The Effect of Basic Understanding of Accounting, Business Length, and Readiness of MSMES on the Implementation of MSMES Sak in Cattle Skin Crackerss MSMES in Jumantono District

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ABSTRACT: *This study aims to analyze the effect of Basic Understanding of Accounting, Business length and Readiness of MSMEs on the Implementation of MSMEs SAK in Cattle skin crackerss MSMEs in Jumantono District. This research is a quantitative research. Data collection was carried out by distributing questionnaires. The sampling technique used a purposive sampling technique and 60 respondents obtained data. Data were processed using SPSS 21. This study used multiple linear regression analysis, F test and t test. The results of the research show that the Basic Understanding of Accounting, Business length and Readiness of MSMEs together have a significant effect on the implementation of MSMEs SAK. While partially the Basic Understanding of Accounting and Readiness of MSMEs have a significant effect on the Implementation of MSMEs SAK, Whereas, the business length does not have a significant effect on the Implementation of MSMEs SAK.*

I. INTRODUCTION

Financial reports in the business world need attention because they are useful for analyzing financial position, and also for making decisions related to business continuity, especially for MSMEs performers (Hadi, 2016). Micro, Small and Medium Enterprises (MSMEs) are often associated with economic and social problems such as high levels of poverty, unemployment, and low education in society, especially in developing countries. When the economic crisis hit the world, it automatically worsened economic conditions in Indonesia. This phenomenon explains that MSMEs are productive businesses to be developed to support macro and micro economic development in Indonesia and influence other sectors to develope (Suci et al., 2017).

In 2009, DSAK ratified MSMEs SAK (Standard for Financial Accounting for Micro, Small and Medium Entities) and since January 1, 2018 this standard has been declared effective. MSMEs SAK is an accounting standard for entities that don't have accountability to the public. With this standard, small and medium enterprises are able to compile their financial reports to obtain funds and business development (Hetika and Mahmudah, 2017).

The benefit felt by MSMEs performers in applying MSMEs SAK in preparing their financial reports is the ease of obtaining funds for developing their business from creditors. By presenting financial reports in accordance with

MSMEs SAK, MSMEs performers can better convince creditors based on the information available in their financial reports. It will be easier for creditors to provide an assessment of the feasibility of the funding proposed by MSMEs performers (Qimyatussa'adah, et al, 2021). It is hoped that the application of MSMEs SAK can provide an overview of the performance of MSMEs management in the past and prospects for the future, so that it can be trusted and relied upon both by the management and by MSMEs members and external parties who have other interests related to MSMEs (Lunchindawati, et al., 2021).

Whereas, the implementation of MSMEs SAK has not been fully successful, because there are still many MSMEs that do not understand the importance of implementing MSMEs SAK in their financial reports. This is supported by Pulungan and Suwita's research (2020), which concluded that micro business managers stated that they understood the MSMEs SAK Standards, namely 2.94%, did not understand around 91.2%, and were neutral as much as 5.9% (Cahyaningrum & Andhaniwati, 2021).

The low understanding and readiness of MSMEs to implement MSMEs SAK must be addressed by implementing strategies to increase understanding and readiness of MSMEs performers to implement MSMEs SAK based financial reports. Factors that influence the implementation of MSMEs SAK for MSMEs performers include basic understanding of accounting, business length, and readiness of MSMEs.

In compiling financial reports, an understanding of basic accounting is needed as a basis for understanding the implementation of MSMEs SAK. Pulungan and Suwita (2020) state that the basic concept of basic understanding of accounting consists of three main parts, namely asset, debt, and equity. The higher level of Understanding of Accounting, the better quality of the financial reports it produces. The MSMEs SAK is used as a guide in preparing MSMEs financial reports. So that basic understanding of accounting will make the MSMEs SAK process easier to apply (Wulandari & Arza, 2022).

Besides that, the business length/business experience owned by the manager is also one of the factors in implementing MSMEs SAK. The length of the business is the length of time the company was founded or the age of the company when the author conducted this research until the business was established (Husaini & Fadhlani, 2017). The duration of the business accompanied by significant developments increases the business need for financial reports so that it influences the understanding of MSMEs SAK in MSMEs (Cahyaningrum & Andhaniwati, 2021).

Then for the last factor used in this study is the readiness of MSMEs. Readiness in this study relates to the knowledge of MSMEs performers regarding MSMES SAK and the needs that result in MSMEs performers implementing MSMEs SAK in their financial reporting. If MSMEs performers have knowledge about the importance of financial reports and MSMEs SAK, the need arises to make financial reports according to applicable standards, namely MSMEs SAK (Devindasari, 2019).

Based on the results of a preliminary study on Cattle skin crackerss MSMEs performers in Jumantono District, it was shown that MSMEs performers had carried out simple financial records, but had not fully implemented MSMEs SAK (Micro, Small and Medium Enterprises Financial Accounting Standard). The causative factor for the low preparation of MSMEs SAK based financial reports lies in the quality of human resources with knowledge and skills in keeping abreast of accounting developments. The financial reports are still simple by recording the amount of cash flow and inventory manually. So that in the application of the accounting system, MSMEs players in Cattle skin crackerss in Jumantono District will be left behind by other MSMEs.

MSMEs cattle skin crackers is one of the local businesses that has great potential because not all regions have potential in leather processing. So cattle skin crackers is one of the regional specialties that will attract buyers from outside the area. But unfortunately, because most MSMEs performers are already old, modern accounting is not fully mastered, so there are still many financial problems. This is what made researchers interested in conducting research on cattle skin crackers MSMEs in Jumantono District. In addition, financial records play a role as a tool in running a business. Financial management is an important aspect for business progress. As long as MSMEs still use money as a medium of exchange, accounting is needed by MSMEs.

Several previous studies regarding the implementation of MSMEs SAK have been carried out by several researchers. From several previous studies conducted there were gaps in research results. Like the research conducted by Nuradila & Wibowo, (2018) that in his research stated readiness did not have a significant effect on the implementation of MSMEs SAK because MSMEs thought that only by understanding their finances would it be easy to carry out MSMES SAK. Whereas, different results were actually obtained by Purnomo & Adyaksana (2021) where in their research they obtained results that the readiness of MSMEs had an effect on the implementation of MSMEs SAK.

There are also differences between this study and several previous studies. One of them is the research conducted by Putra and Widajantie (2020) where the difference lies in this study using multiple linear regression analysis while in previous studies using SmartPLS 3.0. Research conducted by Susilowati and Rusmawati (2021) where the difference lies in the previous research not including the Readiness of MSMEs variable and only including accounting understanding variables, while in this study using the Readiness of MSMEs variable.

II. MATERIALS AND METHODS

2.1. Theory Perspective
Compliance Theory
According to Lunenburg (2012) compliance theory is an approach to organizational structure that integrates ideas from the classical model and management participation. Meanwhile, according to Anggraeni and Kiswaran (2011) compliance is defined as compliance based on the expectation of a reward and efforts to avoid punishment that may be imposed.

Demands for adherence to timeliness in submitting annual financial reports of public companies in Indonesia are regulated in the Decree of the Chairman of Bapepam and LK Number: Kep-346/BL/2011 dated 5 July 2011 stating that annual financial reports must be accompanied by an accountant's report in the context of auditing reports financial report and submitted to Bapepam and LK and announced to the public no later than the end of the third month after the date of the annual financial report. This regulation implies the compliance of every individual actor and organization (public company) involved in the Indonesian equity market to submit the company's annual financial report in a timely manner to Bapepam. This is in accordance with the compliance theory (compliance theory).

According to Herliana (2016) there are two basic perspectives in the sociology literature regarding compliance with law, which are called instrumental and normative. The instrumental perspective assumes that the individual as a whole is driven by self-interest and responds to changes in tangibles, incentives, and penalties related to behavior. The normative perspective deals with what people perceive as moral and against their self-interest.

In terms of submitting financial reports to the public, the instrumental perspective ilustrates that the incentives that companies get when submitting their financial reports in a timely manner are the public's good response to the company itself, and vice versa. Whereas for the second perspective, an individual tends to comply with the provisions in this case the timeliness of financial reporting because it is considered a necessity (normative commitment through morality) and because the authority to make these provisions dictates behavior to report their finances at a predetermined time (normative commitment through legitimacy) in this case is Bapepam. Compliance theory can encourage someone to comply more with applicable regulations,

2.2. Developmental Hypothesis Test
Implementation of MSMEs SAK
On May 18, 2016 the Indonesian Institute of Accountants (IAI) held a meeting and produced and approved the Exposure Draft of Financial Accounting Standards for Micro, Small, and Medium Enterprises and on October 24, 2016 the Financial Accounting Standards Board of the Indonesian Institute of Accountants ratified the Micro, Small, and Medium Entity Financial Accounting Standards which were declared effective on 1 January 2018 but early

adoption has been encouraged.

Details regarding parties who can use MSMEs SAK can be seen in Law No. 20 of 2008 concerning MSMEs. This article explains the comprehensive definition and grouping of MSMEs quantitative ranges. MSMEs SAK is intended for use by micro, small and medium entities. Micro, small, and medium entities are entities without significant public accountability, as defined in the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP), which meet the definition and criteria of micro, small, and medium enterprises as stipulated in laws and regulations that valid in Indonesia, for at least 2 (two) consecutive years (Pulungan and Suwita, 2020). In fulfilling its purpose, Financial statements also show management's accountability for the resources entrusted to it. The entity's financial statements are prepared using the accrual basis of assumptions, namely asset, debt, equity, income and expenses are recognized or recorded when they occur or on the date of acquisition and business continuity is the ability to continue in the future, as used by entities other than micro, small entities , or medium, and using the concept of a business entity is a business entity that must be clearly separated from the business owner or other entities. Fair presentation of the financial statements in accordance with the requirements of MSMEs SAK and the meaning of complete financial statements for entities. income, and expenses are recognized or recorded when they occur or on the date of acquisition and business continuity is the ability to continue business in the future, as used by entities other than micro, small and medium entities, and using the concept of a business entity is a business entity that must be separable clearly with the owner of the business as well as with other entities. Fair presentation of the financial statements in accordance with the requirements of MSMEs SAK and the meaning of complete financial statements for entities. Income and expenses are recognized or recorded when they occur or on the date of acquisition and business continuity is the ability to continue business in the future, as used by entities other than micro, small and medium entities, and using the concept of a business entity is a business entity that must be separable clearly with the owner of the business as well as with other entities. Fair presentation of the financial statements in accordance with the requirements of MSMEs SAK and the meaning of complete financial statements for entities and using the concept of a business entity is a business entity that must be clearly separated from the business owner or other entities. Fair presentation of the financial statements in accordance with the requirements of MSMEs SAK and the meaning of complete financial statements for entities and using the concept of a business entity is a business entity that must be clearly separated from the business owner or other entities. Fair presentation of the financial statements in accordance with the requirements of MSMEs SAK and the meaning of complete financial statements for entities.

Fair presentation of financial statements requires an entity to present information in order to achieve the objective of: (a) Relevance; (b) Correct representation; (c) Comparability; (d) Understanding. Entities whose financial statements comply with MSMEs SAK make statements explicitly and without exception regarding compliance with MSMEs SAK in the notes to financial statements. The entity presents a complete financial statement at the end of each reporting period, including comparative information (Pulungan and Suwita, 2020).

Basic Understanding of Accounting

The implementation of MSMEs SAK is an indication of how hard MSMEs managers are willing to try and how much effort they plan to put into implementing MSMEs SAK (Wulandari & Arza, 2022). A basic understanding of accounting means the ability to measure, classify, and summarize the elements of financial statements (Tambunan, 2019). This means that the higher knowledge regarding the Basic Understanding of Accounting, the higher Implementation of MSMEs SAK . This is in line with previous research stated by Rini and Fauzihardani (2022) and Wulandari and Arza (2022) which stated that Basic Understanding of Accounting effects the implementation MSMEs SAK .

Based on the description above, the researcher formulated the following hypothesis:

H1 : Basic understanding of accounting has a significant effect on the implementation of MSMEs SAK .

Business length

The length of the business is the length of time the company was founded or the age of the company when the author conducted this research until the business was established (Husaini & Fadhlani, 2017). The duration of the business accompanied by significant developments increases the business need for financial reports so that it effects the Implementation of MSMEs SAK . This is supported by research from Nuradila & Wibowo (2018), Cahyaningrum & Andhaniwati (2021), and Purnomo & Adyaksana (2021) where the results of their research show that business length has a significant effect on the implementation of MSMEs SAK .

Based on the description above, the researcher formulated the following hypothesi s:

H2 : Business length has a significant effect on the implementation of MSMEs SAK

Readiness MSMEs

The readiness of MSMEs in implementing financial accounting standards can be seen from the understanding of business performers regarding financial accounting standards, business performers have carried out bookkeeping regularly, there are special bookkeeping employees, there is accounting software, bookkeeping is guided by accounting standards (Indianty, 2020). The higher readiness of MSMEs, the higher implementation of the MSMEs SAK . This is in line with the results of research conducted by Lestari (2019) and Devindasari (2019) that the readiness of MSMEs in implementing MSMEs SAK has a significant effect on the implementation of MSMEs SAK .

Based on the description above, the researcher formulated the following hypothesis:

H3 : Readiness of MSMEs has a significant effect on the implementation of MSMEs SAK .

III.   CONCEPTUAL FRAMEWORK

Based on the description above, the conceptual framework in this study is as follows:
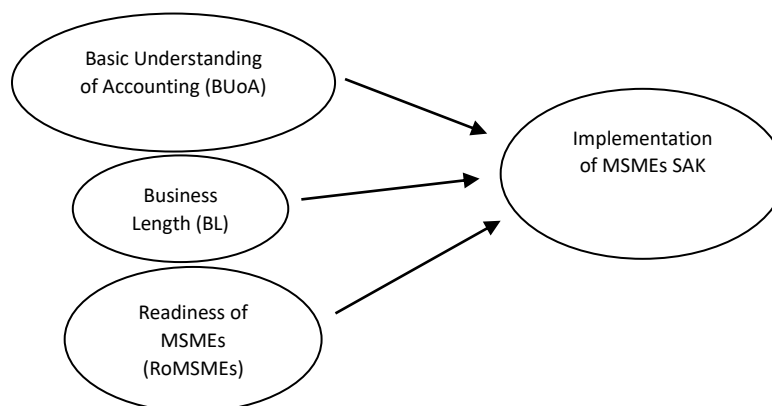
IV.   RESEARCH METHODS

Variables in Research

The variables used in this study are as follows:

1.   Dependent Variable

The dependent variable is a variable that is commonly referred to as the dependent variable. The dependent variable that is affected or becomes the result, because of the independent variables (Sugiyono, 2012). The dependent variable in this study is the Implementation of MSMEs SAK .

2.   Independent Variables

Independent variables are variables that are commonly referred to as independent variables. Independent variables are those that influence or cause changes or the emergence of the dependent variable (Sugiyono, 2012). There are 3 independent variables in this study, namely:

1)   Basic Understanding of Accounting

Basic understanding of accounting means the ability to measure, classify, and summarize the elements of financial statements (Tambunan, 2019).

The variable indicators of basic understanding of accounting according to Lestari's theory (2015) include:

• Declarative Knowledge

• Procedural knowledge

2)   Business Length

The length of the business is the length of time the company was founded or the age of the company when the author conducted this research until the business was established (Husaini & Fadhlani, 2017).

According to Riadi (2020) the indicators for the variable business length include:

• Business experience

• Level of knowledge possessed

• Level of skills possessed

• Mastery of work

3)   Readiness of MSMEs

Readiness is a state of a person that makes him ready to implement something. Readiness in this study is how MSMEs implement MSMEs SAK based financial reports (Lestari, 2019).

According to Devindasari (2019) the indicators for Readiness of MSMEs variables include:

• Knowledge of MSMEs SAK

• Separation of business results with the owner's personal wealth

• Human Resources

Sampling Method

The population in this study were all cattle skin crackers MSMEs in Jumantono District. Sampling was carried out using purposive sampling with the following criteria:

1.   The business location is in Jumantono District

2.   Have a business that is included in MSMEs

3.   It is a cattle skin crackers MSMEs

4.   Have knowledge of accounting

Based on the sampling criteria, the number of samples obtained in this study were 60 respondents.

Data analysis method

This study used multiple linear regression analysis, statistical F test and statistical t test to test the effect of basic understanding of accounting, business length and readiness of MSMEs on the Implementation of MSMEs SAK in cattle skin crackers MSMEs in Jumantono District. Tests in this study were carried out using SPSS 21.

The regression equation in this study is as follows:

Implementation of MSMEs SAK= α + b1BUoA + b2BL + b3RoMSMEs + e

Where :

Dependent Variable = Implementation of MSMEs SAK

α = Constant

BUoA = Basic Understanding of Accounting

BL = Business Length

RoMSMEs =Readiness of MSMEs

b = Regression Coefficient

e = Errors

V.   RESULTS AND DISCUSSION

1.   Descriptive Statistics Test

This research is a quantitative research using primary data that comes from cattle skin crackers MSMEs in Jumantono District.

Table 4.7: Descriptive Statistical Test Results

Descriptive Statistics

	N	Minimum	Maximum	Means	std. Deviation
Basic Understanding of Accounting	60	16	30	25.75	3,139
Business length	60	13	30	24,82	3,960
Readiness of MSMEs	60	11	25	20.03	4.025
Implementation of MSMEs SAK	60	9	25	20,73	3,612
Valid N (listwise)	60				

Source: Primary data processed in 2023

Table 4.7 above shows that the value of each variable differs too much, the mean value for the Basic Understanding of Accounting variable is 25.75, Business length is 24.82, Readiness of MSMEs is 20.03 and MSMEs SAK Implementation is 20.73. For the standard deviation value of the Basic Understanding of Accounting variable is 3.139, Business length is 3.960, Readiness of MSMEs is 4.025 and MSMEs SAK Implementation is 3.612.

2.   Normality test

Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		60
Normal Parameters, b	Means	0E-7
	std. Deviation	2.45783145
Most Extreme Differences	absolute	,109
	Positive	,093
	Negative	-,109
Kolmogorov-Smirnov Z		,846
asymp. Sig. (2-tailed)		,472

a. Test distribution is Normal.

b. Calculated from data.

Source: Primary data processed in 2023

If, the value of Sig. > 0.05 then H_0 is accepted

If, the value of Sig. < 0.05 then H_0 rejected

Based on the SPSS output results of the Kolmogorov Smirmov test, it shows the Asymp value. Sig (2-tailed) is 0.472 > 0.05 (level of signification). With the above results it can be concluded that the data has been normally distributed.

3.   Multicollinearity Test

Table 4.9: Multicollinearity Test Results

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	std. Error	Betas			tolerance	VIF
(Constant)	, 512	2,737		, 187	,852		
1 Basic Understanding of Accounting	,444	,146	,386	3,047	,004	,515	1,941
Business Length	, 151	, 133	, 166	1.135	,261	,388	2,575
Readiness of MSMEs	,251	,120	,280	2,096	.041	,463	2.158

a. Dependent Variable: Implementation of MSMEs SAK

Source: Primary data processed in 2023

Based on table 4.9 above, it can be seen that the Tolerance and VIF values of the three variables Basic Understanding of Accounting (BUoA), Business length (BL), and Readiness of MSMEs(RoMSMEs) have a Tolerance value of > 0.1 and a VIF value < 10. So it can be concluded that the model regression in this study is free from multicollinearity.

4.   **Heteroscedasticity Test**

Table 4.10: Heteroscedasticity Test Results

Correlations

			Basic Understanding o Accounting	Business length	Readiness o MSMEs	Unstandardized Residuals
Spearman's rho	Basic Understanding o Accounting	Correlation Coefficient	1,000	,620**	,607**	,013
		Sig. (2-tailed)	.	,000	,000	,922
		N	60	60	60	60
	Business length	Correlation Coefficient	,620**	1,000	,729**	,018
		Sig. (2-tailed)	,000	.	,000	,890
		N	60	60	60	60
	Readiness o MSMEs	Correlation Coefficient	,607**	,729**	1,000	,134
		Sig. (2-tailed)	,000	,000	.	,307
		N	60	60	60	60
	Unstandardized Residuals	Correlation Coefficient	,013	,018	,134	1,000
		Sig. (2-tailed)	,922	,890	,307	.
		N	60	60	60	60

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data processed in 2023

Based on table 4.10 above, it can be seen that the value of Sig. the three variables Basic Understanding of Accounting (BUoA), Business length (BL), and Readiness of MSMEs (RoMSMEs) have values > 0.05 so that in this regression model there is no heteroscedasticity.

Hypothesis test
1. **Multiple Linear Regression Analysis**
Table 4.12: Multiple Linear Regression Test Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	std. Error	Betas			tolerance	VIF
1	(Constant)	, 512	2,737		, 187	,852		
	Basic Understanding of Accounting	,444	,146	,386	3,047	,004	,515	1,941
	Business length	, 151	, 133	, 166	1.135	,261	,388	2,575
	Readiness of MSMEs	,251	,120	,280	2,096	.041	,463	2.158

a. Dependent Variable: Implementation of MSMEs SAK
Source: Primary data processed in 2023

Based on table 4.12 above, it shows the regression equation for the influence of Basic Understanding of Accounting, Business length and Readiness of MSMEs on the Implementation of MSMEs SAK in cattle skin crackers MSMEs in Jumantono as follows:

Implementation of MSMEs SAK= 0.512 + 0.444 BUoA + 0.151BL + 0.251 RoMSMEs +ε
From the multiple linear regression equation above it can be explained that:
1.   A constant of 0.512 means that if the Basic Understanding of Accounting (BUoA), Business length (BL), and Readiness of MSMEs (RoMSMEs) has a value of 0, then the Implementation of MSMEs SAK has a value of 0.512.
2.   The regression coefficient value of the Basic Understanding of Accounting (BUoA) variable is 0.444, meaning that the Basic Understanding of Accounting (BUoA) has an influence in the same direction as the Implementation of MSMEs SAK . If the knowledge about the Basic Understanding of Accounting (BUoA) variable is high, it will also lead to high MSMEs SAK Implementation and if the knowledge about the Basic Understanding of Accounting (BUoA) variable is low, then the Implementation of MSMEs SAK is also low.
3.   The regression coefficient value of the business length (BL) variable is 0.151, meaning that the business length (BL) has the same effect as the implementation of MSMEs SAK . If the Long of Business (BL) variable is high, it will also lead to a high MSMEs SAK Implementation and if the Business length (BL) variable is low, the MSMEs SAK Implementation will also be low.
4.   The regression coefficient value of the Readiness of MSMEs variable is 0.251, meaning that Readiness of MSMEs (RoMSMEs) has a direct influence on the Implementation of MSMEs SAK. If the Readiness of MSMEs (RoMSMEs) variable is high, it will also lead to a high MSMEs SAK Implementation and if the Readiness of MSMEs variable (RoMSMEs) is low, the MSMEs SAK Implementation will also be low.

2.   **Test F (Testing simultaneously / concurrently)**

Table 4.13: F test results

ANOVAa

Model		Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	413,318	3	137,773	21,647	,000b
	residual	356,415	56	6,365		
	Total	769,733	59			

a. Dependent Variable: Implementation of MSMEs SAK

b. Predictors: (Constant), Readiness of MSMEs, Basic Understanding of Accounting, Business Length

Source: Primary data processed in 2023

Based on table 4.13 above, it shows that F count is 21.647 while F table is 2.77 with a significance value of 0.000 <0.05. So it can be concluded that the variables of Basic Understanding of Accounting (BUoA), Business Length (BL) and Readiness of MSMEs (RoMSMEs) together significantly influence the MSMEs SAK Implementation variable, which means H1 is accepted.

3.   **T Test (Partial Testing)**

Table 4.14: T test results

T table = 2,000

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	std. Error	Betas			tolerance	VIF
1	(Constant)	, 512	2,737		, 187	,852		
	Basic Understanding of Accounting	,444	,146	,386	3,047	,004	,515	1,941
	Business length	, 151	, 133	, 166	1.135	,261	,388	2,575
	Readiness of MSMEs	,251	,120	,280	2,096	.041	,463	2.158

a. Dependent Variable: Implementation of MSMEs SAK

Source: Primary data processed in 2023

Based on table 4.14 above, the test using t count obtained the following results:

1)   The Variable Basic Understanding of Accounting obtained t value 3.047 > t table 2.000, then H_0 is rejected which means that Basic Understanding of Accounting has a significant effect on the Implementation of MSMEs SAK ;

2)   The business length variable obtained t value 1.135 <t table 2.000, then H_0 is accepted, which means that the business length has no significant effect on the implementation of MSMEs SAK ; And

3)   The Readiness of MSMEs Variable obtained a t value of 2.096> t table 2.000, then H_0 was rejected which means that Readiness of MSMEs had a significant effect on the Implementation of MSMEs SAK .

4.   **Determination Coefficient Test (R^2)**

Table 4. 15: Test the Coefficient of Determination R^2

Summary model

Adjusted R Square	std. Error of the Estimate
, 512	2,523

a.   Predictors: (Constant), Readiness of MSMEs, Basic Understanding of Accounting, Business Length

b.   Dependent Variable: Implementation of MSMEs SAK

c.   Source: Primary data processed in 2023

Based on the results of the coefficient of determination in table 4.15 above, it shows that the magnitude of the coefficient of determination is adjusted to the number or value of Adjusted R Square of 0.537, the variables Basic Understanding of Accounting, Business length, and Readiness of MSMEs contribute 53.7% to the MSMEs SAK Implementation variable and the rest (100% - 53.7%) 47.3% influenced by other variables outside of this study.

Discussion

1.   The Effect of Basic Understanding of Accounting on the Implementation of MSMEs SAK

The results of this study indicate that the Basic Understanding of Accounting (BUoA) variable has a significant influence on the Implementation of MSMEs SAK. This means that the higher knowledge regarding the Basic Understanding of Accounting, the higher Implementation of the MSMEs SAK . This proves the first hypothesis in this study proved to be true.

These results are in line with previous studies stated by Rini and Fauzihardani (2022) and Wulandari and Arza (2022) which state that an understanding of basic accounting influences the implementation of MSMEs SAK .

2.   The Effect of Business length on the Implementation of MSMEs SAK

The results of this study indicate that the business length (BL) variable has no effect on the implementation of MSMEs SAK . This result proves the second hypothesis which states that the business length has a significant effect on the implementation of MSMEs SAK is not proven to be true.

The results of this study are inversely proportional to the results of previous studies which stated by Cahyaningrum and Andhaniwati (2021) and Wulandari and Arza (2022) that business length has a significant effect on the implementation of MSMEs SAK .

3.   The Effect of Readiness of MSMEs on the Implementation of MSMEs SAK

The results of this study indicate that the Readiness of MSMEs variable has a significant influence on the implementation of MSMEs SAK . This means that the higher readiness of MSMEs, the higher implementation of the MSMEs SAK . These results prove the third hypothesis which states Readiness of MSMEs has a significant effect on the implementation of MSMEs SAK is proven to be true.

These results are in line with previous research which stated by Lestari (2019) and Devindasari 2019) that Readiness of MSMEs in implementing MSMEs SAK has a significant effect on the implementation of MSMEs SAK.

VI.   CONCLUSION

Based on the research results, the sample in this study was 60 respondents. This study uses multiple linear regression analysis, F-test and t-test. The results of the study show that basic understanding of accounting, business length and Readiness of MSMEs together have a significant effect on the implementation of MSMEs SAK . While partially the Basic Understanding of Accounting and Readiness of MSMEs have a significant effect on the Implementation of MSMEs SAK, Whereas, the business length does not have a significant effect on the Implementation of MSMEs SAK .

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