

Journal of Economics and Business

Arda, Devid Putra. (2021), Perceptions of Micro, Small and Medium Entrepreneurs on the Importance of Fair Presentation of Financial Statements with the Implementation of SAK EMKM as a Moderation Variable. In: *Journal of Economics and Business*, Vol.4, No.1, 308-327.

ISSN 2615-3726

DOI: 10.31014/aior.1992.04.01.339

The online version of this article can be found at:
<https://www.asianinstituteofresearch.org/>

Published by:
The Asian Institute of Research

The *Journal of Economics and Business* is an Open Access publication. It may be read, copied, and distributed free of charge according to the conditions of the Creative Commons Attribution 4.0 International license.

The Asian Institute of Research *Journal of Economics and Business* is a peer-reviewed International Journal. The journal covers scholarly articles in the fields of Economics and Business, which includes, but not limited to, Business Economics (Micro and Macro), Finance, Management, Marketing, Business Law, Entrepreneurship, Behavioral and Health Economics, Government Taxation and Regulations, Financial Markets, International Economics, Investment, and Economic Development. As the journal is Open Access, it ensures high visibility and the increase of citations for all research articles published. The *Journal of Economics and Business* aims to facilitate scholarly work on recent theoretical and practical aspects of Economics and Business.



ASIAN INSTITUTE OF RESEARCH
Connecting Scholars Worldwide



Perceptions of Micro, Small and Medium Entrepreneurs on the Importance of Fair Presentation of Financial Statements with the Implementation of SAK EMKM as a Moderation Variable

Devid Putra Arda¹

¹ Trisakti University, Indonesia

Abstract

The ability of Micro, Small and Medium Enterprises (SME) in surviving in the midst of a crisis shows that this group is far more independent than large entities that generally rely on banking in terms of funding and operations. The contribution of SME in the government's trade balance is indicated by the amount of contribution to gross domestic product (GDP). The presence of SME that has not been incorporated is one of the problems that must be addressed, this is because without a difficult legal entity for an SME to take advantage of government financing facilities. In addition, it is difficult for SME to obtain external financial resources, this is because SME often cannot show financial reports that are in accordance with Financial Accounting Standards in Indonesia (FAS). The implementation of the FAS for SME in Indonesia is an effort to make it easy for SME enterprises for each transaction they make. The application of the EMKM SAK makes it easy for SME entrepreneurs to present financial reports in accordance with the Indonesian GAAP in force

Keywords: Entrepreneur Perception, SAK EMKM, Credit Amount

Introduction and Background

Toughness of Micro Small and Medium Entities (EMKM) running its business wheels has been tested when Indonesia hit the economic and monetary crisis (krismon) in 1998. Only EMKM was not significantly affected by the economic storms in Indonesia at that time. The crisis began in East Asia in 1997, which caused panic in almost all parts of the world. Thailand was the earliest affected by the crisis, known as the Tom Yam Gung Crisis. Indonesia was hit by the crisis in Thailand, even the worst. This happens because large Indonesian entrepreneurs (conglomerates) make many short-term foreign loans. As well as purchasing raw materials using foreign currency. Conglomerates buy raw materials in foreign currency, but sell their products domestically in rupiah transactions. As well as short-term loans that must be paid in foreign currency. This became the main cause of the Monetary crisis in 1998, as well as political turmoil that cannot be ruled out. During the crisis period, the EMKM group was the most resilient to survive the crisis of the krismon. They try to be "independent" away from the use of banking facilities, and production raw materials are purchased in rupiah, and much of their production is exported. In fact, the krismon brought great benefits to the EMKM group.

The contribution of EMKM to national gross domestic product (GDP) cannot be underestimated. Bank Indonesia (BI) assesses that the potential of Micro, Small and Medium Enterprises (MSMEs) is very large in driving economic growth, with a contribution of up to IDR 850 trillion per year (GDP). Based on data from the Central Statistics Agency (BPS), the contribution of MSMEs to the economy is quite large, reaching 61.41 percent, while the absorption of MSMEs at least dominates nearly 97 percent of the total national workforce. The number of UMKM has even reached 60 million units. According to Indef Economist, Bhima Yudhistira, it is predicted that in 2017-2020 the number of MSMEs units can reach 65 million units, both medium, micro and small businesses. However, the challenges for MSMEs are still quite large, especially in the manufacturing sector. The non-oil and gas portion of MSME exports is still below 16 percent. In addition, the latest data on the small and medium processing industry has decreased. (www.republika.co.id). Reflecting on the condition of Indonesia during the 1998 crisis, the government is concerned about empowering the EMKM sector. A series of pro-EMKM policies have been introduced by the government, especially the ease of access to capital funds for business development, or even for starting new businesses. Among the most popular policies for EMKM, the People's Business Credit (KUR). Rolling out through the Minister of Finance Regulation No. 135 / PMK.05 / 2008 concerning the People Business Credit Guarantee Facility as amended by Regulation of the Minister of Finance No. 10 / PMK.05 / 2009. The government also complements the KUR policy by enacting Government Regulation (PP) Number 7 of 2016 concerning Changes in the Authorized Capital of Limited Liability Companies, which is credit / financing to Micro, Small, Medium Enterprises, Cooperatives (UMKM-K) in the form of providing working capital and supported investment. guarantee facility for productive businesses. It is hoped that KUR will be able to become a solution for the EMKM sector to start or develop a business effectively and efficiently. The source of KUR funds as a program launched with "gegap gempita" by the government, the source of the funds entirely comes from bank funds.

The main objectives of the KUR program are to accelerate the development of primary sectors and empowerment of small-scale businesses, to increase accessibility to credit and financial institutions, reduce poverty levels, and expand employment opportunities. Basically, KUR is a working capital and investment credit provided specifically for productive business units through a credit guarantee program. The enactment of this law affects entrepreneurs who choose to establish EMKM with legal entity status, article 1 PP No. 7 of 2016 states that the company's authorized capital is at least IDR 50,000,000.00, but for MSMEs, the Authorized Capital is determined based on the agreement of the founders of PT as outlined in the Deed of Establishment of PT. In the previous regulation, namely Article 32 paragraph (1) of Law no. 40 of 2007 concerning Limited Liability Companies, the minimum amount of Authorized Capital is IDR 50,000,000.00.

Thus, the enactment of the provisions in PP No.7 of 2016 allows business actors to establish legal entities with Authorized Capital below IDR 50,000,000 as long as they meet the EMKM criteria in accordance with Article 6 of Law No. 20 of 2008. The distribution of People's Business Credit (KUR) nationally for 2016 reached Rp. 94.4 trillion, while for 2017 it reached Rp. 96.7 trillion, an increase of 2.4%. In East Java, KUR disbursement reached Rp. 16.3 trillion in 2017, an increase of 20.7% compared to 2016, which disbursed Rp. 14.6 trillion. The Financing Policy Committee for MSMEs, chaired by the Coordinating Minister for Economic Affairs, has increased the KUR distribution target in the production sector (agriculture, fisheries, processing industry, construction and production services). In 2018, the distribution target for the production sector is a minimum of 50% of the total distribution target of IDR 120 trillion. "The target is one of the government's efforts to support the food security policy and downstream industry in the MSMEs sector. To achieve the KUR distribution target in the production sector, the government has also designed a special KUR. The special KUR scheme is aimed at smallholder plantation commodities, smallholder livestock, and community fisheries. Special KUR is given to groups using a joint responsibility mechanism including novice entrepreneurs who are part of the group, and managed collectively in the form of clusters using business partners. "This special KUR can finance the rejuvenation of smallholder oil palm plantations, purchasing boats for fishermen and fattening people's livestock. The Special KUR ceiling is over IDR 25 million to IDR 500 million for each individual group member. (www.ekon.go.id).

Through KUR, the government will continue to strive to improve access to financing for Micro, Small and Medium Enterprises (MSMEs) to financial institutions with a guarantee scheme. The government has issued

Regulation of the Coordinating Minister for Economic Affairs (Permenko) Number 11 of 2017 concerning Guidelines for Implementing KUR. "This Permenko is a substitute for the previous regulation which was effective starting January 1, 2018." The changes to the KUR policy stipulated in the regulation include: (1) A decrease in the KUR interest rate from 9% to 7% effective per annum; (2) business groups as potential KUR recipients; (3) Special KUR Scheme; (4) a multi-sector KUR scheme; (5) Minimum arrangement of KUR distribution portion to the production sector; (6) Yarnen mechanism (credit payment after harvest) and grace period; (7) Changing the term KUR Retail to KUR Kecil; (8) the micro KUR ceiling for the production sector and outside the production sector; (9) Distribution of KUR together with other permitted credits; (10) The structure of the KUR fee for placing TKI; (11) KUR for border area communities; (12) KUR to optimize the Joint Business Group (KUBE).

Today, there are still many MSME actors who are reluctant to form a legal entity business because they do not want to pay taxes imposed on industries, especially on the micro and small scale. In fact, it is important for MSME actors to have a legal entity for their business, this is mainly seen from a long-term perspective. The role of legal entities is needed when these MSMEs turn into large companies in the future. For example, the importance of the role of legal entities can be seen in the provision of bank credit. In extending credit, a commercial bank is required to have confidence in the ability and ability of the debtor to pay off his debts as agreed, thus in implementing credit agreements, banks must ensure that their customers are capable of exercising the rights and obligations arising from the agreement. Banks can only consider providing credit if the applicant is a legal subject, which means that they can receive rights and obligations. As a legal subject, legal entities have a very important position in providing bank credit, which is why it is important for MSMEs to have legal entities.

In addition, with a legal entity, MSME business actors will easily synergize and develop their business. With the synergy between small and micro business actors, small business growth itself will be easily achieved, because to develop, MSMEs must synergize or work together with other businesses. The role of MSMEs in the national economy must continue to be considered by the Government of Indonesia. The policies described above are only a few of the positive responses of the Government to the problems currently faced by MSME actors in Indonesia. If the Government really wants to make MSMEs the main economic actors in a competitive national economy, then the Government must continue to oversee the development of MSMEs and continue to actively intervene in solving every problem faced by MSMEs, one of which is by implementing policies as described in this writing.

The realization of KUR at the position in April 2018 had reached IDR 45,088,902,000,000 with a total of 1,709,104 debtors. This means that the number that has been realized is 38.6%. (kur.ekon.go.id). The cause of the low KUR distribution is because the banks appointed as KUR distributors are very careful in lending, because they do not get adequate information regarding the conditions of MSMEs. The majority of MSME entrepreneurs are unable to provide accounting information regarding their business conditions (Baas and Schrooten 2006).

Financial Report, as the main product of the accounting discipline, presents EMKM financial information. So that banks as KUR distributors can analyze the services of MSMEs entrepreneurs getting KUR. Preparation of Financial Statements is not a simple matter. Various reasons so that EMKM was unable to present financial reports on the results of its operations. Among other things: (1) lack of knowledge about accounting, (2) procedures and accounting processing processes that are considered complicated, and (3) the assumption that financial reports are not important for MSMEs (Said 2009). A number of other obstacles faced by MSMEs are the absence of owners or employees with accounting or bookkeeping educational backgrounds, the absence of sufficient funds to hire accountants or purchase accounting software to facilitate the implementation of accounting bookkeeping.

When the Financial Accounting Standards Board (DSAK) on 24 October 2016 ratified the Financial Accounting Standards for MICRO, SMALL, AND MEDIUM ENTITIES (SAK-EMKM), it will be effective as of January 2018 but application before the effective date is allowed. The use of SAK-EMKM has a scope of

use by business entities that do not have public accountability, such as micro, small and medium enterprises (MSMEs). These IFRSs are easier to understand and less complex than General SAKs. Another convenience for MSMEs in terms of recording accounting transactions is the increasing number of accounting software that can be used by MSMEs. In the future, it is expected that MSMEs will be able to carry out accounting activities to present financial reports so that it will be easier for MSME entrepreneurs to obtain financing from financial institutions.

Based on this, the authors are interesting to conduct research on (1) the factors that influence the perception of MSME entrepreneurs regarding the importance of accounting and financial reporting for their business, (2) whether the quality of these reports affects the amount of credit approved by the bank, and (3) To the extent that where the application of SAK-EMKM in the preparation of financial reports (4) Assessing the prospects for implementing SAK EMKM in 2018 which is based on the understanding held by MSME entrepreneurs of Financial Accounting Standards.

Literature Review

Agency Theory and Stewardship Theory

The main theory (grand theory) which is used as a reference in this research, is the agency theory. Jensen and Meckling (1976) in agency theory explain that agency relations arise when one or more people as principals employ other people as agents and then delegate decision-making authority to agents. The next basic theory is stewardship theory. The implication of stewardship theory in EMKM companies is that the steward (EMKM company management) will work as well as possible. For the interests of the owner (community and government) (Puspitarini, 2012), one example of applying this theory is a participatory mechanism that has a positive impact on performance (Eddleston and Kellermanns, 2007). Increased control by EMKM in decision making is also related to the level of institutional performance (Brown Jr, 2001).

The targets to be achieved in the development of the EMKM sector are based on the premise that (i) SMEs are the engines of economic development, but (ii) market and institutional failures hinder their growth (EMKM), so government intervention is needed, despite the skepticism that questions the efficacy of pro policies. -EMKM. In particular, many critics emphasized the importance of creating a conducive business environment for the EMKM sector to be able to compete with medium and large companies (Beck, 2006).

The cause of the low KUR distribution is because the banks appointed as KUR distributors are very careful in lending, because they do not get adequate information regarding the conditions of MSMEs. The majority of MSME entrepreneurs are unable to provide accounting information regarding their business conditions (Baas and Schrooten 2006). With adequate accounting, MSME entrepreneurs can meet requirements in applying for credit, such as making financial reports (Warsono 2009). However, the implementation of bookkeeping is a difficult thing for MSMEs due to limited knowledge of accounting, the complexity of the accounting process, and the assumption that financial reports are not important for MSMEs (Said 2009). Various kinds of other limitations faced by MSMEs are an educational background that does not understand accounting or bookkeeping, lack of discipline in carrying out accounting bookkeeping, and the absence of sufficient funds to hire accountants or buy accounting software to facilitate the implementation of accounting bookkeeping. The Financial Accounting Standards Board (DSAK) in 2016 has ratified the SAK-EMKM, effective as of January 1, 2018, but implementation before the effective date is allowed.

The targets to be achieved in the development of the EMKM sector are based on the premise that (i) SMEs are the engines of economic development, but (ii) market and institutional failures hinder their growth (EMKM), so government intervention is needed, despite the skepticism that questions the efficacy of pro policies. -EMKM. In particular, many critics emphasized the importance of creating a conducive business environment for the EMKM sector to be able to compete with medium and large companies (Beck, 2006).

Most of the MSMEs only record the amount of money received and disbursed, the amount of goods purchased and sold, and the amount of accounts receivable / debt. But the bookkeeping not in the format desired by the banking sector (Jati 2004). Hiring someone specifically to do accounting bookkeeping and preparation of financial reports is still unrealistic for many MSMEs because it will increase expenses to pay the accounting staff's salaries. Murniati (2002) examines the factors that influence the preparation and use of accounting information in small companies in Central Java with a sample of 283 small and medium entrepreneurs. It was found that owner / manager characteristics (tenure, manager / owner formal education, and accounting training attended by managers / owners) as well as characteristics of small and medium enterprises (company age, industrial sector, and business scale) significantly had a positive effect on preparation and use accounting information on the company. Pinasti's research (2001) found that small traders in traditional markets in Banyumas Regency did not organize and did not use accounting information in managing their business.

Decisions in business management are based more on non-accounting information and cursory observations of the market situation. In general, they consider accounting information to be unimportant. The reasons put forward include: they feel too bothered by the maintenance of the accounting records and the important thing is that they get a profit without being burdened with accounting operations. They have not felt the benefits of keeping books. Baas and Schrooten (2006) in their research state that banks in channeling credit to MSMEs use Soft Information & Hard Information. Soft Information uses the Relationship Lending technique, which is lending on the basis of trust and a well-established relationship between banks and entrepreneurs. Hard information includes using: 1) Financial Statement Lending, namely by using financial statements that are in accordance with applicable accounting standards as a source of information for lending, 2) Assets Based Lending, namely by using information related to assets that are used as collateral, 3) CreditScoring, the use of statistical techniques using financial data from financial reports as well as creditworthiness and the background of MSME owners to be given ratings. Baas and Schrooten concluded that almost all over the world, MSMEs experience difficulties in obtaining bank credit.

One of the reasons is the limited information that can be provided by MSMEs to external parties. The suggestion given in this research is the importance of accounting standards that are able to accommodate the needs of MSME entrepreneurs, in order to help MSMEs in providing higher quality financial information. Cziráky et al. (2005) examined the factors that led to low MSME lending in Croatia. The MSMEs credit program run by the Croatian government turns out to have low credit distribution, even though the government has provided subsidies to the interest rate and the supply of funds that are deemed sufficient for credit needs for MSMEs.

Their results showed that on average banks were inconsistent in terms of the use of credit approval criteria. This inconsistency is due to differences in skills and knowledge in credit assessment of bank employees in that country. There is a preference on the part of the banking sector to agree more on providing small amounts of credit and for smaller companies which are classified as safer. This condition occurs due to banks being classified as risk averse due to lack of information in the credit assessment process. Bornheim and Herbeck (1996) mention the factors that can influence the relationship between banks and MSME entrepreneurs, including: from the banking side in the form of availability of debtor information, competition between banks, and product promotion costs, while from the side of MSME entrepreneurs the factors that influence the relationship with banking, it can be in the form of the amount of guarantee, access to credit, and the cost of capital for the option to make a loan which can be seen from the amount of loan interest that applies. Jati et al. (2004) stated that at present, most MSMEs have not kept their accounting books and reports properly.

Previous Research

Previous studies that are relevant to this research include:

In previous research, it was found that the majority of MSME entrepreneurs only recorded bank cash transactions in the form of receipts and expenses, the amount of goods purchased and sold, and the balance of their accounts payable and accounts receivable. It is clear that the format of this accounting information is not in accordance with banking accounting reporting standards (Jati 2004).

Baas and Schrooten (2006) in their research state that banks in channeling credit to MSMEs use Soft Information & Hard Information. Soft Information uses the Relationship Lending technique, which is lending on the basis of trust and a well-established relationship between the bank and the entrepreneur. Hard information includes using: 1) Financial Statement Lending, namely by using financial reports that are in accordance with applicable accounting standards.

Czirák et al. (2005) examined the factors that led to low MSME lending in Croatia. The UMKM credit program run by the Croatian government turns out to be low in credit distribution, even though the government has provided subsidies to interest rates and the supply of funds that are deemed sufficient for the credit needs of MSMEs. Their results showed that on average banks were inconsistent in terms of the use of credit approval criteria.

Conceptual Framework

The conceptual framework that will be carried out in the research is described as follows:

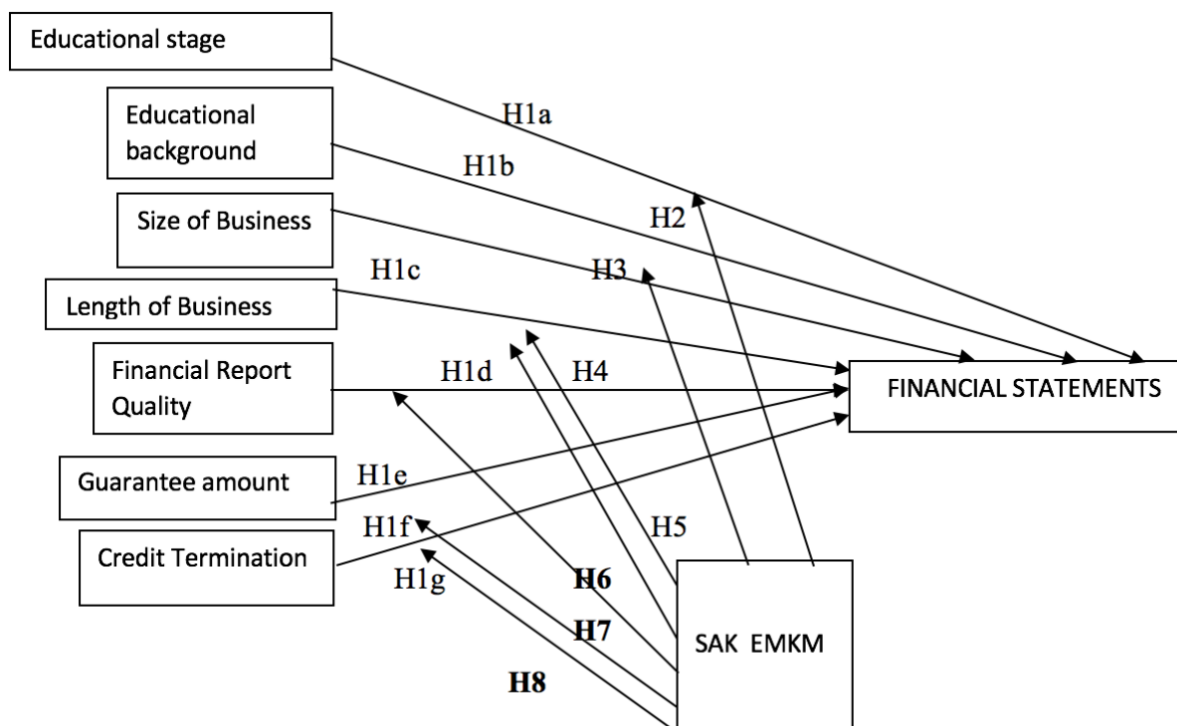


Figure 1: Framework

Hypothesis Building

Bornheim and Herbeck (1996) mention factors that can influence the relationship between banks and MSME entrepreneurs, including: from the banking side in the form of availability of debtor information, competition between banks, and product promotion costs. Meanwhile, from the perspective of MSME entrepreneurs, the factors that influence the relationship with banks can be the amount of collateral, access to credit, and the cost of capital for the option to make a loan, which can be seen from the amount of loan interest that applies.

Knowledge about accounting and the usefulness of financial reports is mainly obtained when someone is studying accounting. Entrepreneurs with a background in accounting are believed to have a better perception of SAK EMKM than entrepreneurs with non-accounting educational backgrounds. The size of the business is thought to have a positive effect on the perception of MSMEs. The length of time a business has been

established is thought to have a positive influence on the perception of MSME entrepreneurs regarding SAK EMKM. According to Amburgey et al. (1993) and Henderson (1999), in Anderson and Eshima (2011), a longer business life provides an advantage in terms of having an organizational structure and routine transaction processes that will discipline every company action. Included in this process is the bookkeeping process. Das and Dey (2005) found a positive relationship between the age of MSME businesses and the frequency of doing regular bookkeeping. MSMEs with longer lifespan who do bookkeeping more regularly are thought to have a better perception of SAK EMKM. Based on the explanation above, the hypothesis is:

H1a: The last level of education has a positive effect on the perceptions of entrepreneurs regarding the importance of financial accounting and reporting for their business.

H1b: Educational background has a positive effect on the perceptions of entrepreneurs regarding the importance of accounting and financial reporting for their businesses.

H1c: Business size has a positive effect on entrepreneurs' perceptions regarding the importance of financial accounting and reporting for their business.

H1d: The length of time the business has been established has a positive effect on the perceptions of entrepreneurs regarding the importance of financial accounting and reporting for their business.

H1e: The quality of financial reports has a positive effect on the perceptions of entrepreneurs regarding the importance of financial accounting and reporting for their businesses.

H1f: The amount of the credit guarantee has a positive effect on the perception of entrepreneurs regarding the importance of financial accounting and reporting for their business.

H1g: Credit terms have a positive effect on entrepreneurs' perceptions regarding the importance of financial accounting and reporting for their businesses.

Cziráky et al. (2005) stated that the cause of the low level of MSME credit distribution is that banks do not have sufficient information to conduct creditworthiness assessments. Company size is an important factor in gaining access to funding (Audretsch and Elston 1997). Smaller companies are considered to have a greater risk of experiencing financial difficulties (Mac an Bhaird and Lucey 2010). Company age is also a factor influencing SMEs to obtain credit from banks. The more mature a company is, the easier it is to obtain credit, because a younger company is more likely to experience business failure than a company with a longer business life (Cressy 2006).

SMEs often have limited assets to use as credit collateral. In fact, one of the information banks use in their decision to extend credit is to use information related to assets that are used as collateral (Assets Based Lending) (Baas and Schrooten 2006). SMEs that have assets to be used as credit collateral are more likely to get credit from banks. Kirschenmann and Norden (2010) conducted a study on the relationship between debtor risk and the credit period for credit extended by banks to small businesses. They found a positive relationship, which means that the larger the credit period, the higher the risk of the loan. Therefore, it is assumed that the term (credit term) will have a negative effect on the amount of credit extended by banks to MSME entrepreneurs. The relationship is positive, which means that the greater the credit period, the higher the risk of the loan. Therefore, it is assumed that the term (credit term) will have a negative effect on the amount of credit extended by banks to MSME entrepreneurs.

In this research, the authors describe SAK EMKM as a moderating variable that can moderate the relationship between EMKM entrepreneurs' perceptions and the amount of credit received into the following hypotheses:

H2 : SAK EMKM can moderate the effect of the last level of education on the Presentation of Financial Statements

H3 : SAK EMKM can moderate the influence of educational background on the Presentation of Financial Statements

H4 : SAK EMKM can moderate the effect of business size on the Presentation of Financial Statements

H5 : SAK EMKM can moderate the effect of the company's age (old) standing on the Presentation of Financial Statements

H6 : SAK EMKM can moderate the effect of the quality of financial statements on the

Presentation of Financial Statements

- H7 : SAK EMKM can moderate the effect of the amount of guarantee on the Presentation of Financial Statements
- H8 : SAK EMKM can moderate the effect of credit terms on the Presentation of Financial Statements

Methods:

1. Research design

This research is quantitative research, namely analyzing data in the form of numerical (numbers) which is managed by statistical methods, (Arikunto 2007) using the Verification Method, namely the method of testing the objectives that have been determined whether or not they are in accordance with existing theories to make new theories and creating new knowledge.

2. Definition and Operationalization of Variables

The definition of the operationalization of the variable aims to determine the measurement scale of each variable, so that hypothesis testing using tools can be carried out appropriately. In more detail the operationalization of the variables in his research are: (1) Factors Affecting EMKM Entrepreneurs' Perceptions, as an independent variable - X1, (2) Amount of Credit received, as Independent Variable - X2 and (3) SAK EMKM, as a moderating variable.

3. Variable Measurement

The following is an explanation of the measurement of the variables used:

Perceptions of MSME Entrepreneurs (SME_PERCEPT)

The perception of UMKM entrepreneurs is a variable that represents the views of UMKM entrepreneurs regarding the importance of accounting and financial reporting for MSMEs on their business development. Measurement using a scale of 1 - 4 (from very not important or if not answered to very important) 1.

Understanding of SAK EMKM (SME_UNDERST)

This variable is calculated by assessing the respondent's answer to the following questions:

1. Do you fully understand the contents of the SAK EMKM?
 - a. Yes (if yes, please explain briefly the contents of the SAK ETAP)
 - b. Not
2. Do you know the difference between SAK ETAP and SAK EMKM?
 - a. Yes (if yes, please explain briefly)
 - b. Not

If you answer Yes, you will get a score between 1-5 depending on the accuracy and completeness of the answers given and those who answered No will get 0 points. The details of the weight of the answers are as follows:

1. Yes, do not understand the detailed differences between SAK ETAP and SAK EMKM
2. Yes, Have read and understand globally between SAK ETAP and SAK EMKM
3. Yes, you can understand the difference between the use of SAK ETAP and SAK EMKM
4. Yes, Can understand and explain the different formats for preparing financial statements based on SAK ETAP and SAK EMKM
5. Yes, you can prepare financial reports using the two SAKs.

Last Education (EDU_LEV)

A better understanding of SAK ETAP can be influenced by higher education levels. The measurement for this variable is 1 if education is lower than SMA / SMK, 2 if it has SMA / SMK education, 3 if it has S1, 4 if it has S2 education, and 5 if it has doctoral education.

Educational background (EDU_BACKG)

If you have an educational background in Accounting, it will be given a score of 3, while if you have a background in Management and Economics education, it will be given a score of 2, as well as for the background other educational backgrounds (including if you have a high school education background) receive a score of 1.

Size of business (SIZE)

The size of the business is determined based on the number of employees, total assets and sales value. Here are the questions and answer options to find out the size of the business:

1. Number of Employees:
 - a. <4 people; b. 5 - 19 people, c. 20 - 99 people, d. \geq 100 people
2. Company Assets:
 - a. <from IDR 100 million,
 - b. IDR 100 million - IDR 499 million,
 - c. IDR 500 million - IDR 2.5 billion,
 - d. > from IDR 2.5 billion
3. Company Sales:
 - a. <from IDR 100 million,
 - b. IDR 100 million - IDR 499 million,
 - c. IDR 500 million - IDR 2.5 billion,
 - d. > from IDR 2.5 billion

Each answer option is given a value of 1 for the answer "a," 2 for the answer "b," 3 for "c," and "4" for the answer "d." The value of the three questions is added and based on the sum of the results, the size of the business is grouped into micro business groups for values between 1 - 4, small businesses between 5 - 8, and for values > 9 classified as medium enterprises.

Length of Establishment of Business (AGE)

The length of time a business has been established is one of the considerations in evaluating a business by both banks and investors, because from the age of the business, the business stage of the business can be seen along with the track record of the business so far. The value of 1 is given if the length of the business is 1 year, then 2 is for the length of business that has been established between 1 year to 3 years, and 3 for the length of the business that has been established for more than 3 years.

Quality of MSME Financial Reports (REP_QUAL)

In this study, the financial report quality index is assessed based on:

- (1). UMKM players do accounting records or not, if they answer "Yes" then they will get points 1, and 0 for the answer "No."
- (2). There is a section or division or special employee in the company that is responsible for accounting and financial reporting, point 1 is given if the answer is "Yes" and 0 for the answer "No."
- (3). The existence of accounting software that supports the bookkeeping, point 1 is given if the answer is "Yes" and 0 for the answer "No"
- (4). Early financial statements were first made. Value is given according to the number of years from the beginning of the financial statements until 2017.
- (5) Routine or not, transaction bookkeeping and financial reporting are made, if you answer "Routine" you will get 1 and 0 points for the answer "No."
- (6).

The accounting standard used, if the answer to the answer is “PSAK,” or “Taxation Rules” or “Others” gets point 1, and point 0 for the answer “Don't Know.” (7). Financial report components to be made (there are 5 financial statement components). Can answer more than 1 choice and each choice has 1 point, with the maximum point being 5. The points obtained from each of these questions are added up to get the financial report quality index score.

Credit Guarantee (CLTRL)

Is the value of assets owned by entrepreneurs that are used as collateral in applying for credit. The points given for the answer to this question are 1 if there is no guarantee, 2 for a guarantee of less than IDR 10,000,000, 3 for IDR 10,000,001– IDR 25,000,000, 4 for IDR 50,000,001– IDR 100,000,001, and 5 for more. from IDR 100,000,000.

Credit Term (TERM)

This is the period given to MSMEs to be able to pay or pay off their credit loans. The score given in the answer to this question is 1 for a credit term of less than 1 year, 2 for a credit term > 1 year to 3 years, and 3 for a credit term of more than 3 years.

Method of Collecting Data

The questionnaire used for data collection in this study is an extension of Siregar et al. (2011). The data used comes from questionnaires distributed to MSME entrepreneurs in the area around Jakarta, by visiting directly so that all questionnaires can be filled. The selected respondents are respondents who based on observations have a business scale that is not too large. In the questionnaire there are also questions about the number of employees, total assets, and total sales to determine whether the respondent is indeed an MSME.

Data Analysis Method

The analytical method used in this study is assisted by software eviews and consists of:

1. Descriptive Statistics

Descriptive statistics are used to present data, analyze ngka data in order to provide an orderly, concise and clear picture of a particular symptom or event.

2. Data Quality Testing

1. Normality test
2. Test outliers

3. Classic Assumption Test

1. Auto correlation test
2. Multicollinearity test
3. Heterokedacity test

Quantitative Analysis with Regression (OLS)

Multiple Regression Analysis

$$LPK = \alpha + \beta_1JPP + \beta_2LBP + \beta_3UKU + \beta_4LMU + \beta_5KUL + \beta_6BJM + \beta_7TRK + e$$

$$LPK = \alpha + \beta_1JPP + \beta_2SAK + \beta_3JPP * SAK + e$$

$$LPK = \alpha + \beta_1LBP + \beta_2SAK + \beta_3LBP * SAK + e$$

$$LPK = \alpha + \beta_1UKU + \beta_2SAK + \beta_3UKU * SAK + e$$

$$LPK = \alpha + \beta_1LMU + \beta_2SAK + \beta_3LMU * SAK + e$$

$$LPK = \alpha + \beta_1KUL + \beta_2SAK + \beta_3KUL * SAK + e$$

$$LPK = \alpha + \beta_1BJM + \beta_2SAK + \beta_3BJM * SAK + e$$

$$LPK = \alpha + \beta_1TRK + \beta_2SAK + \beta_3TRK * SAK + e$$

Where: LPK is Presentation of Financial Statements, JPP is education level, LBP is educational background, UKU is business size, LMU is length of business, KUL is the quality of financial reports, BJM is the amount of guarantee, and TRK is the credit term, SAK is SAK EMKM and "e" is the Residual Variable.

Hypothesis Test

Hypothesis Testing Using (Uji t).

The Coefficient Of Determination

To find out how much the independent variable contributes to the dependent variable by using the coefficient of determination.

Results

Descriptive Results

Based on the research results, the descriptive value of each variable is obtained, the results can be seen in the table below.

Table 1: Descriptive Statistics

Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	
JPP	250	1.00	5.00	2.5960	1.03006	
LBP	250	1.00	3.00	2.0120	.51859	
UKU	250	1.00	2.00	1.3680	.48323	
LMU	250	1.00	4.00	2.0840	.72043	
KUL	250	6.00	14.00	9.6120	1.49881	
BJM	250	1.00	4.00	1.3080	.54251	
TRK	250	1.00	4.00	1.7720	.77097	
SAK	250	.00	6.00	1.5360	1.39156	
LPK	250	1.00	7.00	2.5720	1.16026	
Valid N (listwise)	250					

Based on the table, it can be seen that the descriptive research variable data contains information about the minimum, maximum, average and standard deviation values. The information is as follows:

1. The letter N indicates the number of samples of 250 respondents.
2. The JPP (Education Level) variable has a minimum value of 1.00 with a maximum value of 5.00. The average value is 2.5960 with a standard deviation of 1.03006. The LBP variable (educational background) has a minimum value of 1.00 and a maximum value of 3.00. The average value is 2.0120 with a standard deviation of 0.51859.
3. The UKU (Business Size) variable has a minimum value of 1.00 and a maximum value of 2.00. The average value is 1.3680 with a standard deviation of 0.48323.
4. The LMU variable (length of business) has a minimum value of 1.00 and a maximum value of 4.00. The average value is 2.0840 with a standard deviation of 0.72043.
5. The variable KUL (Quality of Financial Statements) has a minimum value of 6.00 and a maximum value of 14.00. The average value is 9.6120 with a standard deviation of 1.49881.
6. The variable BJM (Amount of Guarantee) has a minimum value of 1.00 and a maximum value of 4.00. The average value is 1.3080 with a standard deviation of 0.54251.
7. The TRK (Credit Term) variable has a minimum value of 1.00 and a maximum value of 4.00. The average value is 1.7720 with a standard deviation of 0.77097.
8. The SAK variable (SAK EMKM) has a minimum value of 0.00 and a maximum value of 600. The average value is 1.5360 with a standard deviation of 1.39156.

9. The LPK (Financial Report) variable has a minimum value of 1.00 and a maximum value of 7.00. The average value is 2.5720 with a standard deviation of 1.16026.

Classical Assumption Test Results

1. Normality Test

Normality test is performed to determine whether the data is normally distributed or not. The results of the normality test can be seen in the histogram image and the normal P-Plot curve.

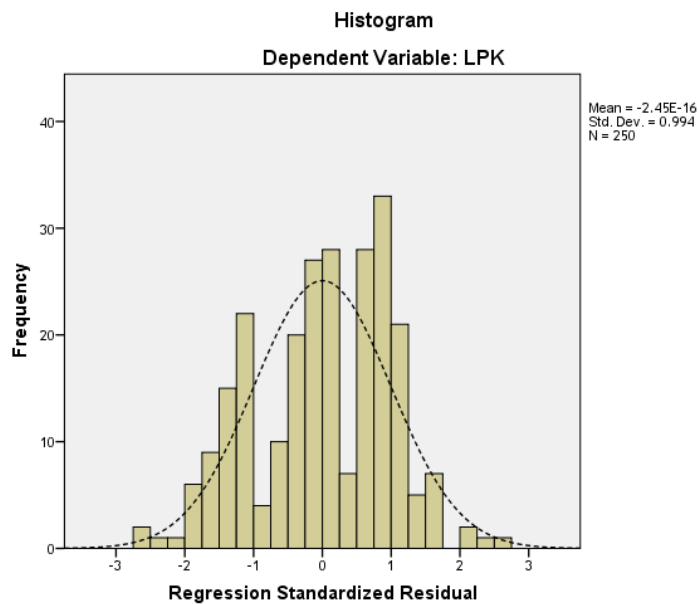


Figure 2: Normality Test Results using a Histogram

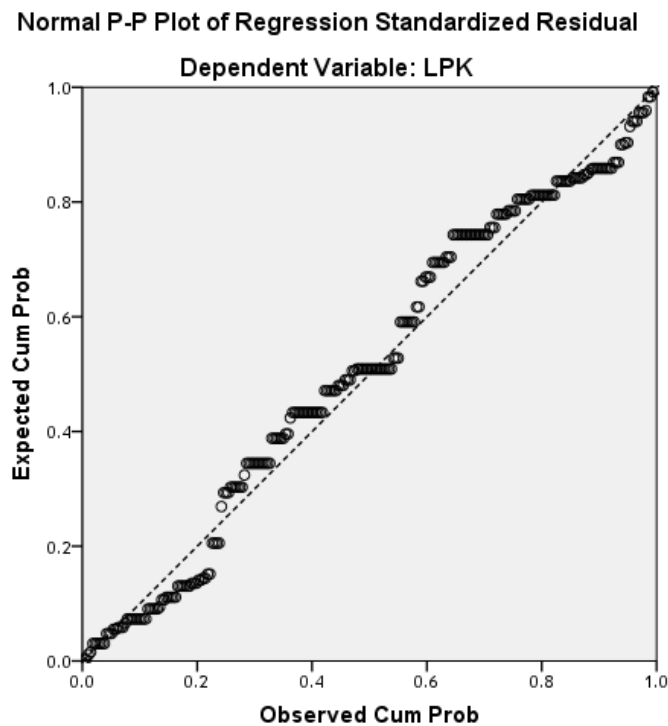


Figure 3: Normality Test Results using the Normal P-Plot

Based on the histogram, it can be seen that the data follows a normal curve so that it can be stated that the data is normally distributed. The test results using the normal P-Plot also show that the data is around the normal line.

2. Autocorrelation Test

The autocorrelation test results show that the Durbin-Watson (DW) value of 2.068 is between the du and 4-du values. (between 1,803 - 2,197).

Table 2: Autocorrelation Test Results
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.581 ^a	.337	.329	.95049	2.068

a. Predictors: (Constant), JPPSAK, JPP, SAK

b. Dependent Variable: LPK

The autocorrelation test was performed using the DW test showing a DW value of 2.068. based on the DW table for a sample size of 250 with a total of 7 independent variables, the DL value is 1.550 and DU is 1.803. Thus the DW test value of 2,068 is between du and 4-du, so there are no autocorrelation symptoms in the research data.

3. Multicollinearity Test

The multicollinearity test results can be seen in table 4.3 below.

Table 3: Multicollinearity Test Results
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-.162	.316		-.512	.609		
JPP	.088	.037	.078	2.390	.018	.879	1.138
LBP	.393	.076	.176	5.143	.000	.810	1.235
UKU	.070	.077	.029	.918	.359	.929	1.077
LMU	-.064	.050	-.039	-1.266	.207	.973	1.028
KUL	.097	.024	.125	3.972	.000	.954	1.048
BJM	.578	.070	.270	8.308	.000	.894	1.119
TRK	1.086	.049	.722	22.137	.000	.888	1.126

a. Dependent Variable: LPK

Based on the VIF value, it can be seen that all VIF values have values below 10 so that there is no multicollinearity. Thus all independent variables can be used in the regression model.

4. Heteroscedasticity Test

The results of the heteroscedasticity test showed that the data did not have heteroscedasticity symptoms because they were in four different quadrants.

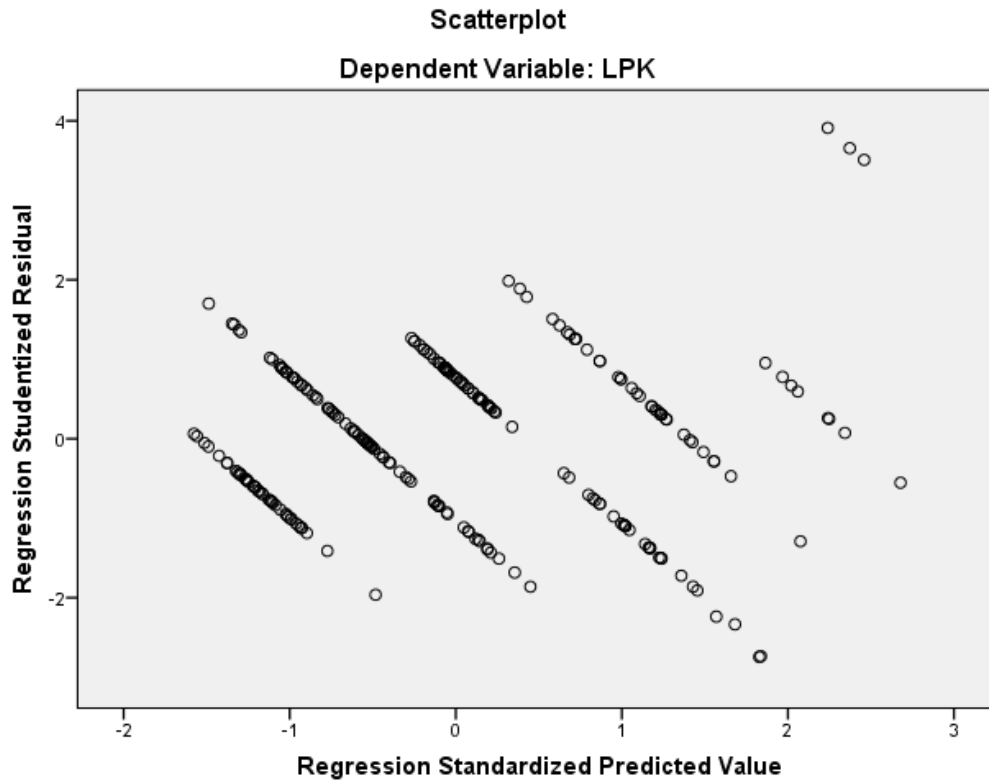


Figure 4: Heteroscedasticity Test Results

Multiple Regression Analysis

The results of multiple regression analysis are shown in Table 4

Table 4: Results of Multiple Regression Analysis
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-.162	.316		-.512	.609		
JPP	.088	.037	.078	2.390	.018	.879	1.138
LBP	.393	.076	.176	5.143	.000	.810	1.235
UKU	.070	.077	.029	.918	.359	.929	1.077
LMU	-.064	.050	-.039	-1.266	.207	.973	1.028
KUL	.097	.024	.125	3.972	.000	.954	1.048
BJM	.578	.070	.270	8.308	.000	.894	1.119
TRK	1.086	.049	.722	22.137	.000	.888	1.126

a. Dependent Variable: LPK

- a. This constant value of -0.162 indicates that if the independent variable is constant or zero, the LPK is -0.162,
- b. The JPP regression coefficient is 0.088, this means that at every increase of 1 JPP unit with the assumption that other variables remain or do not change (ceteris paribus), the LPK will increase by 0.088. This result is significant because it has a sig value of less than 0.05, namely 0.018. **Ha accepted**,

- c. The LBP regression coefficient is 0.393, this states that for every increase of 1 LBP unit with the assumption that other variables remain or do not change (*ceteris paribus*), the LPK will increase by 0.393. This result is significant because it has a sig value of 0.000. **Ha accepted.**
- d. The UKU regression coefficient is 0.070, this states that for each UKU of 1 unit, assuming other variables remain or do not change (*ceteris paribus*), the LPK will increase by 0.070. This result is not significant because it has a sig value above 0.05, which is equal to 0.359. **Ha is rejected.**
- e. The LMU regression coefficient is -0.064, this means that at every increase in the LMU of 1 unit, assuming other variables remain or do not change (*ceteris paribus*), the LPK will decrease by 0.064. This value is not significant because it has a sig value of more than 0.05, namely 0.207. **Ha is rejected.**
- f. The KUL regression coefficient is 0.097, this means that at every increase in KUL by 1 unit, assuming other variables remain or do not change (*ceteris paribus*), the LPK will increase by 0.097. This value is significant because it has a sig value of less than 0.05, namely 0.000. **Ha accepted.**
- g. The BJM regression coefficient is 0.578, this means that at every increase in BJM of 1 unit, assuming other variables remain or do not change (*ceteris paribus*), the LPK will increase by 0.578. This value is significant because it has a sig value of less than 0.05, namely 0.000. **Ha accepted.**
- h. The TRK regression coefficient is 1.086, this means that at every increase in TRK by 1 unit, assuming other variables remain or do not change (*ceteris paribus*), the LPK will increase by 1.086. This value is significant because it has a sig value of less than 0.05, namely 0.000. **Ha accepted.**

Moderated Regression Analysis

This is to determine whether the SAK EMKM variable is a variable capable of moderating the influence of entrepreneur perceptions on the presentation of financial statements.

1. JPP Moderation Regression Analysis against LPK

The results of moderation regression analysis of the effect of education level (JPP) on the presentation of company financial statements (LPK) which are moderated by SAK EMKM can be seen in table 5.

Table 5: Results of JPP Multiple Regression Analysis on LPK
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.114	.232		9.128	.000		
1 JPP	-.045	.085	-.040	-.530	.597	.475	2.106
SAK	-.064	.121	-.077	-.529	.597	.129	7.762
JPPSAK	.155	.038	.669	4.068	.000	.100	10.042

a. Dependent Variable: LPK

The JPP variable has a coefficient of -0.045 with a sig value of 0.597, as well as the SAK coefficient of -0.064 with a sig value of 0.597, indicating that the two variables have no influence on the perception of the presentation of LPK. Meanwhile, the JPPSAK variable, which is the moderating variable between JPP and SAK, has a coefficient of 0.155 with a sig value of 0.000 indicating that the moderating variable has an influence on LPK. This shows that SAK does not moderate JPP.

2. LBP Moderation Regression Analysis of LPK

The results of moderation regression analysis of the effect of educational background (LBP) on the presentation of company financial reports (LPK) which are moderated by SAK EMKM can be seen in table 6.

Table 6: Results of LBP Multiple Regression Analysis on LPK
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.116	.358		5.909	.000		
1 LBP	-.022	.179	-.010	-.120	.904	.395	2.535
SAK	-.064	.170	-.495	-2.435	.016	.061	16.307
LBPSAK	.336	.073	1.068	4.626	.000	.048	21.023

a. Dependent Variable: LPK

The LBP variable has a coefficient of -0.022 with a sig value of 0.904, likewise the SAK coefficient of -0.064 with a sig value of 0.016 indicates that SAK has an influence on LPK. While the LBPSAK variable which is the moderating variable between LBP and SAK has a coefficient of 0.336 with a sig value of 0.000 indicating that the moderating variable has an influence on LPK. This shows that SAK does not moderate LBP.

3. Analysis of UKU Moderation Regression to LPK

The results of moderation regression analysis of the effect of business size (UKU) on the presentation of company financial statements (LPK) which are moderated by SAK EMKM can be seen in table 7.

Table 7: Results of UKU Multiple Regression Analysis on LPK
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.136	.281		7.604	.000		
1 UKU	-.151	.193	-.063	-.785	.433	.451	2.216
SAK	.130	.137	.156	.949	.344	.108	9.292
UKUSAK	.208	.091	.404	2.278	.024	.093	10.795

a. Dependent Variable: LPK

The UKU variable has a coefficient of -0.151 with a sig value of 0.433, a SAK coefficient of 0.130 with a sig value of 0.344 indicating that the two variables have no influence on LPK. Meanwhile, the UKUSAK variable which is the moderating variable between UKU and SAK has a coefficient of 0.208 with a sig value of 0.024, indicating that the moderating variable has an influence on LPK. However, because the UKU variable was not significant it indicated that SAK did not moderate UKU.

4. Analysis of LMU Moderation Regression to LPK

The results of the moderation regression analysis of the effect of length of business (LMU) on the presentation of company financial statements (LPK) which are moderated by SAK EMKM can be seen in table 4.8.

Table 8: Results of LMU Multiple Regression Analysis on LPK
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.966	.261		7.536	.000		
1 LMU	-.022	.121	-.014	-.185	.853	.513	1.948
SAK	.635	.128	.761	4.957	.000	.124	8.076
LMUSAK	-.098	.059	-.277	-1.672	.096	.106	9.400

a. Dependent Variable: LPK

The LMU variable has a coefficient of -0.022 with a sig value of 0.853, likewise the SAK coefficient of 0.635 with a sig value of 0.000 indicates that SAK has an influence on LPK. Meanwhile, the LMUSAK variable, which is the moderating variable between LBP and SAK, has a coefficient of -0.98 with a sig value of 0.096, indicating that the moderating variable has no effect on LPK. This indicates that SAK does not moderate the LMU.

5. Regression Analysis of KUL Moderation to LPK

The results of moderation regression analysis of the effect of Report Quality (KUL) on the presentation of company financial statements (LPK) which are moderated by SAK EMKM can be seen in table 4.9.

Table 9: Results of Multiple Regression Analysis of KUL against LPK
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3.105	.622		4.994	.000		
1 KUL	-.123	.064	-.158	-1.915	.047	.420	2.378
SAK	.466	.282	.559	1.653	.100	.025	39.641
KULSAK	-.005	.029	-.055	-.160	.873	.025	40.312

a. Dependent Variable: LPK

The KUL variable has a coefficient of -0.123 with a sig value of 0.047, as well as a SAK coefficient of 0.466 with a sig value of 0.100, indicating that SAK has an influence on LPK. While the KULSAK variable, which is the moderating variable between KUL and SAK, has a coefficient of -0.005 with a sig value of 0.873, indicating that the moderating variable has no effect on LPK. This shows that SAK moderates KUL.

6. Regression Analysis of BJM Moderation to LPK

The results of moderation regression analysis of the effect of the amount of guarantee (BJM) on the presentation of company financial statements (LPK) which are moderated by SAK EMKM can be seen in table 10.

Table 10: Results of BJM Multiple Regression Analysis on LPK
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.123	.231		9.173	.000		
1 BJM	-.111	.169	-.052	-.660	.510	.418	2.392
SAK	-.132	.124	-.158	-1.062	.289	.118	8.510
BJMSAK	.370	.082	.766	4.524	.000	.091	11.037

a. Dependent Variable: LPK

The BJM variable has a coefficient of -0.111 with a sig value of 0.510, as well as the SAK coefficient of -0.132 with a sig value of 0.289, both variables show no influence on LPK. Meanwhile, the variable BJMSAK, which is a moderating variable between BJM and SAK, has a coefficient of 0.370 with a sig value of 0.000 indicating that the moderating variable has an influence on LPK. This shows that SAK does not moderate BJM.

7. TRK's Moderation Regression Analysis of LPK

The results of moderation regression analysis of the effect of Credit Terms (TRK) on the presentation of company financial statements (LPK) which are moderated by SAK EMKM can be seen in table 11.

Table 11: Results of TRK's Multiple Regression Analysis on LPK
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.830	.150		5.533	.000		
1 TRK	.784	.080	.521	9.807	.000	.419	2.388
SAK	-.051	.077	-.061	-.664	.507	.139	7.193
TRKSAK	.141	.033	.464	4.245	.000	.099	10.109

a. Dependent Variable: LPK

Variabel TRK memiliki koefisien 0.784 dengan nilai sig 0.000, demikian pula dengan koefisien SAK sebesar -0.051 dengan nilai sig 0.507 menunjukkan bahwa SAK tidak memiliki pengaruh terhadap LPK. Sedangkan variabel TRK SAK yang merupakan variabel moderasi antara TRK dan SAK memiliki koefisien 0.141 dengan nilai sig 0.000 menunjukkan bahwa variabel moderasi memiliki pengaruh terhadap LPK. Hal ini menunjukkan bahwa SAK mampu memoderasi TRK.

Discussion

Based on the research results, it can be seen that **entrepreneur perceptions as measured by using the level of education and educational background have a positive and significant effect on the presentation of the company's financial statements**. These results are in line with research conducted by Bornheim and Herbeck (1996). Knowledge about accounting and the usefulness of financial reports is mainly obtained when a person takes an education majoring in accounting. Entrepreneurs with accounting backgrounds are believed to have better perceptions about SAK EMKM than entrepreneurs with non-accounting educational backgrounds.

The results of this study are not in line with the research conducted by Amburgey et al. (1993) and Henderson (1999), in Anderson and Eshima (2011) which show that age, business size and business age have a positive and significant effect on the presentation of financial statements. The results of this study are not in line with the research conducted by Das and Dey (2005) which shows that there is a positive relationship between the age of SMEs and the frequency of doing regular bookkeeping. In this study, the size of the business and the length of business had no significant effect on the presentation of financial statements. This is because the businesses sampled have an average age of 2 years, so it can be ascertained that new companies make financial reporting on average for only two periods.

Furthermore, this study is in line with research conducted by Bass and Schrooten (2006) where the size of the guarantee affects the presentation of financial statements. This is because one of the information that banks use in lending is using information related to assets that can be used as collateral. Likewise, the credit term (credit term) also has a significant effect on the presentation of the company's financial statements.

The knowledge of entrepreneurs regarding SAK EMKM does not necessarily affect the presentation of financial statements made by the company. The results of the moderation regression analysis show that only the quality and credit terms variables are moderated by the knowledge of entrepreneurs about SAK EMKM.

Conclusion

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

1. The latest education level has a positive and significant impact on the perceptions of entrepreneurs regarding the presentation of financial statements.
2. Educational background has a positive and significant influence on the perceptions of entrepreneurs regarding the presentation of financial statements.
3. The size of the business does not have a significant effect on the perceptions of entrepreneurs regarding the presentation of financial statements.

4. The length of time the business has been established does not have a significant effect on the perceptions of entrepreneurs regarding the presentation of financial statements.
5. The quality of financial reports has a positive and significant effect on perceptions of financial statement presentation.
6. The amount of credit guarantee has a positive and significant effect on perceptions of financial statement presentation.
7. Credit terms have a positive and significant effect on perceptions of financial statement presentation.
8. The entrepreneur's latest education level has **no effect** on the perception of the presentation of financial statements, which is moderated by the entrepreneur's understanding of SAK EMKM.
9. The educational background of entrepreneurs has **no effect** on perceptions of financial statement presentation, which is moderated by the understanding of entrepreneurs regarding SAK EMKM.
10. The size of the business has **no effect** on the perception of the presentation of financial statements which is moderated by the understanding of the entrepreneurs regarding SAK EMKM
11. Length of business has **no effect** on perceptions of financial statement presentation, which is moderated by the understanding of entrepreneurs regarding SAK EMKM
12. The quality of financial reports has a positive **effect** on the presentation of financial reports, which is moderated by the understanding of entrepreneurs regarding SAK EMKM.
13. The amount of credit guarantee does not have a positive **effect** on the presentation of financial statements, which is moderated by the understanding of entrepreneurs regarding SAK EMKM.
14. Credit terms have a positive **effect** on the presentation of financial statements, which is moderated by the understanding of entrepreneurs regarding SAK EMKM.

Suggestion

Based on the research results, the suggestions put forward are:

1. Looking for a company that has been established for more than 5 years and has implemented financial statement presentation in accordance with Indonesian GAAP for more than 2 years.
2. Expanding the factors that can influence the perceptions of entrepreneurs regarding the presentation of financial statements.

References

- Anderson, B.S. and Y. Eshima. 2011. The Influence of Firm Age and Intangible Resources on the Relationship between entrepreneurial Orientation and Firm Growth among Japanese Smes. *Journal of Business Venturing*.
- Audretsch, D. B. and J.A. Elston. 1997. Financing the German *Mittelstand*. *Small Business Economics*, 9, 97-110.
- Baas, T. dan M. Schrooten. 2006. Relationship Banking and SMEs: A theoretical analysis. *Small Business Economics*, 27.
- Basri, Y.Z. and M. Nugroho. 2009. *Ekonomi Kerakyatan: Usaha Mikro, Kecil, dan Menengah*. Jakarta: Penerbit Universitas Trisakti.
- Bornheim, S. and T.H. Herbeck. 1998. A Research Note on the Theory of SME: Bank Relationship. *Small Business Economic*, 10, 327-331.
- Cressy, R. 2006. Why do Most Firms Die Young? *Small Business Economics*, 26, 103–116.
- Czirák, D., S. Tišma, and A. Pizarović. 2005. Determinant of Low Approval Rate In Croatia. *Small Business Economic*, 25, 347-372.
- Das, A. K. and N. B. Dey. 2005. *Financial Management and Analysis Practices in Small Business: An Exploratory Study in India*. Working Paper, <http://sbaer.uca.edu/research/icsb/2005/paper53.pdf>.
- Departemen Koperasi. 2010. *Berita*. Diunduh tanggal 22 Agustus 2010. www.depkop.go.id
- Gray, C. 2006. Absorptive Capacity, Knowledge
- Ikatan Akuntan Indonesia. 2017. *Standar Akuntansi Keuangan Entitas Mikr, Kecil dan Menengah*, IAI, Jakarta
- Ikatan Akuntan Indonesia. 2016. *Standar Akuntansi Keuangan Standar Entitas Tanpa Akuntabilitas Publik*, IAI, Jakarta

- Jati, H., B. Bala, dan O. Nisoni. 2004. Menumbuhkan Kebiasaan Usaha Kecil Menyusun Laporan Keuangan. *Jurnal Bisnis dan Usahawan*, II (8), 210-218.
- Kirschenmann, K. and L. Norden. 2010. *The Relation between Borrower Risk and Loan Maturity in Small Business Lending*. Working paper. <http://terberger.bwl.uni-annheim.de/fileadmin/images/mitarbeiter/KirschenmannNorden/Aug2010.pdf>
- Maseko, N. and O. Manyani. 2011. Accounting Practices of SMEs in Zimbabwe: An Investigative Study of Record Keeping for Performance Measurement (A Case Study of Bindura). *Journal of Accounting and Taxation*, 3 (8), 171-181.
- Mazanai, M. and O. Fatoki. 2012. Perceptions of Start-up Small and Medium-Sized Enterprises (SMEs) on the Importance of Business Development Services Providers (BDS) on Improving Access to Finance in South Africa. *Journal of Social Science*, 30(1), 31-41.
- Murniati. 2002. *Analisis Faktor-Faktor yang Mempengaruhi Penyiapan dan Penggunaan Informasi Akuntansi pada Pengusaha Kecil dan Menengah di Jawa Tengah*. Tesis, Universitas Diponegoro.
- Pinasti, M. 2001. Penggunaan Informasi Akuntansi dalam Pengelolaan Usaha Para Pedagang Kecil di Pasar Tradisional Kabupaten Banyumas. *Jurnal Ekonomi, Bisnis, dan Akuntansi*, 1 (3).
- Schiffman, L.G and L.L. Kanuk. 2010. *Consumer Behavior*. New Jearsey: Pearson Education, Inc.
- Sekaran, Uma. 2013. *Research Methods for Business* 4 th ed. John Willey and Sons. Hoboken USA
- Siregar, S.V., S.N. Harahap, dan Wasilah. 2011. *Evaluasi Tantangan Penerapan Standar Akuntansi Entitas Tanpa Akuntabilitas Publik (SAK ENTITAS MIKRO, KECIL, DAN MENENGAH (EMKM)) untuk Usaha Kecil dan Menengah*. Proposal Hibah RUUI.
- Van Hemert, P., E. Masurel, and P. Nijkamp. 2011. *The Role of Knowledge Sources of SME's for Innovation Perception and Regional Innovation Policy*. Working paper. <http://dare.uvu.vu.nl/bitstream/1871/24072/1/rm%202011-39.pdf>.
- , Peraturan Menteri Koordinator Bidang Perekonomian (Permenko) Nomor 11 Tahun 2017 tentang Pedoman Pelaksanaan KUR. www.depkop.go.id
- , "Kondisi Sektor UKM Indonesia, 2 Juni 2018: 1935 pm, www.republikaonline.com
- , "Data Penyaluan KUR, 2 Juni 2018: 19.30 pm, www.ekon.go.id
- , Undang-undang Nomor 40 Tahun 2007 tentang Perseroan Terbatas, www.hukumonline.com. 30 Mei 2018.