab. karawang	1	1
19	Dapoer Bintang Karawang	Dusun Padatimulya RT 013 RW 007	1	1
20	Rara Ketring	Anjun Kanoman RT.005/RW.012	1	1
21	Seruni	Saung Indah, Blok D3 NO.31	1	1
22	Uni Snack	Perum Citra Kebun Mas Blok L7 No. 11 RT.46/RW.012	1	1
23	Erna Kitchen	Kosambi Curug No.53 RT.020/RW.006	1	1
24	Kembang Goyang H.Aban	Perum. Pagadungan Indah 1 No. 281b	1	1
25	Afifah Lumring	Sukamakmur RT 13 rw 04 anggadita.klari karawang	1	1
26	Seblak Nyinyir & Dinsum	Perum KGV.2 blok E1/3 Jl. Pinayungan Telukjambe Timur	1	1
27	De'K-Nyot	Perum Citra Kebun Mas	1	1
28	Ndit Shop	Griya Panorama Indah C.8/37 RT 2/12	1	1
29	Teteh Kukis	Jl Dewi Sartika, Lingkungan Santiong Selatan no.10 RT01/19 Nagasari,	1	1
30	Cirengfahim	Perum graha Pratama permai blok b4no16 jln nangka	1	1

Source: Research Results (2020)

3   Results and Discussion

3.1   Descriptive Statistics

The data collected from respondents carried out statistical analysis and hypothesis testing. Descriptive data is presented in Table 2. Based on descriptive data, the actual average of financial statements is 67.66 higher than the ideal average of 60, and the actual average of business continuity is 76.30, higher than the ideal average of 75. This indicates financial statements and business continuity. Thus, the financial statements and sustainability of the culinary business are above average. If reviewed further, managers' financial statements are higher when compared to employees, as can be seen from the average value of managers' financial statements higher than employees.

Table 2. Descriptive Research Data

Respondents	Mean	Std. Deviation	N
Business Continuity	76.30	11.119	60
KB_Manager	77.17	11.642	30
KB_Employee	75.43	10.856	30
Finance Report	67.66	11.424	60
LK_ Manager	72.23	12.062	30
LK_ Employee	64.94	11.181	30

Source: Research Results (2020)

3.2   Research Results

The data obtained from respondents were first checked against the normal distribution before testing the hypothesis. Normal measurements can be done in 2 ways, namely statistical testing with Kolmogorov-Smirnov and testing through normal P-P plot graphs. In the Kolmogorov-Smirnov normality test, the normality test result obtained a value of 0.74 greater than 0.05. The test value provides information that the data received is normally distributed (Table 3).

Table 3. One-Sample Kolmogorov-Smirnov Test

N		60
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	7.39083741
Most Extreme Differences	Absolute	.057
	Positive	.055
	Negative	-.069
Kolmogorov-Smirnov Z		.565
Asymp. Sig. (2-tailed)		.920

a. Test distribution is Normal.
b. Calculated from data.

Normality testing uses the normal P-P Plot graph shown in Fig. 2. Indicates that the distribution of points is around the diagonal line, which means that the distribution of respondents' data is normally distributed. Testing using graphs can be seen in Fig. 2.
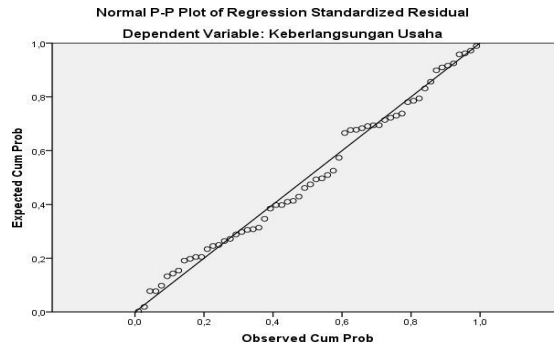

Fig. 2. Normality Testing Using P-P Graphs of plots (Source: Research Results 2020)

Hypothesis testing showed that the hypothesis submitted was accepted that the effect of financial statements on the sustainability of culinary businesses in Karawang Regency and the t test value of 6.08 was greater than the table t value and the significant value was 0.00. The resulting regression equation for is Y=. 32,329 + 0.612X. The regression equation means that if it experiences an increase of 1 time in the processing of financial statements, it will increase business continuity by 0.612 processing. Results from the Hypothesis test in Table 4.

Table 4. Coefficients

Type		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	32.329	5.791		4.972	.000
	Finance	.612	.095	.625	6.086	.000

Dependent Variable: Business Continuity

The effect of financial statements on business continuity can be seen from the value of R-squared as much as, which explains that the financial statements, which explain that the financial statements have an influence of 30.7% on business continuity and the remaining 69.3% which is influenced by other factors. For more results can be seen in Table 5.

Table 5. Model Summary

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.594[a]	.307	.278	8.857	1.777

a. Predictors: (Constant), Finance
b. Dependent Variable: Business Continuity

3.3   Discussion

Culinary SMEs in Karawang Regency face competition and many other challenges. They need to pay attention to more opportunities and threats. Competitive advantage in the market is a way that MSMEs must strive for. Investors have seen culinary business opportunities in Karawang regency, with entrepreneurs, movie stars, artists, singers and even politicians outside Karawang Regency making business investments in the culinary field. This shows that people in Karawang Regency kup are consumptive in terms of culinary. Local entrepreneurs, among whom there are research topics, pay attention to the competence of entrepreneurship. Entrepreneurs must be more sensitive to responding to business developments to maintain business continuity (Dalimunthe, 2017).

The knowledge and skills of the company's human resources are the company's competitive advantage (Day and Wenzley, 1998). Proper financial planning for investment and business development is an important asset to anticipate market competition. The financial statements of managers and employees of culinary companies are above average, namely the main capital of business planning and development.developing a future culinary business plan is determined by good financial statements so that decision making does not harm the business.

In carrying out its business operations, the Culinary Business in Kabupaten Karawang has been over 3 years, there is even a culinary business that is decades old. Respondents' perception of business continuity was better than average. Following further, managers have a higher perception of business continuity compared to employees. Of course, managers clearly understand this in order to stay in business. Preparation of a business plan, general renewal of the business plan, analysis of competitors and the ability to calculate risk are the most important factors to describe the sustainability of the culinary business to manage the company in the future.

4   Conclusions and Suggestions

4.1   Conclusion

The conclusion of this study is that financial statements affect the sustainability of culinary businesses in Karawang Regency. Managers and employees have above-average financial statements and business continuity. Culinary business managers have better financial reports compared to employees.

4.2   Suggestion

Advice for businesses is to maintain sustainability and increase knowledge of financial statements so that in business they can plan carefully to survive in the business and compete in the market. Recommendations for subsequent researchers, research data reveal knowledge of financial statements and business continuity in Karawang Regency, while SMEs and SMEs established by owners outside Karawang Regency are not revealed, so that subsequent researchers can conduct further research.

Reference

1. Cahyaningrum, N.H., 2012, Analisis Manfaat Rasio Keuangan dalam memprediksi pertumbuhan laba.eprints.undip.ac.id
2. Dalimunthe, M. B., Zati, M. R., Silaban, P. S. M. 2016. Faktor Prioritas Keunggulan Bersaing Kelompok Usaha Kelurahan Suka Maju. Prosiding Seminar Hasil dan Expo Hasil Pengabdian Kepada Masyarakat. LPM Universitas Negeri Medan. Hal: 248-257.
3. Gerald., Shondi dan Fried, 2020, The Analysis and Use of Financial Statement, International Edition. John Wiley & Son. Inc.
4. Ginting, S dan Tarihoran, A., 2017, Faktor-faktor yang Mempengaruhi Pernyataan Going Concern. Jurnal Wira Ekonomi Mikrosil.
5. Hendry Andres Maith, 2013, Analisis Laporan Keuangan Dalam Mengukur Kinerja Keuangan Pada PT. Hanjaya Mandala Sampoerna Tbk.   ISSN 2303-1174. Vol.1 No.3. Jurnal EMBA
6. Hudson, M., A. Smart dan M. Bourne. 2001. Theory and Practice in SME Performance Measurement Systems. International Journal of Operations & Production Management. Vol. 21 No. 8. Hal: 1096-1115
7. Horne, J dan Warchowitz, 2012, Prinsip-prinsip Manajemen Keuangan. Salemba Empat.
8. Kasmir, 2011, Analisis Laporan Keuangan. PT. Rajagrafindo Persada.
9. Kholilah, Naila Al dan Iramani, Rr . 2013. Studi Financial Management Behavior pada Masyarakat Surabaya. Journal of Business and Banking. Vol. 3 No. 1. Hal: 69-80.
10. Maith, H., 2013, Analisis Laporan Keuangan dalam Mengukur Kinerja Keuangan pada PT. Hanjaya Mandala Sampoerna TBK. Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi.
11. Rabuisa, W., Runtu, T., Wokas, H., 2017, Analisis Laporan Keuangan dalam Menilai Kinerja Keuangan pada Bank Perkreditan Rakyat (BPR) Dana Raya Manado. Jurnal Riset Akuntansi Going Concern
12. Riswan dan Kesuma, Y., 2014, Analisis Laporan Keuangan sebagai Dasar dalam Penilaian Kinerja Keuangan PT Budi Satria Wahana Motor. Jurnal Akuntansi dan Keuangan
13. Sugiyono, 2017, Metode Penelitian Kuantitatif, Kualitatif, dan R&D. Bandung : Alfabeta, CV.
14. Warren, Carl S,.James M,Reeve and Philip E. Fress, 2014, Accounting, 24th edition, Thomson South-Western.
15. Wilna Feronika Rabuisa, Treesje Runtu, Heince Wokas, 2018, Analisis Laporan Keuangan Dalam Menilai Kinerja Keuangan Perusahaan Pada Bank Perkreditan Rakyat (Bpr) Dana Raya Manado. Jurnal Riset Akuntansi Going Concern 13(2), 2018, 325-333.
16. Yolanda Fatrecia Kesuma. Analisis Laporan Keuangan Sebagai Dasar Dalam Penilaian Kinerja Keuangan Pt. Budi Satria Wahana Motor, 2014, Jurnal Akuntansi & Keuangan Vol. 5, No. 1.