

The Influence of Myob Accounting Software on the Performance of Company Financial Report

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Abstract

In the last two decades, the necessity of information management and technology system has been proven as a very crucial need for many enterprises or companies. The use of computers in the office automation and integrated system is a must for companies to establish themselves in the business world. One of the basic management information systems that are crucial in the accounting program is the use of doing business transactions are considered able to simplify and streamline the fundamental needs for running a business, such as marketing and operations is also a financial statement of a company. This study aims to measure the extent of the influence of the use of accounting software on performance reporting on financial companies, one of which is using MYOB accounting software in assisting the settlement of financial reporting in a company.

Keywords: Accounting software; MYOB Accounting; Financial statements; Company performance.

1. Introduction

In globalization and development era, management information systems and technologies are a critical need for the company [1]. The use of computers in office as automation and integrated system is imperative for the company to exist in the business world [3]. Technological sophistication deemed able to facilitate human work in this day and age, where the workload is very draining, technology is one of the solutions to simplify and accelerate their employment. Accounting takes an important role in operating an enterprise or organization. Every business must keep track of financial information that relates to its business activities. It also has numerous processes; some simple, others complex and burdensome. But as the business grows, acquires new customers, enters new markets and keeps pace with constant changes in information technology, companies need to maintain highly accurate and up-to-date accounting, inventory and statutory records. With a substantial increase in the volume of accounting transactions and increase in exposure of information to errors due to complexity of these accounting systems, there was a need for a system which could store and process accounting data with increased speed, storage, and processing capacity. This led to the development and introduction of accounting software packages [4,5,6].

Accounting Software is a class of computer programs that perform accounting operations. Accounting Software is an application software that records and processes accounting transactions within functional modules such as accounts payable, accounts receivable, payroll, and trial balance. Thus, these software packages allow the whole accounting system to be run in a computer hence it is called as Computerised Accounting System [7,8]. A computerized accounting system records accounting transactions using a computer and accounting software. It is one of the database-oriented applications wherein the transaction data is stored in well-organized database. The user operates on such database using the required interface and also takes the required reports by

suitable transformations of stored data into information. Therefore, the fundamentals of computerised accounting include all the basic requirements of any database-oriented application in computers [9]. It helps simplify, integrate, and streamline all the business processes, cost-effectively and easily and helps presents the true picture of all the business undertakings to users of financial reports. Therefore, professionals are also required to be able to develop expertise in the field of computer continuously. One of the basic management information system is the use of crucial accounting program in conducting business transactions. Thus, the use of accounting programs is a fundamental requirement for running a business, such as marketing and operations. With the accounting program, managed all aspects of the business can be measured in a timely manner, without having to wait for completion of a report to be made manually and time consuming. Accounting information is very useful for activities of the company or management in making decisions. This information is important for planning, control, and effective decision making for the company's survival either by using MYOB accounting [10].

Myob accounting accounting software is a program designed to meet the needs of the provision of accounting information, as well as processing equipment financial statements [11]. Seeing the importance of expertise in operating a computerized accounting program, we offer a training package for the students, so that later on when they graduate, the students will have a stock ready to work in the business world. It is not perfect when we only equip students with theoretical knowledge without any additional knowledge in the field of information technology for students majoring economy particular. Especially if the university can not equip scholars with expertise personel ready to work, then the future of the university is still a big question mark at a later date in order to exist in the world of education.

In the developed countries such as Australia, USA and Canada, MYOB training program has been taught as a compulsory subject for students majoring in Economics since the 1990s [12]. In Indonesia, little by little we started to introduce MYOB program for students in the hope the students will be able to compete with foreign graduates in terms of expertise and competence [13]. In today's computerized, interconnected, global business environment, Computerised Accounting Systems became the 'engine of growth' in business organisations. It therefore involves the computerization of accounting information systems which is established in order to facilitate decision making. These are associated with a numbers of benefits like speed of carrying out routine transactions, timeliness, quick analysis, accuracy and reporting.

- a. Knowing the characteristics of the company's use of MYOB Accounting.
- b. Prove that the ease of use and MYOB Accounting in completing the company's financial reporting.
- c. What factors should be considered before choosing accounting software?

Therefore, this study presents the effect of limiting the application of the use of accounting software (accounting myob) in an effort to simplify and streamline financial reporting on the company's performance, especially in Indonesia.

The rest of this paper is organized as follow. Section 2 describes analysis on existing works. Section 3 describes proposed methodology. Section 4 presents results and following by discussion. Finally, the conclusion of this work is presented in Section 5.

2. Literature Review

A computerized accounting system [14,15,16,17] is a method or scheme by which financial information on business transactions are recorded, organised, summarized, analysed, interpreted, and communicated to stakeholders through the use of computers and computer based systems such as accounting packages. It emphasizes that a mechanized process of facilitating financial information inflows as well as the automation of accounting tasks such as database recording and report generation. Many scholars add that keeping accurate accounting records is a vital part of any organization [18,19,20]. Apart from helping it to keep its float financially and legal, it is a requirement of funding bodies ordonors. However computerized accounting system involves the use of computers to handle large volume of data with speed, efficiency and accuracy aimed at overcoming fundamental challenges which do not change the principle. The principle of

accounting remains the limitations of many accounting and hence producing quality and reliable work.

Tijani and Mohammedon their paper [21] entitle “*Computer Based Accounting Systems in Small and Medium Enterprises: Empirical Evidence from a Randomized Trial in Nigeria*” mentioned that is the application of IT to the accounting profession has been a subject of study both in academia and practise. Studies have shown considerable efforts in examining the extent to which companies including SMEs across the world has adopted computerized accountin Several factors have been identified with this trend amongst which are overhead cost reductions, business process effectiveness and efficiency, the need to store large amount of data and the provision of qualitative information for management decision.

Genil and Valencia on their article [22]entile “*The impact of using computerized accounting systems (CAS) in financial reporting among small and medium enterprises in lipa city*” stated that thecomputerized accounting tends to involve dedicated accounting software and digital spreadsheets to keep track of a business or client's financial transactions. It is a beneficial use of current technological advances. Not only has it revolutionized the traditional paper methods of accounting, but it has also created new types of accounting applications for business. Companies now create entire accounting information systems that integrate all business operations, including external suppliers and vendors. Computerized accounting systems have replaced manual-based accounting in virtually all businesses and organizations, providing accountants, managers, employees and stockholder’s access to vital accounting information at the touch of a button.

2.1. MYOB Accounting

MYOB itself originally was developed in Australia in 1991. MYOB departing from complaints the managers of small and medium enterprises still find it difficult to do the bookkeeping and accounting processes in the business. Therefore, MYOB finally began to be developed and turned out to get a positive response from the user should prove to the era of 1999 has sold over 1 million copies. This shows that the MYOB does have many benefits for activists small and medium enterprises. Myob Accounting is accounting applications that are popular today. MYOB Accounting focuses on corporate and commercial services in addition to other types of companies that can also be applied. The most suitable application is applied to the company's medium to large companies felt inadequate, because usually the company huge amounts of highly complex transactions that usually have their own programs designed according to the needs of the company. [1]. There are several reasons why we should use this software in the company, among others:

- a. Having the ability to export data to excel program, so that its report can also be printed in the program excel.
- b. Can be applied to 105 types of companies that supplied.
- c. Having financial statements very much including tax settings and displays the analysis in graphical form[2].

The MYOB Accountingrolein the companyincluding:

- a. As acommunicationtoolto share experiences andknowledgein the processimplimentasiin the operation of MYOB
- b. As a tool to facilitate us to record the transaction in the company's services[3].

2.1.1. MYOB Usefulness in the Administrative Activities of Company

- a. Aid for accountants to complete accounting work
- b. Save time in managing and running a bookkeeping
- c. To assist us in the process of selling and buying, track accounts receivable (receivable), accounts payable (payables), tax (GST), invoices and more. Everything just by clicking a few buttons.
- d. Managing merchandise.
- e. To meet the needs of accounting firms, and etc [4].

2.1.2. *Excess MYOB*

The success of the use of MYOB by the user should not without reason. The MYOB has a lot of advantages, thus becoming one of the accounting software that is much in demand by the user and sells in the market. Here are some of the advantages of MYOB:

- a. Easy To Use
- b. Accounting Accurate Calculation Processing and Right
- c. Can Help Project Management Process
- d. Requires Maintanece
- e. Enough Software Offers For Class SMEs
- f. Integrated With Company Database
- g. Faster In Doing Calculations Accounting

2.1.3. *The downside of MYOB Software*

Although it has many advantages and disadvantages, but the software also has some disadvantages. Here are some disadvantages of MYOB:

- a. Absence of tax reporting feature in Indonesia
- b. Only be done in one company
- c. Not available in Indonesian
- d. Different format balance sheet with Indonesia
- e. Not support multi currency
- f. Not support multi warehouse features [5].

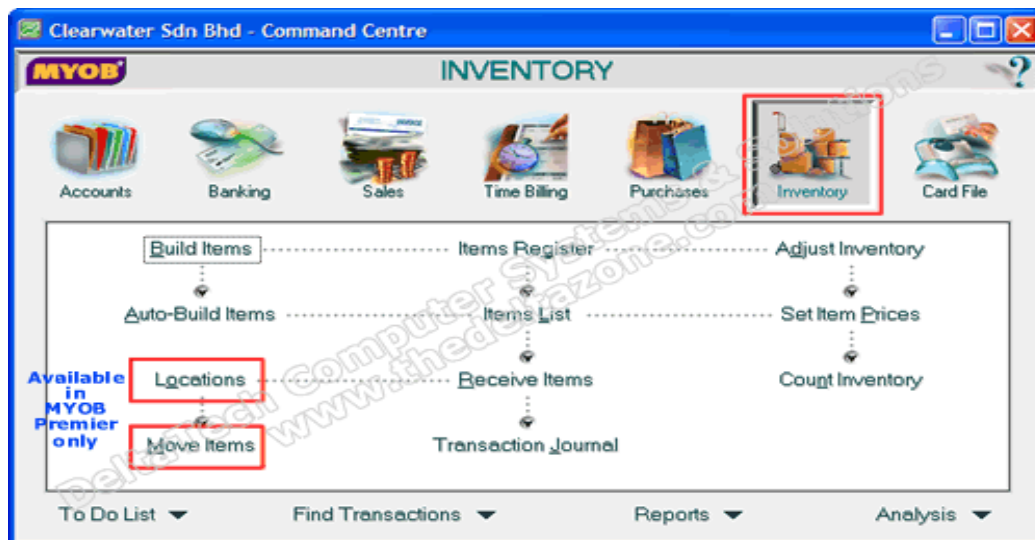


Figure 1: Display Menu MYOB Accounting

From Figure 1 above, MYOB application has various functions and facilities (features). As in the menu bar which consists of eight groups to access the options menu commands, sub menus and dialog boxes such as File, Edit, Lists, Command Centres, Setup, Reports, Window, and Help. Meanwhile, in the Command Center Module consists of eight modules, which is a division of accounting activities, including Accounts; Banking; Sales; Time Billing; Purchases; Payroll; Inventory; and Card File. In the account grouping, MYOB software is slightly different from the accounting theory. It is for efficiency and ease of use alone. Accounts (Accounts) in MYOB consists of 5 digits (x.xxx) and to the type of account (Account Type) MYOB 8 divide account groups, namely Assets; Liability; Equity; Income; Cost of Sales; Expense; Other Income; and Other Expenses. In determining the type of header and detail, headers used for each account that still has a child's account, usually for the account type group, while details are used for each account that does not have another child's account, usually to an account subgroup. In this case

every detail accounts must be adjusted (set up the account level) based on the header of each group[1]. In the stage of making the new data, each user (users) is faced with three options on the Accounts List:

- a. I would like to start with one of the lists provided by MYOB Accounting (using the accounts that have been provided by MYOB).
- b. I would like to import a list of accounts provided by my accountant after I'm done creating my company file (using the accounts that were previously made in Ms. Excel then imported into MYOB system).
- c. I would like to build by my own accounts list once I begin using MYOB (MYOB use a portion of your account and then makes the accounts themselves-according to the needs of recording)[2].

When in a state of selecting import then the user is required to import the accounts that have been formatted in the form of Text (Tab delimited), for example in Ms. Excel. Similarly, when the use of linked accounts (accounts linked to another account): At the position of Accounts and Banking Accounts (ledger accounts and bank), Sales Linked Accounts (accounts involved in the sale), Purchases Linked Accounts (accounts involved in the transaction of purchase), payroll linked Accounts (related to payroll). To populate the list of relationships using the Card File, which consists of the Customer (customers), suppliers (suppliers), Employee (employee), and personal (individual)[3]. If proof of transaction & data entry using the banking module, then specifically noting transaction cash receipts and disbursements of the bank. In the stage of inputting any evidence of financial transactions should be classified first. Based on the system and procedures for cash receipts (receive money) is different from the systems and procedures based on those cash expenses (spend money). Proof of the transaction essentially as a basis to be used in the processing of financial information. When there is an expenditure without spending based on the evidence there can be errors of interpretation. Proof of the transaction as well as the historical record shows the specifications of the activities listed along with a nominal amount[4]. The MYOB accounting software facilitates you in designing the accounting process on your behalf so it is easier to use when searching for information about your business. With MYOB Accounting's powerful inventory management system, you will be able to easily find out the exact amount of stock the number of bookings and how that has been committed (committed)[5]. MYOB Accounting Software can do an analysis of your business with more than 160 ways. Therefore, many people are using this software. The convenience offered by MYOB Accounting Software, including:

- a. More than 160 reports and charts can be created with this MYOB.
- b. Know the Value Profit & Loss and Balance Sheet Latest.
- c. Create a comprehensive report can then be converted into a Microsoft Excel file to perform deeper analysis.
- d. Can be exported to email or save all reports to disk for your accountant.
- e. The existence of menu Company Data Auditor to detect common errors in the process and to ensure the integration of the information on your business, and etc[6].

2.2. Financial Reporting

Financial report is a record of a company's financial information in the accounting period that can be used to describe the performance of the company. These financial statements are part of the financial reporting process. Complete financial statements usually include:

- a. Balance
- b. Statement of comprehensive income
- c. Statement of changes in equity
- d. Statements of changes in financial position that can be presented in the form of a cash flow statement or funds flow statement
- e. Notes and other statements and explanatory material that are an integral part of these financial statements

Elements that are directly related to the measurement of financial position are assets, liabilities, and equity. While elements related to measurement in the income statement are income

and expenses. Statement of financial position usually reflects income statement elements and changes in balance sheet elements.

2.3. Role of Information Technology in work

Already we know that the quality of education in Indonesia was ranked very low in the world and in Southeast Asia. This is a tough challenge for Indonesia. Moreover, in the current era of globalization in which the progress of science and technology (science and technology) so rapidly. The producers of technology will not easily give his expertise to the consumer of science and technology. They will make an effort make protection to protect their work to cover up weaknesses. If we are not willing and able to learn to catch up with the science and technology of course we will be "colonized" by foreign nations who mastered the science. The only way is needed acceleration of science and technology learning. We must also be aware of the negative influence of such technology because technology and information / certain events anywhere in the world will quickly be known in other parts of the world. Therefore, those involved in education (both teachers and students) should be provided with moral good faith to not only take advantage of the negative aspects of the technology on the contrary the positive side.

3. Material and Methodology

According to the research objectives and problems that has been formulated, the research that the author can be classified in descriptive research. Figure 2 below presents the proposed conceptual framework.

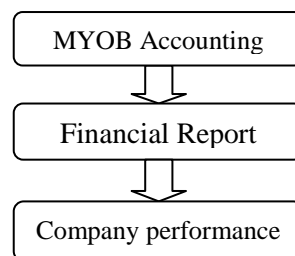


Figure 2: Conceptual framework

3.1. Sample Data

Population is a set of overall relevance of the object under study or a generalization of the conclusions imposed on psikologis object which is limited by certain criteria. In this study population is all companies in Indonesia. The sample is observed a small group and is part of the population so that the nature and characteristics of the population is also owned by the sample. Due to the number of population berifat infinite or can not be quantified, then the sampling method used in this research is the method of random sampling where the sample is determined based on certain characteristics that are considered to have a close relationship with the characteristics of the population. The source of data in this research is the subject of where the data can be obtained. In this study the data source is the consumer with the following description:

- a. Primary file i.e. namely data obtained from the results of observations made by distributing a questionnaire or a questionnaire containing a list of questions and statements that the author made.
- b. Secondary file i.e. namely data obtained from the literature and sourced from libraries and mass media support.

File collection techniques in this study are:

- a. Research field i.e. namely collecting data by conducting research spaciousness by interviewing is to do a question and answer directly.

- b. Research library i.e. namely collected data by studying the literature, the work of others related to the issues discussed.

3.2. Hypothesis Testing

3.2.1. Regression coefficient test together / simultaneous (test F)

This test is used to determine whether the independent variables (X_1, X_2, \dots, X_n) together significantly influence the dependent variable (Y), a significant means it can apply to the population (generalizable). The F -count can be calculated using the following formula:

$$F_{\text{count}} = \frac{R^2/k}{(1-R^2)/(n-k-1)}$$

Description:

R^2 = The coefficient of determination

n = The amount of file or case

k = Number of independent variables

3.2.2. Partial regression coefficient test basis (test t)

Where this test is used to determine whether the independent variables in the regression model (X_1, X_2, \dots, X_n) is partially significant effect on the dependent variable (Y). This can be calculated using the following formula:

$$t_{\text{count}} = \frac{r\sqrt{n-k-1}}{\sqrt{1-r^2}}$$

Description:

r = Partial correlation coefficients

n = The amount of file or case

k = Number of independent variables

For testing procedures using T test by analyzing the states:

- H_0 if $t_{\text{count}} < t_{\text{table}}$
- H_0 is rejected if $t_{\text{count}} > t_{\text{table}}$

By using SPSS (Statistical Product Service Solution) version 17.0 can be also performed another analysis that is validity and reliability. Test validity is the accuracy or precision of an instrument to measure what you want to be measured while the reliability test to determine the consistency of measuring instruments, gauges used if reliable and consistent if measurements.

3.3. Determination Test (R^2)

The coefficient of determination (R^2) was used to measure how far the ability of the model to explain variations dependent. The coefficient of determination is between 0 and 1. The smaller value of R^2 which means the ability of the independent variables in explaining the variations dependent very limited. Value approaching 1 independent variables provide almost all the information needed to predict the variation of the dependent variable.

4. Results and Discussion

The following Figure depicts MYOB accounting company file users in Indonesia from 2010 until 2014.

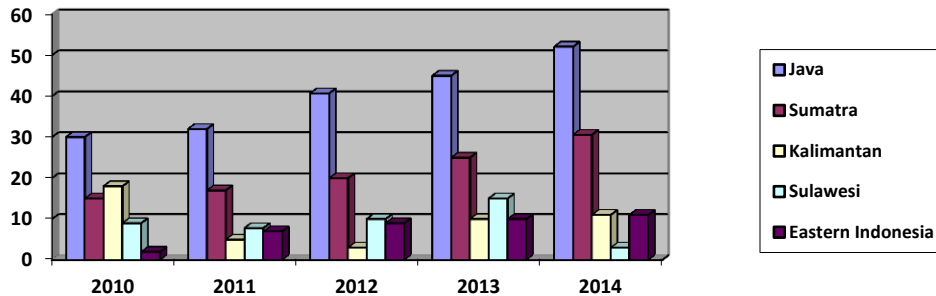


Figure 3: Company area data users MYOB accounting software

From Figure 3, the above data shows that there is an increasing in each year that use accounting software company MYOB accounting, especially in financial reporting activities. Area which can be seen very much using MYOB Accounting as a support for their work is the island of Java that have always increased in each year.

4.1. Hypothesis Testing Results

Table 1:Hypothesis testing

F_{count}	F_{table}	Significance
23.308	2.311	0.000

Source:Processing the results of SPSS 17.0 Windows Evaluation Version

Based on the Table 1 above, the analysis of variance (ANOVA) F -test values obtained count is equal to $23.308 > F_{table} 2,311$. This significant values were far below 0.05. It can be concluded that the hypothesis testing results above shows that the use of accounting software in the financial reporting activities of a company does have considerable influence in the effort to simplify and streamline financial reporting on the company's performance.

4.2. DeterminationResults

The coefficient of determination (R^2) is an analysis that is used to measure how far the ability of the model to explain variations dependent. The coefficient of determination is between 0 and 1. The smaller value of R^2 which means the ability of the independent variables in explaining the variations dependent very limited. Value approaching 1 for independent variables provides almost all the information needed to predict the variation of the dependent variable, as can be seen in the Table 2 as follow.

Table 2:Model summary^b

Model	R	R Square	Adjusted R Square	Std.Error of the Estimate
1	0.800 ^a	0.639	0.612	1.459

Source:Processing the results of SPSS 17.0 Windows Evaluation Version

From Table 2 above, it can be seen that the R square value is equal to 0.612. The value of the implications that the MYOB accounting indeed has an influence in an effort to simplify and streamline financial reporting on the company's performance amounted to 61.2% while the remaining 38.8% is influenced by variables - variables other than research.

5. Conclusion

Based on the research that has been done on the effect of the application of the use of accounting software (accounting myob) in an effort to simplify and meningkatkan performance of the company can be summarized as follows:

- a. It shows that MYOB accounting indeed have an influence in an effort to simplify and streamline financial reporting on the company's performance.
- b. MYOB accounting has been widely used in the company's financial reporting activities.
- c. According to the table analysis of variance (ANOVA) test values obtained F_{count} amounted to 23.308 > F_{table} 2.311. The significant value was far below 0.05. It can be concluded that the hypothesis testing results above shows that the use of accounting software in the financial reporting activities of a company does have considerable influence in the effort to simplify and streamline financial reporting on the company's performance.
- d. Judging that the R square value is equal to 0.612, the value of the implications that the MYOB Accounting indeed has an influence in an effort to simplify and streamline financial reporting on the company's performance amounted to 61.2% while the remaining 38.8% is influenced by variables - other variables outside this research.

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