



Analysis of Burnok's Financial Statements

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Abstract

Over time, the city of Tasikmalaya became one of the cities with a high level of trade competition. Most of the economic actors in the city of Tasikmalaya are Micro, Small and Medium Enterprises (MSMEs). To increase sales results and manage sales assets, a record is needed to regulate the company's financial condition. The purpose of this financial report is to regulate the financial condition of an MSME in order to maintain and increase sales assets. The steps that can be taken are by making an income statement by recording the expenses and income of each tool and material used. This income statement can help ease users in managing company finances by comparing profit or loss income at certain times with other times. From this comparison, a percentage is obtained that shows the company's profit or loss at the time of comparison. The benefit of the financial statements made is that the user can know the financial flow and maintain financial stability that will be used as long as the company operates.

Keywords:

1. Introduction

The financial report is a written record that is very important for a company to know the financial condition of the company. In this case, financial reports are very important for economic actors in the City of Tasikmalaya, especially owners of Micro, Small and Medium Enterprises (MSMEs) (Maslina et al., 2021; Hidayat et al., 2020; Mir and Sutiyo, 2013; Almilia, 2009). The rise of traders in Tasikmalaya causes competition to become increasingly fierce. This causes MSMEs to regulate and manage the finances of the companies they manage (Brammer et al., 2021; Del Brio and Junquera; 2003; Uhlener et al., 2012; Bouazza et al., 2015).

Most food MSME owners in Tasikmalaya City experience obstacles and errors in determining production costs. MSME actors are still experiencing difficulties in setting the right selling price, making it difficult to determine profits correctly. In addition, the owners of MSMEs do not know how to record the transactions carried out and how to compile them into financial statements (Nugraha et al., 2021; Firmansyah et al., 2018; Prabowo, 2019; Risawatie and Azizah, 2021).

Looking at the financial condition of the MSME owners, it appears that the owners do not have adequate understanding in the field of accounting, especially in identifying production costs that arise during the production process to determine how much the production costs for a product are (Muliadi et al., Kurniawati and Kristanto, 2021; Hamundu et al., 2020; Subagyo et al., 2020). And also how to compile books to be able to report business success in the form of financial statements. Errors in determining production costs per unit will affect errors in determining the selling price of the product, and a further impact is an error in determining the company's profit and loss. Therefore, it is necessary to have intelligence regarding the income statement for MSME owners in order to know how to determine the selling price and the income to be obtained within a certain period of time.

2. Materials and Methods

2.1. Material

In the preparation of this income statement using the type of non-current assets or rather Intangible Assets. These assets are not easily converted into money because in the production process they only use assets in the form of trademarks.

2.2. Method

In the process of preparing this income statement using data collection methods which include collecting and classifying the tools and materials used during the production of cireng and sales of cireng. Prior to the implementation of data collection, to find out more about the Cireng Si Burnok MSMEs, it begins with a discussion stage regarding the financial condition of the MSME owners.

3. Results and Discussion

3.1. The resulting financial report, a little change

3.1.1. Business Financial Asset Data

January 2021	
Income	IDR 2,400,000
Cost of Goods Sold	IDR 1,169,000
Goods Depreciation Expense	IDR 11,250
Water Load	IDR 50,000
January 2022	
Income	IDR 3,600,000
Cost of Goods Sold	IDR 1,768,000
Goods Depreciation Expense	IDR 11,250
Water Load	IDR 50,000

3.1.2. Formation of Financial Statement Account

Single Step Income Statement

a. January 2022

- Sale

Cireng Si Burnok gross profit of IDR 1,832,000.00. This gross profit is derived from sales revenue minus cost of goods sold (HPP). Meanwhile, Cireng si Burnok's net profit was IDR 1,768,000.00 is obtained from the difference between sales income and total expenses incurred.

- Operating Expenses

The total operating expenses incurred by Cireng Si Burnok are IDR 1,829,250.00 which is the total of Cost of Goods Sold, Depreciation Expense of Goods and Water Expense.

- The net profit earned by Cireng si Burnok is IDR 1,768,000.00.

b. January 2021 Periode

- Sale

Cireng Si Burnok gross profit of IDR 1,231,000.00. This gross profit is derived from sales revenue minus cost of goods sold (HPP). Meanwhile, Cireng si Burnok's net profit was IDR 1,169,750.00 is obtained from the difference between sales revenue and total expenses incurred.

- Operating Expenses

The total operating expenses incurred by Cireng Si Burnok are IDR 1,230,250.00 is the total of Cost of Goods Sold, Goods Depreciation Expenses and Water Expenses.

- The net profit earned by Cireng si Burnok is IDR 1,169,750.00.

3.1.3. Preparation of Financial Statements

	1 to 31 January 2021	1 to 31 January 2022
Income		
Sale	IDR 2,400,000	IDR 3,600,000
Total income	IDR 2,400,000	IDR 3,600,000
Burden		
Cost of goods sold	IDR 1,169,000	IDR 1,768,000
Goods Depreciation Expense	IDR 11,250	IDR 11,250
Water load	IDR 50,000	IDR 50,000
Total load	IDR 1,230,250	IDR 1,829,250
Gross profit	IDR 1,231,000	IDR 1,832,000
Net profit	IDR 1,169,750	IDR 1,768,000

3.2. Discussion

3.2.1. Analysis of the results of the formation of financial statements

Vertical Analysis				
Account name	January 2022	Percentage	January 2021	Percentage
Income	IDR 3600000	100%	IDR 2400000	100%
Cost of goods sold	IDR 1768000	49.11%	IDR 1169000	48.70%
Gross profit	IDR 1832000	50.89%	IDR 1231000	51.30%
Net profit	IDR 1768000	49.11%	IDR 1169750	48.73%

From the results of the analysis above, it can be seen that the cost of goods sold contained in the table is the sum of the Cost of Goods Sold (HPP), the cost of depreciation of goods, and the cost of water. Expenses incurred in the production and sale of Cireng in January 2022 amounted to 49.11% or IDR 1,768,000.00 and in January 2021 it will be 48.70% or 1.169.000.00. So it can be concluded that the cost of goods sold in January 2022 increased from January 2021 by 0.41% due to the addition of materials to produce Cireng that was sold.

Gross profit account is the difference between revenue and company expenses. The gross profit generated according to the analysis above, namely in January 2022, the gross profit was 50.89% or IDR 1,832,000.00. In January 2021 the gross profit generated was 51.30% or IDR 1.231,000. So it can be concluded that the gross profit generated during the January 2022 period decreased from January 2021 by 0.41%.

In January 2022 Cireng si Burnok earned a profit of 49.11% or more precisely IDR 1,768,000.00 and in January 2021 a profit of 48.73% or more precisely IDR 1,169,750.00. Thus, the net profit earned during that period increased by 0.38% or IDR 598,250.00.

4. Conclusion

From the results of the income statement that has been made, it can be concluded that Cireng Si Burnok earned income in January 2022 of IDR 3,600,000.00 while in January 2021 they will get an income of IDR 2,400,000.00. With this income, it can be stated that the net profit generated has increased by 0.38%.

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