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Research Article

Inventory Accounting System Analysis and Design (Overview about Providing Good Service to Consumers)

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Abstract.

Inventory is a major asset owned by the company. Large investments invested in inventory will cause problems related to organizing costs where these costs will increase warehouse costs. Inventory is highly susceptible to damage, theft, and fraud. Inventory accounting system plays an important role in the arrangement to avoid repatriation of company assets, especially inventory. Appropriate and correct inventory accounting treatment is absolutely necessary. This is because the inventory item has a considerable influence in the financial statements, namely on the balance sheet and in determining the price of inventory in the income statement.

Keywords: Inventory, Internal Control, Inventory Accounting Information System

1. Introduction

A trading company is a company whose business activities are buying goods, temporarily storing and then selling them again without changing the forms of the goods. These purchased goods are usually purchased in large quantities/stocks and of various types, so that the handling and management must be handled in stages and not sold entirely to consumers. For goods sold can be stored in the warehouse first (merchandism inventory). The accounting process usually really requires accuracy. Where bookkeeping activities, be it the process of recording, classifying, summarizing and others to the preparation of financial reports needed by business owners or managers in making decisions (Yulisfan et al., 2021). Inventory is a major asset owned by the company. Large investments invested in inventory will cause problems related to maintenance costs where these costs will increase both in the form of warehouse costs, besides that inventory is very vulnerable to damage, theft, and fraud. Inventory accounting system plays an important role in preventing the manipulation of company assets, especially inventory.

Errors in recording incoming goods or outgoing goods at the trading company will affect the company's financial statements so that it can cause losses to the company, because inventory is the biggest asset of any trading company. or unintentionally from company employees. In the current competitive economic climate, the application of inventory accounting methods and management practices has become a very effective profit improvement tool. A better inventory system can

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increase profits or profitability, while a poor system can erode profits and make the business less competitive. According to Mulyadi (2014: 553), Inventory accounting system aims to record the mutation of each type of inventory stored in the warehouse. This system is closely related to the sales system, sales return system, purchasing system, purchase return system, and cost accounting system in manufacturing companies. With the inventory accounting system in a company, the inventory in the company can be managed properly and kept safe. Therefore, we need a system that is good, reliable and efficient in providing good service to consumers. then the inventory at the company can be managed properly and kept safe. Therefore, we need a system that is good, reliable and efficient in providing good service to consumers. then the inventory at the company can be managed properly and kept safe. Therefore, we need a system that is good, reliable and efficient in providing good service to consumers.

2. Literature Review

Sadeli (2008) states that accounting is often dubbed the language of business (the language of business). Rapid changes in society have led to the increasing complexity of the language, which is used to record, summarize, report, interpret basic economic data for the benefit of individuals, entrepreneurs, governments and other members of society. Munawir (2007) defines accounting as follows, accounting is the art of recording, classifying, and summarizing events and events which are at least partly financial in the most precise manner, and with instructions or expressed in money, as well as interpretation. to the things that arise from it. World (2005) suggests accounting as an information system that provides reports to various users or decision makers regarding the business activities of an economic unit. Accounting produces useful information for users, internal parties or those who manage the company and for parties outside the company. Libby at all. (2008) defines accounting as a system that collects and processes financial information about an organization and reports that information to decision makers. This information is needed by internal and external parties of the company. Horgren and Harrison (2007:18) state that accounting is a system that measures business quantities, and processes that information into reports and communicates them to decision makers. internal parties or those who manage the company and for parties outside the company. Libby at all. (2008) defines accounting as a system that collects and processes financial information about an organization and reports that information to decision makers. This information is needed by internal and external parties of the company. Horgren and Harrison (2007) state that accounting is a system that measures business quantities, and processes that information into reports and communicates them to decision makers. internal parties or those who manage the company and for parties outside the company. Libby at all. (2008:4) defines accounting as a system that collects and processes financial information about an organization and reports that information to decision makers. This information is needed by internal and external parties of the company. Horgren and Harrison (2007) state that accounting is a system that measures business quantities, and processes that information into reports and communicates them to decision makers. 4) defines accounting as a system that collects and processes financial information about an organization and reports that information to decision makers. This information is needed by internal and external parties of the company. Horgren and Harrison (2007) state that accounting is a system that measures business quantities, and processes that information into reports and communicates them to decision makers. 4) defines accounting as a system that collects and processes financial information about an organization and reports that information to decision makers. This information is needed by internal and external parties of the company. Horgren and Harrison (2007) state that accounting is a system that measures business quantities, and processes that information into reports and communicates them to decision makers.

The definition of accounting can generally be identified as a service activity that serves to provide quantitative data, especially those of a financial nature and a discipline that provides important information so as to enable the efficient implementation and assessment of the running of the company as well as the process of identifying, measuring and reporting economic information to enable clear and unequivocal judgments and decisions for those who use the information. Kasmir & Jakfar (2006) reveal that financial reports for management are a tool to assess the performance of company management in achieving the targets that have been set. Then also to assess the performance of management in managing its resources. This measure of success can be seen from the growth in profits and the development of its assets. In the end, this financial report is also the owner's assessment to provide compensation and management careers and entrust the management to lead the company in the next period.

Statement of Financial Accounting Standards No. 14

PSAK is a standard that must be followed in accounting records and reporting in Indonesia. This PSAK is the rules that must be obeyed by accountants so that accounting reporting in Indonesia becomes more effective.

a. Stock

In PSAK No. In this case, the Indonesian accounting association specified its statement regarding inventories. It consists of an introductory, explanatory and revealing section regarding merchandise inventory.

b. Preliminary

In the introduction to PSAK No. 14 contains the purpose of the statement, the scope of the statement and the definition of inventory. This introduction consists of paragraphs 1 to 4.

c. Aim

The purpose of this statement is to formulate the accounting treatment for inventories under the historical cost system. The main problem in accounting for inventories is the amount of costs that must be recognized as assets and their subsequent conversion until the related revenue is recognized.

d. Scope

In paragraph 1 of PSAK No. 14 says that: this statement should be applied in the preparation of financial statements in the context of the historical cost system of inventory accounting other than:

1. Work in progress arising in construction contracts (construction contracts)

2. Financial Instruments; and

3. Inventories held by producers of livestock, agricultural and forestry products, and mining products as long as such inventories are valued at net realizable value in accordance with the prevailing practice in certain industries.

Stock

Horngren (2008) said that trading sector companies buy tangible products and then sell them without changing the basic form. This type of company has only 1 type of inventory, which is the product in its original form when it is purchased which is called merchandise inventory. Kieso at all. (2002:444) states that inventories are asset items held for sale in normal operations or goods to be used or consumed in producing goods to be sold. Descriptive and measurement of inventory requires caution because investment in inventory is usually the largest current asset of merchandising (retail) and manufacturing companies.

Cost of Inventory

Supriyono (2008) defines cost of goods as an amount that can be measured in units of money, in the form of cash paid or the value of services provided/sacrifice, or debts incurred or additional capital in the context of ownership of goods and services needed by the company, either in the past and in the future.

Inventory Valuation

There are 2 methods of valuation of inventories, namely (a) the cost method or lower net realizable value and (b) net realizable value or also known as the selling price method. Each of these methods has different conditions.

a. Cost Method

The cost of ending inventory is included in the balance sheet. Here there is no difference between the cost of inventories and the value of inventories in the balance sheet. The cost of goods inventory can be determined by: Cost of goods inventories can be determined by means of FIFO, weighted average, LIFO or others and the results are included in the balance sheet without change, PSAK No. It is not permissible to use the cost of goods method to determine the value of inventories in the balance sheet.

b. Selling Price Method

Deviations from the principle of cost of goods for valuing inventories by including inventories at their net selling prices are acceptable as long as the following conditions are met: (1) there is certainty that the goods will be immediately sold at a predetermined price and (2) are standard products, whose market is able to accommodate and difficult to determine the basic price.

Costs That Must Be Included In Inventory

The costs that must be included in the inventory consist of all expenses, both direct and indirect, along with the costs that must be included in the inventory according to Kieso at all. (2002):

a. Product Cost

Product costs are costs that are attached to inventory and are recorded in the inventory account. These costs are directly related to the transfer of goods to the buyer's business location and converting the goods to a salable condition. Such expenses include the cost of transporting the purchased goods, other direct purchase costs, and labor costs.

b. Period Fee

Selling expenses and, under the usual circumstances, general and administrative expenses are not considered to be directly related to the acquisition or production of goods and, accordingly, are not considered to be part of inventories. Such costs are called period costs.

c. Interest Fee

Interest costs associated with holding inventories ready for sale are usually expensed when they are issued. An important argument for this approach is that interest costs are a financing cost, while others argue that interest costs are a financing cost, while others argue that interest costs are incurred to finance activities. associated with creating and transporting inventories to a ready-to-use condition and location are costs of assets such as materials, labor and overhead, and should therefore be capitalized.

d. Manufacturing Cost

Manufacturing overhead costs include indirect materials, indirect labor, and items such as depreciation, taxes, insurance, heating, and electricity needed in the manufacturing process.

FIFO Inventory Valuation Method

The FIFO method is a method of determining inventory based on the assumption that the first goods purchased (in) are the first to be sold (out). Thus, the goods in stock are considered to have come from the last purchases because the goods from previous purchases are considered to have been sold (issued). The FIFO method is based on the assumption that the units sold are the first to arrive.

Inventory Recording Method

Tjahjono (2009) states that inventory accounting methods can be separated into 2, namely the physical method (periodic) and the book method (perpetual). The physical method is a method of recording inventory that does not follow inventory mutations so that to find out the amount of inventory at a certain time, a physical count of inventory (stock taking) must be carried out. The book method is a method of recording inventory that follows the mutation of inventory at any time it is known from the company's account. Costa and Addison (2007) suggest the perpetual inventory method requires that each purchase be added to inventory when it is received, and each type of inventory sold is deducted from inventory at the time of sale. This allows the inventory balance to be updated daily,

3. Research Methods

The analytical method used is descriptive qualitative analysis. The main purpose of using this method is to describe the facts, the nature of a situation that existed at the time of the study by studying certain symptoms. The analysis is carried out in a way, the data analysis process begins by examining all available data sourced from observations that have been written in field notes, interviews and so on. In addition, PSAK No. 14 as a guide and using theories regarding inventory accounting to evaluate the inventory accounting treatment applied by the company.

4. Results and Discussion

4.1. Results

After evaluating the inventory of existing merchandise at PT. Success of the Commerce Era. All merchandise inventory in the company is goods obtained through purchases to companies from outside the region such as Jakarta and Surabaya, after making a purchase the company immediately stores the purchased goods and is ready to be resold, to consumers who are in the area. sales of PT. The Success of the Manado Commerce Era. PT. Sukes Era Niaga Manado is a company engaged in trading various kinds of merchandise sold by the company such as Hard Disks, Flash Disks, Mouse, Keyboard, and various types of Mobile Phones. Unlike previous research conducted by Pangemanan (2009) at PT. Jumbo Manado Supermarket, the difference is the number of products sold by PT. Jumbo much more than PT. Success of the Commerce Era. PSAK 14 in its 4th paragraph states that inventory includes goods purchased and held for resale, for example, merchandise purchased by retailers for resale. When compared with PSAK No. 14 then it is true that the inventory of merchandise at PT. The success of the Commerce Era is covering goods purchased and stored for resale in the normal activities of the company. Inventory of merchandise at PT. The success of Era Niaga is fully owned by the owner of the company, namely Mr. Stefanus Sambetiro. As previously stated, the company's inventory of merchandise is obtained by purchasing either cash or credit to companies in Jakarta and Surabaya. In order to have inventory of this merchandise for use or sale, the company purchases merchandise inventory, especially if the stock of merchandise inventory is running low and approaching emptiness. In the event of the purchase of inventories, the costs of purchasing inventories are incurred which include the purchase price, import duties and other taxes, and transportation, handling and other costs that are directly attributable to the acquisition of goods (in accordance with PSAK No. 14 in its 7th paragraph). The company uses the perpetual recording method, so that the inventory recording at PT. Success Era Commerce runs continuously by tracking customer demand for types of supplies. In this case the recording is done computerized, which is directed accurately using the system, so that the income statement can be prepared without having to do physical calculations this recording method is the same as the recording method applied to PT.Bernofarm Jakarta. In previous research conducted by Lie (2009) on the company. This recording provides accurate and timely information so that management can make decisions by viewing inventory recording reports. In addition, by using this recording method the company can respond more effectively to customer questions regarding the availability of goods and thus, avoid stockouts and managers. can control inventory levels with reports from this recording system. In previous research conducted by Lie (2009) on the company. This recording provides accurate and timely information so that management can make decisions by viewing inventory recording reports. In addition, by using this recording method the company can respond more effectively to customer questions regarding the availability of goods and thus, avoid stockouts and managers. can control inventory levels with reports from this recording system. In previous research conducted by Lie (2009) on the company. This recording provides accurate and timely information so that management can make decisions by viewing inventory recording reports. In addition, by using this recording method the company can respond more effectively to customer questions regarding the availability of goods and thus, avoid stockouts and managers. can control inventory levels with reports from this recording system.

PT. Sukses Era Niaga Manado
Neraca
Per 31 Desember 2011

Aktiva		**Kewajiban dan Modal**	
Aktiva Lancar		*Hutang Lancar*	
Kas	Rp. 323.900.238	Hutang dagang	Rp.1.280.350.200
Bank giro	Rp. 21.769.547	Hutang kredit bank	Rp. 400.908.700
Persediaan barang	Rp. 239.516.623	Hutang Pph Des 2011	Rp. 2.567.000
	-----------------------	Hutang lain-lain	Rp. 21.987.420
Total Aktiva Lancar	Rp. 585.186.408	*Total Hutang Lancar*	Rp.1.705.813.320
Aktiva Tetap		*Modal*	
Harga Perolehan	Rp. 2.150.678.854	Modal yang disetor	Rp. 115.000.000
Akumulasi Penyusutan	Rp. 278.689.350	Laba ditahan	Rp. 560.890.000
Total Aktiva Tetap	Rp. 1.871.989.504	Kompensasi Pph	Rp. 17.896.320
		Laba Tahun Berjalan	Rp. 68.176.472
AKTIVA LANCAR LAINNYA			
Pph tahun 2010	Rp. 10.600.200	*Modal Akhir Per 31-12 2011*	Rp. 761.962.792
Total Aktiva Lainnya	Rp. 10.600.200		
Total Aktiva	Rp. 2.467.776.112	**Total Kewajiban & Modal**	Rp.2.467.776.112

Sumber : PT. Sukses Era Niaga.

Tabel 2. Ikhtisar Rugi Laba PT. Sukses Era Niaga.

PT. Sukses Era Niaga Manado
Ikhtisar Rugi Laba
31 Desember 2011

Penjualan Bersih		Rp. 1.890.973.799
Harga Pokok Penjualan :		
Persediaan awal Januari 2011	Rp. 125.789.800	
Pembelian tahun 2011	Rp. 1.801.152.958	
Biaya Angkut Pembelian	Rp. 23.808.081	
Biaya Pembelian Lainnya	Rp.	
	1.950.750.839	
Retur Pembelian	Rp. 9.236.810	
Barang yang tersedia dijual	Rp. 1.941.514.029	
Persediaan akhir tahun 2011	**Rp. 239.516.623**	
Harga Pokok Penjualan		Rp. 1.701.997.406
Harga kotor operasi		Rp. 188.976.393
Biaya-biaya Operasi :		
Biaya Administrasi dan umum	Rp. 120.799.921	
Total biaya		Rp. 120.799.921
Laba bersih operasi		Rp. 68.176.472
Pendapatan lain-lain :		
EBIT		Rp. 68.176.472

Sumber: PT. Sukses Era Niaga.

Direct observations that have been made on the inventory valuation method so that evidence can be collected relating to inventory accounting. From the available evidence and direct observation, it can be seen that the application of inventory accounting at PT. The success of the Commerce Era is in accordance with the Statement of Financial Accounting Standards No. 14. In the case of the use of the MPKP/FIFO inventory valuation method in a company that has an important role and has a great influence on inventory accounting. In this method, ending inventory is valued at the most recent cost of goods purchased, therefore, the goods purchased first are the first goods sold and the remaining goods on hand (ending inventory) are assumed to be final costs. Therefore, for the determination of income, The previous costs are matched with the new revenues and costs are used for the valuation of the balance sheet. This method is consistent with actual cost flows, since the merchandise owner tries to sell the old inventory the first time. FIFO is the most widely used method of inventory valuation. in previous research conducted by Pangemanan (2009) at PT. Jumbo Manado Supermarket, the company has recorded using the FIFO inventory method but in recording inventory the company has not recorded perpetually because the company does not make journal entries if there is an inventory of merchandise which occurs when there is an increase in merchandise inventory. This method is consistent with actual cost flows, since the merchandise owner tries to sell the old inventory the first time. FIFO is the most widely used method of inventory valuation. in previous research conducted by Pangemanan (2009) at PT. Jumbo Manado Supermarket, the company has recorded using the FIFO inventory method but in recording inventory the company has not recorded perpetually because the company does not make journal entries if there is an inventory of merchandise which occurs when there is an increase in merchandise inventory. This method is consistent with actual cost flows, since the merchandise owner tries to sell the old inventory the first time. FIFO is the most widely used method of inventory valuation. in previous research conducted by Pangemanan (2009) at PT. Jumbo Manado Supermarket, the company has recorded using the FIFO inventory method but in recording inventory the company has not recorded perpetually because the company does not make journal entries if there is an inventory of merchandise which occurs when there is an increase in merchandise inventory.

The use of this FIFO method is in accordance with PSAK No. 14 regarding inventories in paragraph 20. The cost of inventories, except those referred to in paragraph 19, must be calculated using the weighted average cost method, or last in first out (LIFO). In this case PT. Success Era Commerce uses the FIFO method in its inventory valuation.

PT. Success Era Commerce the value of the listed merchandise inventory is Rp. 239.516,623. This can be seen in the asset group, especially in the current assets section. Its inclusion in the balance sheet is after the checking account post. The inventory value on this balance sheet is quite high considering that PT. Success Era Commerce is a company engaged in the trading business whose largest investment lies in the inventory of merchandise. In the income statement of PT. The success of the Commerce Era, merchandise inventory will appear in the cost of goods sold which consists of: initial January inventory of Rp. 125,789,800 then added with purchases in 2011 amounting to Rp. 1,801,152,958 and then added with the purchase of transportation costs of Rp. 23,808.081 the result is equal to Rp. 1,950,750,839. Then it is deducted by the purchase return of Rp. 9,236,810 so that the value of the goods available for sale is Rp. 1,941,514,029 after that it was deducted by the value of the ending inventory in 2011 amounting to Rp. 239.516,623 so that the HPP can be obtained in the amount of Rp. 1,701,997,406. If net sales are deducted by COGS, the gross operating profit of the company can be obtained as shown in the income statement.

The evaluation carried out, the value of the inventory listed in the balance sheet is the value of the ending inventory on the income statement of PT. The success of the Commerce Era in 2011 amounted to Rp. 239.516,623. This ending inventory will become the beginning inventory in the following year, namely 2012. If the inclusion is different in the income statement and balance sheet, it can be ascertained that an error has occurred in the recording of this inventory. Therefore, the accounting department must work optimally and must be careful because this section carries out this function in accordance with the job description in the organizational structure of PT.

Success of the Commerce Era. In PSAK No. 14 that inventories in the balance sheet are stated at cost or cost or are stated based on the lowest price between cost and market price or based on selling price.

The 31st paragraph of PSAK No. 14 stated that financial statements must disclose the accounting policies used in measuring inventory, including the cost formula used. If it is connected and compared with the income statement and balance sheet of PT. Success of the Commerce Era, the disclosure of PT. The success of the Trading Era is in accordance with PSAK No. 14 because the value of the 2011 ending inventory listed in

income statement and inventory in the balance sheet are obtained using the cost formula, namely the FIFO formula as described in the cost formula of PSAK No. 14, paragraphs 20 and 21. It can be concluded that the application of inventory accounting at PT. The success of the Commerce Era has complied with the standards that must be followed in accounting records and reporting, namely Statement of Financial Accounting Standards Number 14.

5. Conclusion

From the results of the evaluation of the application of inventory accounting at PT. Success of the Commerce Era, conclusions can be drawn:

a. Application of inventory accounting at PT. The success of the Commerce Era has complied with the Statement of Accounting Standards No. 14 regarding supplies. The inventory valuation method used by PT. Success Era Commerce is the FIFO method.
b. At the end of the year the company performs a physical count of all types of merchandise inventory to check the accounting records and to ensure the balance recorded in the books. This is done to compare inventory records against the results of physical counts thus enabling companies to track differences in total inventory.

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