

## Contribution of Cost Accounting Information in Increasing Responsibility to Stake Holders in MSMEs Lhokseumawe City

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### ABSTRACT

The influence of accounting in countries, especially Indonesia, is currently experiencing rapid changes where the more the economic sector develops, the world will also become more advanced so that in the future various kinds of organizations such as companies will experience development. This research aims to test the influence of accounting cost in reminded not quite enough answer to stake holders in MSMEs in Lhoksemauwe City. The research method used in this research is the data collection method. The data collection method used is literature review, library research. Data collection methods in the library, reading, recording and managing research materials. The type of data used is data Qualitative. Results study it provides in-depth insight into how thoughtful integration between Cost Accounting, Responsibility and attention to Stakeholders can support the sustainable growth of MSMEs. The implications of these findings are not only relevant for practitioners and academics in the field of accounting, but can also be a basis for developing policies that support the holistic development of MSMEs.

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### INTRODUCTION

The influence of accounting in countries, especially Indonesia, is currently experiencing rapid changes where the more the economic sector develops, the world will also become more advanced so that in the future various kinds of organizations such as companies will experience development. Things like this will continue to develop because the situation continues to be forced to compete and make progress with its competitors in order to defend its business. For example, MSMEs have carried out business defense and accountability through accounting so that they are able to determine and at the same time provide measurements of the results of the performance that has been carried out and achieved through accountability. Work that has performance requirements that will be achieved within a predetermined period and stated financial measurements is called a budget, through preparing a budget during the process it is called budgeting (Haghe et al., 2022). The process cost accounting system is usually used when producing many identical or similar goods in a continuous production process. Usually the production process is not completed at the end of the accounting period, the production costs of a department can change from one period to another. This is different from order cost calculations, where this method can be useful to apply to companies whose products can be identified according to orders. Process cost calculation is a system of collecting production costs according to departments or cost centers during one period. Where the calculation of process cost is a way to determine the amount of production

costs that occur each period which will be allocated to products, both finished and unfinished products. MSMEs, when determining the cost of production, do not understand how to calculate it. For MSMEs, they calculate their production costs based on their experience without knowing the type of business they sell or create. For this reason, it is necessary to provide training and understanding on how to calculate the cost of their business. As one of the backbones of the national economy, MSMEs are not a sector that does not have problems (Siahaan et al., 2023). It is difficult for MSMEs to gain access to banking financing because MSME managers do not yet have a good financial administration system. Often MSME businesses are still managed manually and traditionally. MSME business owners have not been able to separate operational money for household and business. This also causes MSME business owners to not have long-term strategic goals or plans. The fundamental problem for MSMEs in Indonesia is limited accounting capabilities.

This limited capacity includes the inability of MSME business actors to calculate the Cost of Goods Production (HPP) correctly. Understanding correct accounting records is one of the challenges in answering MSME financial management problems. Determining the cost of production aims to find out how much costs are sacrificed in processing raw materials into finished goods that are ready to be used and sold. Production costs consist of raw material costs, labor costs and factory overhead costs. Production costs can be further explained as direct costs and indirect costs. Direct costs are the main costs that cause a product to be produced. These costs consist of raw material costs and direct labor costs. Meanwhile, indirect costs are costs that do not directly affect the production of a product. These costs include factory overhead costs. The sum of direct and indirect costs plus the desired profit will determine the selling price of the product. (Ujungnegoro et al., 2022)

Contributions of accounting information include: 1). Used to prepare operating budgets, 2). Determine the most appropriate cost accumulation method to ensure control, cost reduction and continuous quality improvement. 3) Controlling the amount of inventory costs, 4). Determination of selling price, 5). Evaluate product, department or division performance, 5). Making long-term and tactical decisions that influence the rise and fall of income and/or costs.

system in the manufacturing conversion cycle begins when the planning and control section sends a copy of the work order document to the cost accounting section. The cost accounting recording process includes, among other things: 1). Activities to purchase direct raw materials and auxiliary materials, both in cash and credit by the purchasing department. 2). Activities for taking raw materials from the materials warehouse for the production process by the production department. 3). Activities for using labor and distributing salary and wage costs. 4). BOP charges are determined in advance based on a tariff. 5). Finished product recording. 6). Sale of finished products to customers. 7). The actual BOP recording that actually occurs. 8). BOP closing is charged to the actual BOP, which is followed by adjustments to the BOP difference, either over applied overhead or under applied overhead.

Accounting ( accounting ) in general general can interpreted as system information that provides report for the owners importance about activity economic and company conditions. System information collect and process related data and disseminate it information finance to parties related. Accountancy has experience change from understanding decades ago, Where accountants called holder book Because function they take notes every ytransaction financial happenings \_ to in the book mentioned journals and books big. Entire list transaction finance This umkm is base For count is umkm get profit.

Based on accounting principles board (1970) if translated “ accounting is something activity functional services \_ provide information quantitative, especially of a nature finance, about entity economics that is intended to be useful in taking decision economical in make reasonable choices \_ between various alternative direction action ” ( Diniyah et al., 2015).

Definition of Cost accounting is the process of recording, grouping, summarizing, and presenting the costs of production and sales of products or services, with certain steps, and interpretation of them, cost accounting as a step of identifying, defining, measuring, delivering, and analyzing various cost elements direct and indirect costs related to the production and marketing processes of products. Cost accounting is the process of collecting, presenting and analyzing information related to costs so that it makes it easier for management to prepare budgets, control, determine prices, determine profits.

As a basis for selecting alternatives for decision making and controlling costs in technological advances. In Indonesia, cost is defined as the acquisition price or cost. cost is a sacrifice of economic resources used to obtain goods or services with the aim of providing immediate or future mass benefits and is valued in currency units. Cost accounting is accounting that provides the information needed in management accounting and financial accounting. Cost accounting measures and reports any financial and non-financial information related to the costs of acquiring or utilizing resources in an organization. In a broad sense, costs are sacrifices of economic resources, assessed in currency units, either those that have occurred or that will occur for the benefit of something. Determining the cost of production aims to find out how much costs are sacrificed in processing raw materials into finished goods that are ready to be used and sold. explains that production costs consist of raw material costs, labor costs and factory overhead costs. Production costs can be further explained as direct

costs and indirect costs. Direct costs are the main costs that cause a product to be produced. These costs consist of raw material costs and direct labor costs. Meanwhile, indirect costs are costs that do not directly affect the production of a product. These costs include factory overhead costs. The sum of direct and indirect costs plus the desired profit will determine the selling price of the product (Literature & Tejakusumana, 2023).

The fundamental problem for MSMEs in Indonesia is limited accounting capabilities. This limited capacity includes the inability of MSME business actors to calculate the Cost of Goods Production (HPP) correctly. Understanding correct accounting records is one of the challenges to answering MSME financial management problems. Accounting is applied as a form of accountability which is considered good in creating control and also measuring the work of managers. It can be interpreted as a means of evaluating whether a manager is capable or not, namely accountable accounting. Accountability The answers reported will later be used as a basis for making analyzes with the aim of measuring the work of managers in charge The answer is central in network-based planning The answer that has become central through aspects of behavior is a form of responsibility answer. It is very important that accounting accountability is implemented because it can later provide assistance to the management that is insured answer when carrying out supervision in this case controlled costs

## METHOD

The data collection methods used are literature review, study Bibliography is research conducted solely based on written works. Including research results both that have been published and that have not been published. Research with study literature is research whose preparation is the same as other research but the source and method of data collection are by taking data from the library, reading, taking notes and method collecting data by taking data from the library, reading, taking notes, and processing research materials. Thus, research using literature studies is also research and can be categorized as scientific work because data collection is carried out with a strategy in the form of research methodology (Irfani, Furqani, and Hasnita 2020).

The data taken comes from books, journals and several other electronic scientific articles. What is meant by data source in research is the subject from which data can be obtained. If study use documentation, so document or notes scientific lah which is the source data.. Kirk & Miller explain that qualitative research is a particular tradition in the social sciences that fundamentally relies on observing (of) people in their own area and relating to these people in language and terminology. The qualitative approach became popular, especially in the fields of social psychology and sociology, as well as in the field of education, after many related experts felt that there were many weaknesses in research conducted in these fields, which was carried out in laboratories using experiments.

## RESULTS

Cost accounting is the process of recording, grouping, summarizing, and presenting the costs of producing and selling products or services, with certain steps, and interpreting them. Cost accounting is a step in identifying, defining, measuring, conveying and analyzing various elements of direct costs and indirect costs related to the production and marketing processes of products. Cost accounting is the process of collecting, presenting and analyzing information related to costs so that it makes it easier for management to prepare budgets, control, determine prices, determine profits, as a basis for selecting alternatives for decision-making, and controlling costs in technological advances. (Sofiana, 2014)

Accountancy cost, as something system information, no only responsible answer in measure and manage cost production, but also play role key in give relevant information \_ to the parties involved. Not quite enough answer, as landsan ethical in business, integrated into the accountancy cost For ensure that resulting decision making For reflect Company values. In line with That this research explores How accountancy cost can, improve accountability and transparency in frame fulfil not quite enough answer Corporate social towards environment around. Stakeholders, as parties involved and interested in the success of MSMEs, is also made focus study. In this context, this research tries For understand needs and hopes to stakeholders as well as How accountancy cost can fulfil expectation them, so create mark added sustainably. \_ Importance balance between continuity financial and responsibility answer social in MSME context can optimize user source power, increase efficiency, and effectively positive contribute to continuity business and society around.

### Understanding Costs

In Indonesia, cost is defined as the acquisition price or cost. cost is a sacrifice of economic resources used to obtain goods or services with the aim of providing immediate or future mass benefits and is valued in currency units. Cost accounting is accounting that provides the information needed in management accounting and financial accounting. Cost accounting measures and reports any financial and non-financial information

related to the costs of acquiring or utilizing resources in an organization. Costs are sacrifices of economic resources, valued in currency units, whether they have occurred or will occur for the benefit of something (Riau, 2022).

Accounting objectives cost according to (Siregar, et al, 2014). Among others:

a. Budgeting

Budget is planning written and stated management \_ in rupiah unit. Realistic budget \_ will increase coordination between individuals, its implementation policy management, achieved it goals that have been set. Budget can also be done increase harmony between managers and employees.

b. Control

In small companies, control to employee can done with supervision in a way physique. Whereas in large companies, control done use tool certain, like planning or report

c. Determination price

Management must can determine price products that can close all generating costs \_ profit. Sales are greatly influenced by function demand and supply, however For determine favorable price, necessary \_ taken into account in a way precise and accurate.

d. Election Alternative

Accountancy cost provide information various derived income and expenses \_ from various activity. With information like this, management can make term decisions long and term short For enter new markets, develop product new, stop product, buy or make Alone component product new. As well as buying and renting something assets.

#### Cost Accounting Function

- a. Determining Cost of Goods The first function of cost accounting is to determine determining the basic price of a product or service produced by the company. Don't let the price offered be too high or too low for consumers. Determination of the cost price is obtained by recording, classifying, monitoring and summarizing all cost components related to the production process from historical data which is used as a reference by management in determining the cost of production.
- b. Cost Planning & Control In cost planning and control, management will monitor whether deviations occur (there are differences between actual costs and planned costs). If there is, management will analyze the causes of the differences and consider corrective actions that need to be taken as a form of control.
- c. As basic information related to cost and expense planning. The third function of cost accounting is as basic information related to cost and expense planning. Please note that all types of production and distribution costs must be planned in advance. This planning requires valid and written arguments so that the implementation (action) is in line with the company's expectations.
- d. As data for the budget preparation process, cost accounting is also created to serve as the basis for data used in the budget preparation process. Because before a budget is made, it must first be detailed what must be provided and what the total costs will be.
- e. As cost information for control. The final function is as financing information that will be reported to superiors or management. So that policy makers or stakeholders can carry out a series of controls and the like (Rahmawati & Adi, 2022)

#### Classification of cost accounting

Classifying cost accounting can be seen from practice, cost accounting is grouped into 4 classifications based on (v. Wiratna Sujarweni, 2015) :

1. Main Function
2. Funded Objects
3. Activities or Production Volume
4. Accounting Period Charges

The following is a description of costs based on these 4 classifications (Haghe et al., 2022) :

1. Main Function
  - a. Production costs include raw material costs, labor wages, as well as electricity rates.
  - b. Marketing costs, all the money spent on promotion and advertising so that the product sells well on the market.
  - c. Administrative and general costs, including overhead costs and employee salaries.
2. Funded Objects
  - a. Direct costs, directly related to production activities, such as raw material costs.
  - b. Indirect costs, for example building rental costs, machine depreciation, and electricity rates.

3. Activities or Production Volume
  - a. Fixed costs, costs that remain the same even if production volume increases or decreases. For example, employee salaries.
  - b. Variable costs are dynamic according to production volume. The more frequently a company makes products, the greater the costs. For example, standard prices and electricity tariffs.
4. Accounting Period Charges
  - a. Capital expenditure, the amount of money that must be spent to acquire fixed assets while increasing operational efficiency.

## CONCLUSION

Cost accounting is the process of recording, grouping, summarizing, and presenting the costs of producing and selling products or services, with certain steps, and interpreting them. Cost accounting is a step in identifying, defining, measuring, conveying and analyzing various elements of direct costs and indirect costs related to the production and marketing processes of products. Cost accounting is the process of collecting, presenting and analyzing information related to costs so that it makes it easier for management to prepare budgets, control, determine prices, determine profits, as a basis for selecting alternatives for decision making, and controlling costs in technological advances.

In Indonesia, cost is defined as the acquisition price or cost. cost is a sacrifice of economic resources used to obtain goods or services with the aim of providing immediate or future mass benefits and is valued in currency units. Accounting objectives cost according to (Siregar, et al, 2014). Among others:

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Budget is planning written and stated management \_ in rupiah unit. Realistic budget \_ will increase coordination between individuals, its implementation policy management, achieved it goals that have been set. Budget can also be done increase harmony between managers and employees.
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Classifying cost accounting can be seen from practice, cost accounting is grouped into 4 classifications based on (v. Wiratna Sujarweni, 2015) : 1. Main Function, 2. Costed Object i, 3. Activity or Production Volume, 4. Accounting Period Expenses

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