The Importance of Understanding Internal Accounting in Everyday life

Adriyani Puspita Ayu[1], Muhammad Azim[2], Noni Antika Khairunnisah[3], Sri Damayanti[4]
Jurusan Akuntansi Sekolah Tinggi Ilmu Ekonomi45 Mataram[13]
Akademi Bisnis Lombok[24]
Email: andrianipuspitaayu888@gmail.com

Abstract

Accounting is not just about calculating numbers and translating data into financial reports. More than that, Accounting is a science that equips individuals with the ability to manage finances, analyze data, and make wise decisions. Whether someone aims to manage personal finances more efficiently, run a business with more structure, or even understand the impact of financial decisions on a large scale. Therefore, in this research, we will discuss in more depth the importance of knowing accounting in everyday life. The aspects that will be discussed are the application of accounting in everyday life, the benefits of accounting in life, and what accounting activities are in everyday life.

Abstrak

Akuntansi bukan sekedar tentang menghitung angka dan menerjemahkan data ke dalam bentuk laporan finansial. Lebih dari itu, Akuntansi merupakan ilmu yang membekali individu dengan kemampuan mengelola keuangan,menganalisis data, dan mengambil keputusan yang bijak. Apakah seseorang bermaksud mengelola keuangan pribadi dengan lebih efisien, menjalankan bisnis dengan lebih terstruktur, atau bahkan memahami dampak keputusan keuangan dalam skala besar. Oleh karena itu dalam penelitian kali ini akan membahas lebih dalam tentang pentingnya mengenal akuntansi dalam kehidupan sehari-hari. Adapun aspek yang akan dibahas yaitu penerapan akuntansi dalam kehidupan sehari-hari, manfaat akuntansi dalam kehidupan, serta kegiatan akuntansi apa saja dalam kehidupan sehari-hari.

INTRODUCTION

BACKGROUND

Accounting itself is a process of recording, grouping, summarizing, processing and presenting data, transactions and all financial activities so that it can be used as a reference in making economic decisions and other purposes. One of the terms in accounting that is often used is journal, where this journal is an activity of recording transactions that occur in detail and also sequentially. Accounting is definitely very closely related to money issues and financial reports, applying accounting in everyday life is very necessary to be able to manage personal finances properly. The benefit of having accounting in everyday life is that we can find out what income and expenses come from our money and can also control and supervise our finances. Many people think too little if our finances are left like that without any calculations and records, it will result in uncertainty about where the money we spend goes and we also won't be able to control it.

The finances. Applying accounting in everyday life really helps in controlling our finances. With this recording, someone can consider the decision to be taken whether the decision is right or not. Managing finances is not easy because a person's life is not far from debt, with this record we can also find out whether our financial position is in a safe stage or not. There are four aspects of accounting practice in household life, namely budgeting, recording, decision making, and long-term planning. These four aspects are things that must be done in managing finances in household life, so that a sense of mutual openness regarding financial problems is created, does not cause disputes within the family, and increases the sense of responsibility in managing family finances.

Following are several definitions of accounting according to experts:

1. According to Weygandt, Kieso, and Kimmel
   For them, accounting is a part of an information system that identifies records and communicates economic incidents in an organization to interested users.
2. Sunyanto (1999)
   For him, accounting is a stage in the process of collecting, identifying, recording, classifying, summarizing and presenting or reporting many financial transactions and interpreting the results for decision making.
3. Warren et al (2005:10)
   In general, accounting is an information system that produces reports to parties who have economic activities and company conditions.
4. Suparwoto L (1990:2)
   For him, accounting is a technique for measuring and managing financial transactions and providing management results in the form of information to internal and external parties, meaning investors, government creditors, labor unions and others.
5. Soemarsono SR (2004)
   According to him, the definition of accounting is a process of identifying, measuring and reporting economic information to enable clear and firm assessments and decisions for those who use the information.
6. S. Munawir (2005)
   For him, accounting is the art of recording, classifying and summarizing events which are at least partly of a financial nature in the quickest way possible and expressed in terms of money, as well as the interpretations that arise from them.
7. Paul Grady
   Accounting is a body of knowledge and organizational functions that are systematic, authentic and original in recording, classifying, processing, writing summaries, analyzing and interpreting all transactions, events and financial characteristics that occur in the operations of an accounting entity with the aim of providing meaningful information. Management is required as a report and accountability for the trust it receives.
8. Winarno
   Accounting is a process of recording financial transactions and processing financial transaction data and processing transaction data and presenting information to entitled and interested parties.
9. Bastian and Suharjono (2006)
   In their book, Committee on Terminology of the American Institute of Certified Public Accounting Bastian and Suharjono (2006). The definition of accounting is the art of recording, classifying and summarizing financial transactions and events in a meaningful way in terms of money and investing the results.

FORMULATION OF THE PROBLEM

Based on the description in the background, the problems that will be discussed in this writing are:

1. How do you apply accounting in everyday life?
2. What are the benefits of accounting in everyday life?
3. What accounting activities occur in everyday life?

RESEARCH PURPOSES

The aim of this research is to find out how to apply accounting in life, what benefits there are in accounting that refer to life, and what accounting activities can be carried out in everyday life.

LITERATURE REVIEW

Accounting is an essential part of life. In all parts of the world humans use accounting techniques to solve financial problems such as checking the amount of money we have in our pockets or in our bank accounts, or how much money has been spent to buy products or services. Even more sophisticated accounting techniques are used in business for large-scale transactions. However, many of us don't realize that accounting is present in everyday life.

RESEARCH METHOD

The research method used is the library research method only carry out a review of the literature, because it is appropriate to the topic being discussed.

RESULTS and DISCUSSION

Application of Accounting in everyday life

In general, accounting is a process of recording financial transactions in a certain way to produce financial reports that can be used by various parties. Accounting is generally often applied in company or business settings. However, accounting can actually also be used in everyday life.

How to apply accounting in everyday life

Without realizing it, we actually use accounting services in our daily lives. When a mother makes notes about the items she has purchased after shopping at the market, then basically she has used some of the accounting techniques.

Another example, a shop owner records the purchase of his merchandise, notes who owes money to his shop, separates the money coming in from sales from the money allocated for shopping for merchandise and the shop's operational needs.

From some of these activities, basically the shop owner has also applied accounting techniques. The application of knowledge in the field of accounting certainly becomes broader and more complex when faced with businesses on a larger scale.

If detailed, here's how to apply accounting in everyday life:

1. Recording Cash Inflow

   To apply accounting in everyday life, the first step that needs to be taken is to record cash inflows. In this recording, you can enter information in the form of the name of the product purchased, the number of products purchased, and the total payment. This recording can be made in the form of a neat and focused table to later be used as a daily, weekly or even monthly report.
2. Making Expenditure Flow Records

   Apart from recording incoming money, also make a note of the flow of expenditure. The table can be filled with information on transaction dates, expenditure amounts, as well as debits and credits. This information from recording the flow of expenditure can be used to limit existing expenditure or keep expenditure within a safe level.
3. Make records of cash in and out of funds

   Apart from the two types of records above, we can also record cash in and out of funds. This note contains the date, payment information, expenses, use and remaining balance. Make this record every time there is an outflow and inflow of funds.
4. Create a Simple Profit and Loss Report

   For those who run a small business, you also need to make a profit and loss report which can be filled in with account information, business income, cost of goods sold, price of product sales and purchases.

   Making a simple profit and loss report is useful for finding out total income and cost of goods, which will later find the gross profit.

5. Implementing Stock Reports

   Not only has profit and loss reported, small-scale business owners also create stock reports. This report contains information on goods transactions, descriptions of goods, mutations and total stock of goods.

Benefits of Accounting in Everyday Life

1. As a means of planning, coordination, supervision and control

   The first benefit of accounting is that it can be used as a reporting tool to managers who are internal parties in direct connection with the company who need financial information presented through the accounting process for planning, coordination, supervision and control of the company's conditions and finances.
2. A means of planning and determining company activities

   The next benefit of accounting is as a means of planning and determining what company activities are. The financial report itself will later present cash and non-cash asset data from the company. As an operational interest, the Company needs this asset data to know validly and accurately about the company's liquidity conditions.

   So that it is clearly planned, it can be determined whether the company is able to make purchases, pay debts and allocate other economic resources.
3. Basis for calculating tax

   The next benefit of accounting is as a basis for calculating taxes. Companies themselves have an obligation to pay taxes to the state. The amount of tax that must be met will be adjusted to the condition of the company's profits. The profit or profits that a company has obtained in a certain period will be known through the accounting process. Apart from that, company tax policies can also be determined by analyzing financial reports.
4. To obtain loans from creditors

   The next benefit of accounting is that as a means of borrowing capital it usually has certain requirements such as the company's liquidity ratio which must be good. This ratio can later be calculated through financial reports. The way to do this is by comparing assets to current liabilities in short. Later, these creditors could come from banking institutions or other institutions.
5. Providing financial information for investors

   In economic activities, of course all parties will be careful when making investments, including investors. The benefit of accounting itself in this process is that it can provide financial information to investors.

   Investors will usually be interested in investing large amounts of money. Therefore, caution and careful consideration are needed to decide whether investors themselves will hand over their money or not to a company.
6. Become a consideration for business partners

   The next benefit of accounting is as a consideration for someone whether in the future we will be able to determine other companies that have less good financial conditions because they could cause losses for us. This is clear because the company wants to gain profits from every business relationship. So condition

Whether a company is good or not is reflected in its financial statements.

7. It is a tool of accountability

   The final benefit of accounting is as a tool of accountability. Accountability itself starts with the manager who sets policies related to the company's operational activities, including financial policies. Whether these policies are working well or not can easily be seen through the company's end-of-period financial report.

Accounting activities in everyday life

Examples of financial accounting in everyday life

Financial accounting, which is often considered as something closely related to business and companies, also has an important role in our daily lives.

1. Create a household budget

   Example of financial accounting in a household

Contoh Akuntansi Keuangan Rumah Tangga

Tanggal	Keterangan	Debet	Kredit	Saldo
01 September 2023	Gaji ayah	Rp5,000,000		Rp5,000,000
09 September 2023	Uang sekolah anak 1		Rp1,000,000	Rp4,000,000
15 September 2023	Gaji ibu	Rp3,000,000		Rp7,000,000
11 September 2023	Uang sekolah anak 2		Rp2,000,000	Rp5,000,000
12 September 2023	Belanja Bulanan		Rp1,500,000	Rp3,500,000
13 September 2023	KPR		Rp2,000,000	Rp1,500,000
14 September 2023	Bunga deposito	Rp3,500,000		Rp5,000,000
15 September 2023	Listrik		Rp1,000,000	Rp4,000,000
16 September 2023	Tabungan		Rp1,000,000	Rp3,000,000
17 September 2023	Investasi		Rp500,000	Rp2,500,000
18 September 2023	Air		Rp100,000	Rp2,400,000
19 September 2023	Iuran Keamanan		Rp100,000	Rp2,300,000
20 September 2023	Liburan keluarga		Rp1,000,000	Rp1,300,000
21 September 2023	Iuran Kelola Sampah		Rp100,000	Rp1,200,000
22 September 2023	Uang jajan bulanan 2 anak		Rp500,000	Rp700,000
23 September 2023	Jatah bulanan orang tua		Rp700,000	Rp0
	Jumlah	Rp11,500,000	Rp11,500,000	Rp0

First of all, household budgets are one of the most direct examples of the use of financial accounting concepts in everyday life. When making a budget, be sure to record all income and expenses. Recorded income is the same as "company income", while expenses are like "company costs" that must be spent on various needs and desires. By monitoring finances regularly, we can identify spending patterns, allocate funds more wisely, and avoid impulsive spending.

2. Pay monthly bills

Monthly bill

Tagihan Bulanan

Tanggal Jatuh Tampo	Keterangan	Jumlah
09 September 2029	Listrik	Rp500,000
10 September 2029	Air	Rp100,000
11 September 2029	Kontrakan	Rp1,000,000
12 September 2029	Iuran keamanan	Rp50,000
13 September 2029	Sampah	Rp50,000
14 September 2029	Makan	Rp1,000,000
15 September 2029	Transportasi	Rp300,000
16 September 2029	Komunikasi	Rp150,000
	Jumlah	Rp3,150,000

The next example of financial accounting in everyday life is paying monthly bills. Every month, we receive various bills such as electricity, water, gas and telephone. Setting up payment records is similar to recording bills in company accounting.

3. Make personal financial reports

No	Tanggal	Keterangan	Debet	Kredit	Saldo
1	25 September 2023	Gaji bulanan	Rp 3,000,000		Rp 3,000,000
2	25 September 2023	Belanja Bulanan		Rp 500,000	Rp 2,500,000
3	01 Oktober 2023	Wifi		Rp 300,000	Rp 2,200,000
4	01 Oktober 2023	Bensin		Rp 200,000	Rp 2,000,000
5	03 Oktober 2023	Listrik		Rp 400,000	Rp 1,600,000
6	04 Oktober 2023	Air		Rp 100,000	Rp 1,500,000
7	05 Oktober 2023	Pajak		Rp 350,000	Rp 1,150,000
8	10 Oktober 2023	Keuntungan Investasi	Rp 200,000		Rp 1,350,000
9	15 Oktober 2023	Honor freelance	Rp 500,000		Rp 1,850,000
10	18 Oktober 2023	Self reward		Rp 500,000	Rp 1,350,000
11	20 Oktober 2023	Tabungan & Investasi		Rp 1,000,000	Rp 350,000
12		Jumlah	Rp 3,700,000	Rp 3,350,000	Rp 350,000

Personal financial reports are the same as making company financial reports, but this time they are implemented on personal expenses. This includes keeping track of all assets (such as savings and investments), debts (such as credit card debt), and your own mo v (net worth).

4. Record business expenses
Small business expenses (angkringan)

Pengeluaran Bisnis Kecil (Angkringan)

No	Keterangan	Debit	Kredit	Saldo
1	Penjualan minuman	Rp 2,000,000		Rp 2,000,000
2	Sewa stand		Rp 500,000	Rp 1,500,000
3	Penjualan makanan	Rp 2,500,000		Rp 4,000,000
4	Listrik		Rp 500,000	Rp 3,500,000
5	Bahan		Rp 500,000	Rp 3,000,000
6	Perlengkapan		Rp 300,000	Rp 2,700,000
7	Iuran sampah	Rp 50,000		Rp 2,750,000
8	Gaji 1 karyawan freelance		Rp 1,000,000	Rp 1,750,000
	Keuntungan bersih		**Rp 2,800,000**	Rp 1,750,000

The next example of financial accounting in everyday life is recording small business expenses. If you have a small or side business, recording business expenses is an important step in running your business well.

5. Stock or bond investment

Tanggal	Kode Saham	Harga Beli	Fee Broker	Harga Beli + Biaya	Lot Saham	Total Beli
23-Sep-23	TLKM	3500	1%	3535	10	3535000
24-Sep-23	ANTM	1600	1%	1616	10	1616000
25-Sep-23	SIDO	450	1%	454.5	10	454500
26-Sep-23	CBCA	250	1%	252.5	10	252500
27-Sep-23	CNMA	276	1%	278.76	10	278760
28-Sep-23	PWON	418	1%	422.18	10	422180

If investing in the stock or bond market, we will monitor price movements and decide when to buy or sell. This involves financial analysis such as profit ratios, stock prices, and more, similar to how companies analyze their investments. If you have a portfolio of stocks, bonds or other investments, it is important to regularly monitor the investment value.

6. Manage pension funds

Menghitung Dana Pensiun

1. Pengeluaran tahunan per hari ini			
pengeluaran per bulan	:	2.5	juta
pengeluaran per tahun	:	30.0	juta
2. Pengeluaran tahunan saat pensiun nanti			
umur sekarang	:	28	tahun
target umur pensiun	:	54	tahun
inflasi tahunan	:	4%	
pengeluaran tahunan saat mulai pensiun	:	83	juta
3. Dana pensiun yang dibutuhkan dengan 4% rule			
dana pensiun yang dibutuhkan	:	2,079	juta
4. Perlu investasi berapa tiap bulan			
target return investasi (i)	:	10%	
berapa tahun lagi pensiun (n)	:	26	tahun
dana pensiun yang tersedia (PV)	:	5	juta
dana pensiun yang dibutuhkan (FV)	:	2,079	juta
yang perlu diinvestasikan tiap tahun (PMT)	:	18	juta
yang perlu diinvestasikan tiap bulan		2	juta

The next example of financial accounting in everyday life is managing pension funds. If you have a retirement plan or investment account for retirement. So you have to manage investments and monitor their growth. This involves investment strategies and portfolio monitoring to ensure the retiree's finances.

7. Tax recording

Penghasilan Bruto	Rp900.000.000	
NPPN	50%	x
Penghasilan Neto	Rp450.000.000	
PTKP (K/3)	Rp 72.000.000	-
Penghasilan Kena Pajak	Rp378.000.000	
PPh Terutang	Rp 64.500.000	

Every year, we have to report income tax. This is an important accounting process where we have to report all income and expenses. Taxes are one concrete example of how financial accounting is used in relation to government-administered taxes.

8. Record credit debt

Aset:	
- Tabungan bank ABC	Rp. 1.500.000
- Premi Asuransi	500.000
- Rumah	Rp. 500.000.000
Total aset	Rp. 502.000.000
Hutang:	
- Hutang KPR	Rp. 397.000.000
Modal:	
- Modal (DP KPR)	Rp. 100.000.000
- Sisa Pendapatan	Rp. 5.000.000
Total Hutang + Modal	Rp. 502.000.000

If you have credit debt such as a mortgage or student loan, you need to record your monthly payments and track the remaining debt. This involves calculating interest and ensuring that you pay off your debt according to your schedule.

6. CONCLUSION

In everyday life, accounting is not just something limited to the business world. Accounting is a tool that can help us take control of our finances, maintain a balance of income and expenses, and plan for our financial future.

By understanding and applying accounting examples you can develop better financial skills.

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