



Balance Report Prosperous Motorcycle Workshop

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Abstract

Based on the number of invoices or order notes, Bengkel Sejahtera experienced a decrease in service intensity in 2021 compared to the service intensity in 2020 which was quite high. This is because the workshop had experienced changes in service and financial management so that it could affect the company's financial condition. Therefore, the Bengkel Sejahtera balance sheet has been prepared to analyze financial statements using the current ratio or liquidity ratio and common size analysis, so that an overview of the company's financial position can be obtained. The research method used is a quantitative method with an explanatory research type. Data collection techniques were carried out by interviewing the company manager. The results of the analysis show that Bengkel Sejahtera has generated declining cash in 2021 with a ratio of 1:10 cash in 2020. In addition, the number of liabilities held has not been able to be fulfilled with company assets/assets due to the large number of passive funds that continue to be left to settle without being disbursed for fulfill the company's obligations. The financial statement analysis of Bengkel Sejahtera can be used by managers for better financial management, in which the management can begin to concentrate on the company's debts or obligations and not allow passive funds to continue to settle.

Keywords:

1. Introduction

In general, financial statements are reports that contain the recording of money and transactions that occur in business, both buying and selling transactions and other transactions that have economic and monetary value (Rumambi et al., 2019; Guthrie, 1998). Usually this report is made within a certain period. The determination is determined by company policy whether it is made every month or once a year, sometimes companies also use both.

Financial reports are made to determine the overall financial condition of the company. So that stakeholders and users of accounting information can perform evaluation and prevention methods appropriately and quickly if the business's financial condition experiences problems or requires changes (Sultan, 2014; Hodge et al., 2004; Maisharoh and Riyanto, 2020). Given the importance of this, this report must be prepared accurately, carefully and required accountability that is submitted absolutely to a competent person in their field, such as an accountant (Gray, 1998; Chapman, 1997).

The owner of the company is also an interested party in the financial statements to find out the value or condition of the company so that it can generate profits or profits as expected. The owner also expects a return on the invested capital so as to be able to provide additional capital and prosperity for the owner and all employees. In addition, the essence of financial reporting made by a company or agency is very important to make decisions about the viability of an existing business entity. The main purpose of financial statements is to provide the information needed for users of information for making business and economic decisions (Lennard, 2017; Grahan et al., 2005; Cooper and Morgan, 2013; Ball et al., 2008).

Based on the purpose of knowing the condition of the company's survival, the financial statements of Bengkel Sejahtera that are prepared are the balance sheet or the company's financial position report. This report describes the position of assets, liabilities, and equity in a certain period. The balance sheet is a systematic report of the assets, liabilities, and capital of a company at a particular point in time (Davis, 2016; Fagereng et al., 2021; mellor, 1996; Tweedie and Whittington, 1990). The balance sheet is prepared in the form of staff, namely the form of the balance sheet that is arranged downwards, both assets and liabilities (debt + capital).

Bengkel Sejahtera is a trading company engaged in convection. Based on the number of invoices or order notes, Bengkel Sejahtera experienced a decrease in production intensity in 2019 compared to the high production intensity in 2018. This is due to changes in the owner of the company as well as the production and financial management so that it can affect the financial condition of the company. Therefore, the Bengkel Sejahtera balance sheet was prepared for analysis of financial statements with the current ratio or liquidity ratio and common size analysis, so that an overview of the company's financial position can be obtained.

2. Materials and Methods

2.1. Materials

The data analyzed in this study is the finances of the Bengkel Sejahtera company, which are arranged based on assets, liabilities, and capital. The types of assets/assets used are current assets and fixed assets. The company's liability data obtained in the form of accounts payable and salary payable. The related data was obtained directly from the company manager on behalf of Hamidin, in the period 2020 and 2021.

2.2 Method

This research uses quantitative methods and is an explanatory research type. Explanatory research is research that aims to prove a causal relationship or a relationship that affects and is influenced by the variables studied. Data collection techniques were carried out by interviewing the company manager.

This research uses common size analysis and liquidity ratio analysis. Common size analysis is an analysis compiled by calculating each account in the balance sheet as a proportion of total assets. Presentation in this form makes it easier to analyze financial statements by paying attention to changes that occur in the balance sheet.

Calculation of *common size* analysis for asset components:

$$\text{Common size} = \frac{\text{Asset Component}}{\text{Total assets}} \times 100\%$$

Perhitungan analisis *common size* untuk komponen utang dan modal sendiri :

$$\text{Common size} = \frac{\text{components of debt and equity}}{\text{total own capital}} \times 100\%$$

Furthermore, liquidity ratio analysis is used to determine indicators of the company's ability to pay all short-term financial obligations at maturity using current assets/assets. This is related to the research objective to determine the level of sustainability of Bengkel Sejahtera which has experienced a decrease in production intensity in 2021.

Calculation of the current ratio liquidity ratio analysis:

$$\text{Current Ratio} = \frac{\text{current asset}}{\text{current debt}}$$

3. Results and Discussion

3.1. Produced Financial Report

Financial report data obtained from the Bengkel Sejahtera company management in the form of current assets, fixed assets, sales notes/invoices, liabilities, capital, and balance sheet reports for the 2020 period. Bengkel Sejahtera for the 2021 period. The stages in compiling financial reports are collecting data on workshop assets, and preparing financial reports.

3.1.1. Workshop Asset Data

Assets/assets owned by the Bengkel Sejahtera company consist of current assets and fixed assets. Fixed assets include workshop assets

Table 1. Fixed Asset

No	Goods	A Lot	Nominal	Total
1	Key Ring	1 Package	IDR 206.000	IDR 206.000
2	Wrench	1 Package	IDR 427.000	IDR 427.000

3	Star Lock	1 Piece	IDR 46.000	IDR 46.000
4	Y Key	2 Piece	IDR 50.000	IDR 100.000
5	L Key	1 Piece	IDR 75.000	IDR 75.000
6	Wrench	1 Piece	IDR 120.000	IDR 120.000
7	Screwdriver + and Screwdriver -	1 Package	IDR 80.000	IDR 80.000
8	Screwdriver Knock	1 Piece	IDR 160.000	IDR 160.000
9	Hand Drill	1 Piece	IDR 386.000	IDR 386.000
10	Pliers	1 Package	IDR 300.000	IDR 300.000
Workshop total assets			IDR 1.900.000	

In addition to fixed assets, there are also current assets consisting of cash, accounts receivable, service equipment, insurance income.

- Cash
Total Cash : IDR 500,000
- Accounts receivable
Total Accounts Receivable : IDR 1,400,000
- Service equipment
Total Service Equipment : IDR 195.000
- Insurance Income
Total Insurance Income : IDR 250.000

3.1.2. Preparation of Financial Statements

Table 2. Financial Statements

Assets			
Current asset			
Cash		IDR 500,000	
Accounts Receivable		IDR 1,400,000	
Service equipment		IDR 195.000	
Perkot insurance		IDR 250.000 +	
Total Current Assets		IDR 2,310,000	
Fixed assets			
Service equipment	IDR 1,900,000		
acc. pen. equipment	IDR 130,000		
Total Fixed Assets		IDR 2,030,000 +	
Total Assets		IDR 4,340,000	
Obligation			
Accounts Payable	IDR 700,000		
Salary Payable	IDR 140,000		
Total Liabilities		IDR 840,000	
Capital			
Own Capital		IDR 2,840,000 +	
Total Liabilities and Capital		IDR 3,680,000	

3.2. Discussion (Discussion)

3.2.1. Common Size Analysis

Common size analysis is an analysis compiled by calculating each account in the balance sheet is a proportion of total assets. Presentation in this form makes it easier to analyze reports financial statements by taking into account the changes that occur in balance report.

Calculation of common size analysis for asset components:

$$\text{Common size} = \frac{\text{Asset Component}}{\text{Total assets}} \times 100\%$$

Perhitungan analisis *common size* untuk komponen utang dan modal sendiri :

$$\text{Common size} = \frac{\text{components of debt and equity}}{\text{total own capital}} \times 100\%$$

From the calculations that have been done, the following table is obtained.

Table 3. Assets

Assets	2020	2021	2020	2021
Current Asset				
Cash	IDR 20.000.000	IDR 500.000	74.2	12.3
Accounts receivable	IDR 5.000.000	IDR 1.400.000		34.3
Service equipment	IDR 150.000	IDR 195.000		4.7
Insurance entry	IDR 190.000	IDR 250.000		6.1
Total Current Assets	IDR 25.340.000	IDR 2.310.000		56.6
Fixed Assets				
Service equipment	IDR 1.800.000	IDR 1.900.000		46.6
Accumulated depreciation of equipment	- IDR 200.0000	- IDR 130.000		3.1
Total Fixed Assets	IDR 1.600.000	IDR 1.770.000		43.3
Total Assets	IDR 26.940.000	IDR 4.080.000	100	100
Liability				
Accounts payable	IDR 800.000	IDR 700.000		19.0
Salary debt	IDR 240.000	IDR 140.000		3.8
Total Liability	IDR 940.000	IDR 840.000		22.8
Capital				
Own Capital	IDR 4.800.000	IDR 2.840.000		77.2
Total Liabilities and Capital	IDR 5.740.000	IDR 3.680.000	100	100

3.2.2. Current ratio analysis

Liquidity ratio analysis is used to determine indicators regarding the company's ability to pay all obligations short-term financial statements at maturity by using current assets/assets. This relates to the research objectives to know the level of sustainability of the Prosperous Workshop that has been experienced a decrease in production intensity in 2020.

Calculation of the current ratio liquidity ratio analysis:

$$\text{Current Ratio} = \frac{\text{current asset}}{\text{current liabilities/liabilities}}$$

$$\text{Current Ratio 2020} = \frac{25.340.000}{940.000} 26.95$$

$$\text{Current Ratio 2021} = \frac{2.310.000}{840.000} 2.75$$

Based on the calculations, the current ratio of the Sejahtera workshop shows the company's condition is good because both are above the industry average. However, the ratio value in 2020 and 2021 which is too high indicates a large amount of unused passive funds which can ultimately reduce the company's ability to earn profits.

4. Conclusion

Based on the calculations and analyzes that have been carried out on the financial statements, it can be concluded that:

- a. Liquidity ratio, in which cash and banks have not been able to guarantee current debt at maturity because current assets are more concentrated in service equipment.
- b. *Common size*, where the total assets owned by the company continue to settle into passive funds, so that the company has not concentrated on current debt.

Thus, it can be concluded that Bengkel Sejahtera has generated declining cash in 2020 by 2020. In addition, the total liabilities that are owned have not been able to be fulfilled with company assets/assets due to the large number of passive funds that continue to be allowed to settle without being disbursed to fulfill the company's obligations. This can occur due to the company's lack of performance in financial management, as well as the lack of selectivity in operating the available assets.

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