



## Financial Statement Profit and Loss of H.Amid Shop

Qurrotu Aini<sup>1\*</sup>

<sup>1</sup>*Department of Mathematics, Faculty of Mathematics and Natural Sciences, Padjadjaran University, West Java, Indonesia*

\*Corresponding author email: [qurrotu19001@mail.unpad.ac.id](mailto:qurrotu19001@mail.unpad.ac.id)

### Abstract

Financial statements are one of the important sources of information and media used by business managers in the decision-making process to find out information regarding financial position. One type of financial report is an income statement or income and expense report. In small shops in the village, one of which is Toko H.Amid, the bookkeeping has not followed the proper reporting rules. Therefore, the purpose of writing this paper is to provide an overview of the correct financial reporting rules and to find out whether the H.Amid Store has run its store properly by looking at the H.Amid Store's ability to collect net profit. The method used to compile the H.Amid Store's profit and loss financial statements is to conduct interviews with the H.Amid Store owners regarding income, expenses, and others. Then the data is calculated and then compiled into the income statement. To determine the ability of H.Amid Stores in collecting net profit, one of the profitability ratio analysis is used, namely Net Profit Margin (NPM). Based on the results of the preparation of the profit and loss financial statements at the H.Amid Store, the net profit for the 2020 period was IDR 98,461,667,- and net profit in 2021 is IDR 157,956,667. Then from the results of profitability analysts, the Net Profit Margin which increased from 0.69% in 2020 to 1.07% in 2021 and was obtained in 2020 to 2021 close to number 1, indicating that this company is healthy because the bigger the ratio, the better because it is considered the company's ability to earn profit is quite high.

*Keywords:*

### 1. Introduction

Financial statements are one of the important sources of information and media used by business managers in the decision-making process to find out information regarding financial position (Maslina et al., 2021; Hidayat et al., 2020; Abbas et al., 2022; Mir and Sutiyono, 2013). One type of financial report is an income statement or income and expense report.

The income statement is a financial report in which it describes the financial performance of a business entity in an accounting period. This report contains brief information about the total costs incurred for the operation of a business and the profits earned during the company's operation (Dichev, 2008; Hanlon, 2003; Penman, 2007; McGill and Outslay, 2004). The functions and objectives of the income statement include:

- 1) To provide information about the condition of a business, whether it earns or loses in each accounting period.
- 2) Become a reference material for evaluation by the business management to determine various steps that must be taken in the next period.
- 3) Become a source of information regarding the level of business success in determining the amount of business costs.
- 4) Become a business reference in business development efforts if you want to increase profit.

### 2. Materials and Methods

#### 2.1. Material

The types of assets used in preparing the H.Amid Store's profit and loss financial statements are current assets in the form of inventories.

## 2.2. Method

The method used to compile the H.Amid Store's profit and loss financial statements is to conduct interviews with the H.Amid Store owners regarding income, expenses, and others. Then the data is calculated and then compiled into the income statement.

The form of the income statement used is a single step income statement. In this income statement all income is combined in one group and expenses in one group. So to calculate the profit or loss, it only takes one step to subtract the total income from the total expenditure(Rusdiyanto and Narsa, 2019; Islamiyah et al., 2015).

To determine the ability of H.Amid Stores in collecting net profit, one of the profitability ratios is used, namely Net Profit Margin (NPM) (Nariswari and Nugraha, 2020; Khan and Khokhar, 2015; Sudirman et al., 2020; Khan and Khokhar, 2014). This ratio shows the net profit per rupiah of sales. The way to calculate it is:

$$NPM = \frac{\text{Net Profit}}{\text{Income}} \times 100\%$$

The bigger this ratio, the better because it is considered that the ability of a business to earn a profit is quite high.

## 3. Results and Discussion

### 3.1. Financial statements

#### 3.1.1. Business Financial Asset Data

Financial asset data from H.Amid Store is inventory, which includes:

- Groceries
- Toiletries and washing
- Snacks and drinks
- Drugs
- Cooking ingredients
- Cosmetics
- Stationery
- Homemade rock sugar

#### 3.1.2. Formation of Financial Statement Account

- Income :
  - Net sales:
    - Year 2020 : IDR 14,234,000,000,-
    - Year 2021 : IDR 14,771,000,000,-
- Cost of goods sold :
  - Net purchases:
    - Year 2020 : IDR 13,839,583,333,-
    - Year 2021 : IDR 14,295,833,333,-
- Selling expenses :
  - Transport load:
    - Year 2020 : IDR 69,575,000,-
    - Year 2021 : IDR 70,350,000,-
  - Electrical load:
    - Year 2020 : IDR 4,380,000,-
    - Year 2021 : IDR 5,110,000,-
- General and administrative expenses:
  - Salary expenses:
    - Year 2020 : IDR 226,380,000,-
    - Year 2021 : IDR 241,750,000,-

#### 3.1.3. Preparation of Financial Statements

##### H.Amid Store Income Statement for the Period of December 31, 2020 and December 31, 2021

	Year 2020 (in rupiah)	Year 2020 (in rupiah)
<b>Income</b>		
Net sales	14,234,000,000	14,771,000,000
<b>Total income</b>	14,234,000,000	14,771,000,000

Cost of goods sold	13,839,583,333	14,295,833,333
<b>Gross profit</b>	<b>394,416,667</b>	<b>475,166,667</b>
<b>Burden</b>		
Selling expenses	69,575,000	70,350,000
Administrative Burden	226,380,000	246,860,000
<b>Total Load</b>	<b>295,955,000</b>	<b>317,210,000</b>
<b>Net profit</b>	<b>98,461,667</b>	<b>157,956,667</b>

### 3.2. Discussion

#### 3.2.1. Profitability Ratio Analysis Net Profit Margin (NPM)

Calculation of Net Profit Margin (NPM)

$$NPM = \frac{\text{Net Profit}}{\text{Income}} \times 100\%$$

From the data and profit and loss statements that have been obtained, the Net Profit Margin for H.Amid Stores are:

- Year 2020

$$NPM = \frac{98,461,667}{14,234,000,000} \times 100\% = 0.69\%$$

- Year 2021

$$NPM = \frac{157,956,667}{14,771,000,000} \times 100\% = 1.07\%$$

Pada tahun 2020 menunjukkan hasil sebesar 0.69 % yang berarti bahwa setiap IDR 1,- pendapatan akan menghasilkan keuntungan bersih sebesar IDR 0.0069. Pada tahun 2021 terjadi kenaikan dari 0.69 % di tahun 2020 menjadi 1.07 % di tahun 2021, ini berarti setiap IDR 1,- pendapatan akan menghasilkan keuntungan bersih sebesar IDR 0.01.

### 4. Conclusion

Based on the results of the preparation of the profit and loss financial statements at the H.Amid Store, the net profit for the 2020 period was IDR 98,461,667,- and net profit in 2021 is IDR 157,956,667.

Then from the results of profitability analysts, the Net Profit Margin which increased from 0.69% in 2020 to 1.07% in 2021 and was obtained in 2020 to 2021 close to number 1, indicating that this company is healthy because the bigger the ratio, the better because it is considered the company's ability to earn profit is quite high.

### References

Abbas, D. S., Pakpahan, R., Murwaningsari, E., & Mayangsari, S. (2022). Influence Of Internal Control System Weaknesses And Audit Quality On The Quality Of Local Government Financial Reports In Indonesia With Good Government Governance As Moderating. *International Journal of Science, Technology & Management*, 3(2), 461-474.

Dichev, I. D. (2008). On the balance sheet-based model of financial reporting. *Accounting Horizons*, 22(4), 453-470.

Hanlon, M. (2003). What can we infer about a firm's taxable income from its financial statements?. *National Tax Journal*, 56(4), 831-863.

Hidayat, I., Alwahidin, A., & Aspiani, T. (2020). The Effect of Inflation, Interest Rate, and Gross Domestic Products on the Profitability of Sharia Banking in Indonesia (Sharia Banking Financial Reports 2014-2018). *Journal of Industrial Engineering & Management Research*, 1(4), 59-66.

Islamiyah, N., Ridho, A. F., & Muslih, M. R. (2015). Optimizing the role of accounting through the statement of value added approach to increase the transparency of reporting islamic financial institutions in Indonesia. *International Journal of Business, Economics and Law*, 8(1), 44-52.

Khan, M. N., & Khokhar, I. (2015). The effect of selected financial ratios on profitability: an empirical analysis of listed firms of cement sector in Saudi Arabia. *Quarterly Journal of Econometrics Research*, 1(1), 1-12.

Khan, M. Z. R. M. N., & Khokhar, I. (2014). Select financial ratios as a determinant of profitability evidence from petrochemical industry in Saudi Arabia. *European Journal of Business and Management*, 6(6), 187-196.

Masnila, N., Mayasari, R., Firmansyah, F., Febriantoko, J., & Said, J. (2021). The Effect of Good Government Governance on the Financial Reports Quality: The Case of Provincial Capital Governments in Indonesia. *International Journal of Business, Management and Economics*, 2(4), 270-287.

McGill, G. A., & Outslay, E. (2004). Lost in translation: Detecting tax shelter activity in financial statements. *National Tax Journal*, 57(3), 739-756.

Mir, M., & Sutiyono, W. (2013). Public sector financial management reform: A case study of local government agencies in Indonesia. *Australasian Accounting, Business and Finance Journal*, 7(4), 97-117.

Nariswari, T. N., & Nugraha, N. M. (2020). Profit growth: impact of net profit margin, gross profit margin and total assets turnover. *International Journal of Finance & Banking Studies* (2147-4486), 9(4), 87-96.

Penman, S. H. (2007). Financial reporting quality: is fair value a plus or a minus?. *Accounting and business research*, 37(1), 33-44.

Rusdiyanto, R., & Narsa, I. M. (2019). The effects of earnings volatility, net income and comprehensive income on stock prices on banking companies on the indonesia stock exchange. *International Review of Management and Marketing*, 9(6), 18.

Sudirman, S., Kamaruddin, K., & Possumah, B. T. (2020). The Influence of Net Profit Margin, Debt to Equity Ratio, Return on Equity, and Earning per Share on the Share Prices of Consumer Goods Industry Companies in Indonesia. *International Journal of Advanced Science and Technology*, 29(7), 13428-13440.