Introduction of Basic Accounting Concepts in Kalam Kudus Senior High School Pekanbaru

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ABSTRACT

This activity aims to provide students with understanding, knowledge, and an assessment of their abilities in basic accounting concepts. This activity uses lectures, questions and answers, practice and quizzes, and the distribution of questionnaires to gather feedback and suggestions from students. On Monday, August 1st, 2022, this activity was completed offline. The Kalam Kudus Senior High School Pekanbaru students who took part in this activity numbered 14 in total. According to the results of the assessment of student abilities through the provision of accounting practicum questions and quizzes, 90 percent of students can understand, answer, and solve accounting practicum questions and quizzes well. The evaluation of the introduction of basic accounting concepts concluded that it went smoothly and left a positive impression on the students of Kalam Kudus Senior High School Pekanbaru. This activity is intended to stimulate students’ interest in the field of accounting.

Keywords: Accounting, basic concepts, introduction, student

1. Introduction

Education is essential in developing a country’s human resources. Education allows a person to become more creative, knowledgeable, and realize their full potential. Education serves a purpose related to community service activities in that it encourages human resources to improve their quality and abilities in accordance with the rate of economic growth. Accounting education on basic accounting concepts is provided for senior high school students through this community service program. One of the keys to mastering accounting is understanding basic accounting concepts. Accounting is constantly evolving, making basic accounting education essential for students and serving as motivation to continue studies in the field of accounting (Soemaryono et al., 2021). Accounting education teaches students how to solve problems using scientific methods or to think systematically, logically, regularly, and comprehensively (Dermawan & Emanuella, 2021). The students assumed that studying accounting would be difficult, so they had no interest in studying accounting. Accounting is one of the subjects required for senior high school graduates. As a result, this activity is held to ensure that students understand the benefits of accounting not only as a tool for gaining competitive employment but also for managing their finances (Susanto & Susanti, 2019).

Accounting is the practice of recording, summarizing, and reporting financial data (Suciati et al., 2022:1). Accounting is one type of service that provides information to interested parties. Accounting reports on a company’s financial performance at a given point in time. Finance is the most important aspect of business because it determines whether or not the company will thrive. Improper financial management leads to financial issues that can lead to a company’s bankruptcy (Dainuri, 2019). As a result, knowledge of financial management
must be imparted at a young age through accounting education (Khairunnisa et al., 2021). An entrepreneur’s business can fall if he or she lacks accounting knowledge (Darmawati et al., 2022). Accounting education teaches students how to manage finances, develop businesses, and become entrepreneurs, all of which help to reduce Indonesia’s unemployment rate.

According to table 1, data from the Central Statistics Office in 2022 show that senior high schools have the second highest rate of 8.35 percent after vocational high schools. Students who understand the fundamental concepts of accounting will find it useful in the future, particularly in the field of entrepreneurship. By studying accounting, an entrepreneur can perform financial planning and financial reporting to monitor the company’s financial performance (Yulihanita et al., 2022). An entrepreneur who understands accounting can prepare the information that investors require as well as evaluate the business processes that are carried out, particularly in terms of supporting business operations (Nugraha et al., 2022).

**Table 1. Unemployment Rates by Education Level in 2021 and 2022**

<table>
<thead>
<tr>
<th>No.</th>
<th>Education</th>
<th>Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Elementary school or lower</td>
<td>3.61%</td>
</tr>
<tr>
<td>2.</td>
<td>Junior high school</td>
<td>6.45%</td>
</tr>
<tr>
<td>3.</td>
<td>Senior high school</td>
<td>9.09%</td>
</tr>
<tr>
<td>4.</td>
<td>Vocational high school</td>
<td>11.13%</td>
</tr>
<tr>
<td>5.</td>
<td>Diploma degree (I/II/III)</td>
<td>5.87%</td>
</tr>
<tr>
<td>6.</td>
<td>University</td>
<td>5.98%</td>
</tr>
</tbody>
</table>

Source: BPS (2022)

Accounting education is provided through community service in the form of counseling and training. Because there is frequently a gap between theory learned in school and practical work in the workplace, the training provided supplements workplace and/or business skills (Setyawati et al., 2022). As a result, counseling and training can help to bridge these gaps. It is hoped that by participating in this basic accounting concept training, the students of Kalam Kudus senior high school Pekanbaru will improve their knowledge and competencies. This activity is also expected to support students’ perspectives on the importance of accounting in business and everyday life.

2. Methodology

This activity includes counseling and training in the form of lectures, offline question and answer sessions, practice and quizzes, and the distribution of questionnaires to gather feedback and suggestions from students. The material is presented in the form of a PowerPoint soft file. Question and answer sessions to help students better understand the material. Students’ understanding is tested and evaluated through practice sessions and quizzes.

The school assists in preparing and setting a date and time (during school hours) for students who will participate in this activity. On August 1st, 14 students attended this activity in a classroom at Kalam Kudus senior high school. This activity is carried out in two stages: preparation and meeting. The preparatory stage entails visiting the school’s location to discuss the challenges that the school faces. The meeting stage is used to talk about the material that will be presented and delivered to students.

3. Result and Discussion

Training activities for Kalam Kudus senior high school Pekanbaru students to introduce basic accounting concepts in order to improve students’ abilities and knowledge in dealing
with learning activities at school and in the workplace. The activity began with a lecture session that explained the fundamental concepts of accounting, the basic accounting equation, the process of accounting activities, the accounting cycle, financial reports, and the parties with an interest in accounting information. Accounting and business are inextricably linked concepts. An entrepreneur who wants to succeed in business must understand these two concepts.

Accounting consists of three fundamental activities: identification, recording, and communication (Weygandt et al., 2018:2-3). The process of selecting transactions or economic events is known as identification. The process of recording, classifying, and summarizing each transaction is known as recording. Communication is the process of creating, analyzing, and interpreting financial statements for users of financial statement information. Sumarsa (2018:15) states that the basic accounting equation is as follows: Assets = Liabilities + Owner’s Equity. According to the accounting equation, assets are equal to liabilities and equity, so an increase in assets is directly proportional to an increase in liabilities and equity. Assets are assets owned by the company. Current assets (cash, receivables, prepaid expenses), fixed assets (land, buildings, vehicles), and intangible assets (patents, copyrights) are all types of assets. The borrowing of funds by the company to third parties is referred to as liability (creditors). Short-term liabilities (trade payables, salaries payable) and long-term liabilities (bonds) are the two types of liabilities. The owner’s or shareholder’s right to the company is referred to as equity. The owner’s capital, common stock, paid-in capital, and retained earnings are all components of equity.

The accounting cycle is a series of activities and accounting stages that begin with recording transactions and end with closing books systematically (Suciati et al., 2022:5). The accounting cycle begins with the analysis of transactions evidence, followed by the recording of transactions to journals, the transfer of data (posting) from the journal to each appropriate ledger account, the preparation of trial balances, the preparation of adjusting journals, the preparation of trial balances after adjustments, the preparation of financial statements, the preparation of closing journals entries, the preparation of a trial balance after closing, and the preparation of reversing journals entries. A transaction is a series of financial activities involving two or more parties. The original document that serves as a tool for recording all transactions that have occurred is known as proof of transaction. Receipts, debit notes, credit notes, cash notes, memos, cheques, transfer forms, proof of cash in, proof of cash out, current account, and proof of bank deposit are some examples. Every transaction that occurs within the company is recorded in a journal. Every change in wealth, capital, expenses, or income must be documented in the general journal first. The goal is to complete the company’s financial statements (Suciati et al., 2022:11).

Financial statements are the output of the accounting process and can be used to communicate financial information or company activities to interested parties (Suciati et al., 2022:35). The financial statements, according to PSAK No. 1 (2018), include a profit or loss statement, a statement of changes in equity, a statement of financial position, a statement of cash flows, and notes to the financial statements. The profit or loss statement summarizes income and expenses for a specific time period. The statement of changes in equity is a summary of changes in owner’s equity that occurred over a specific time period. The financial position statement is a list of assets, liabilities, and equity as of a specific date. A cash flow statement is a summary of cash receipts and disbursements over a specific time period. The notes to the financial statements are an essential component that cannot be separated from the financial statements. The notes to the financial statements are intended to provide a more detailed explanation of the information presented in the financial statements (Lawrence, 2020:58).
People who work in a company and create accounting reports are examples of internal accounting information users (Suciati et al., 2022:1). Users of internal accounting information include production managers, finance managers, human resources development managers, employees, and directors. Accounting information will be used by management to evaluate and analyze the company’s performance and financial position in order to make an important decision. Accounting data will also be used by management to improve profitability, financial position, and cash flow. Company owners require accurate financial information to determine the acquisition of profit and losses within a specific time frame. This accounting information can also be used to evaluate the performance of company executives. Employees require financial reports in order to obtain information about the company’s stability and profitability, as well as to assess the company’s ability to provide remuneration, post-employment benefits, and employment opportunities.

Users of external accounting information, on the other hand, are individuals, institutions, or other entities outside the company that uses the information to make policy decisions (Suciati et al., 2022:1). Users of external accounting information include the government, shareholders, potential investors, suppliers, creditors, and others. Government agencies will establish rules and oversee the company’s accounting. The goal is for the company to follow employee, consumer, and employee safety regulations. This accounting information, according to investors, will be used as a reference in assessing the risks that will be encountered before deciding to provide business capital loans. Suppliers require accounting information from the company in order to determine the number of sales of the company’s products. This is due to the fact that it relates to the amount of money that the company must pay to the supplier. The need for creditors to use actual accounting information related to the company’s financial performance and financial positions is to assess whether the company is profitable in terms of paying loan interest or not.

Following a theoretical explanation of basic accounting concepts by the mentor, practical accounting questions for service companies were provided. Accounting practicum questions contain cash and credit asset acquisition, debt transactions, income transactions, expense transactions, and capital transactions. Students will practice recording transactions into basic accounting equations and making general journals, classifying into ledgers, compiling profit or loss statements, compiling a statement of changes in equity, and compiling statements of financial positions based on these accounting practicum questions. The following are the accounting practicum questions for the service company in Herman’s barber activities during the first month of July 2021:

a. On July 1, 2021. Herman invested Rp2.000 in the company.


d. On July 4, 2021. The company purchased equipment on credit from Toko Indah for Rp25.

e. On July 5, 2021. The company receives Rp150 in payment from customers for services completed.


h. On July 8, 2021. The equipment used is Rp20.

i. On July 9, 2021. The company pays Rp10 for other expenses.

The students at Kalam Kudus senior high school in Pekanbaru responded enthusiastically to the accounting practicum questions. Students who are still unsure about how to work on the practical questions can invite the mentors to talk about how to create basic accounting equations, general journals, and determine the appropriate account posts for the transaction. Following the completion of the material presentation and accounting practicum sessions, there was a question and answer session, discussions, and quizzes. In addition, the presenters will assess the process of working on the accounting practicum questions and quizzes provided in order to confirm the training’s results. As evidenced by working well on accounting practicum questions and quizzes, as many as 90% of Kalam Kudus senior high school Pekanbaru students understand and know the basic concepts of accounting. Meanwhile, 10% still do not understand the fundamental concepts of accounting. The mentors will follow up with the accounting teacher at Kalam Kudus senior high school in Pekanbaru, with the permission of the principal. Because understanding of service accounting must be continued with trading accounting, it is necessary to improve accounting understanding at the senior high school level. When studying trade accounting, students should be able to analyze more complex transactions involving inventory, cost of goods sold, dan value added tax than service accounting.

This community service activity was evaluated by distributing questionnaires to students from Kalam Kudus senior high school in Pekanbaru. Based on the evaluation results, these students completed the following:

a. Students stated that they strongly agreed (100 percent) that the introduction of basic accounting concepts would be extremely beneficial to them.

b. Students stated that they strongly agree (90 percent) or agree (10 percent) with the introduction of basic accounting concepts to increase students’ knowledge.

c. Students stated that they strongly agree (60 percent) or agree (40 percent) with the presentation of accounting materials and practicums that are easy for students to understand.

d. Students strongly agreed (100 percent) that the overall vision of this community service activity, which included the introduction of basic accounting concepts, was good.

e. Students stated that they strongly agree (100 percent) that they will participate in similar training in the future.

According to the evaluation results, community service activities are being carried out in accordance with the objectives of community service, which provide benefits in the form of knowledge that will be useful for students to increase their self-worth in terms of quality, integrity, and competence in facing the workplace.
Ms. Yenny Wati provides an overview of basic accounting concepts.

Students work enthusiastically on practical accounting problems.
4. Conclusion

Based on the results of this activity, it can be determined that up to 90 percent of Kalam Kudus senior high school Pekanbaru students understand and know the basic concepts of accounting, as evidenced by their ability to work well on accounting practicum questions and quizzes. Suggestions for implementing this community service activity include having a variety of interesting topics for community service activities other than this one so that students can gain a better understanding of accounting theory and practice in Indonesia.

5. Acknowledgement

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