



CREDIT ACCOUNTING SALES SYSTEM AT PT. PANGAEA ARGO ADIKARA IN PEKANBARU

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Abstract

This study aims to determine the effectiveness of the credit sales accounting system used at PT. Pangaea Argo Adikara in Pekanbaru. And to find out the related functions, documents used, accounting record used, procedures used and internal controls in credit sales accounting at PT. Pangaea Argo Adikara. The type used is primary data. The data collection method used in this study was a questionnaire technique. Data analysis techniques used in this study were the sign test method and the descriptive method. The results show that the functions are related, the documents used, the accounting records used, the procedures used, and internal controls have been effective.

Keywords: Accounting System, Credit Sales System, Related Functions, Documents, Accounting Record, Procedures, and Internal Control

1.0 INTRODUCTION

The development of business from time to time spreads more widely and rapidly as well as the value of public consumption in the midst of increasing community growth. This development has resulted in companies having to expand their business especially by increasing products or services that better meet consumer needs and companies must expand their business in gaining market share. This encourages intense competition between companies. The purpose of the company is to increase its business by maintaining business continuity and maximum profit and be able to maintain the continuity of its business operations in the midst of increasingly fierce competition.

Companies do various ways to survive by increasing their sales. The increase in sales greatly determines the competitiveness of the company so that the company has the right moves to maintain its market share, including maintaining customer loyalty in consuming its products or services in addition to providing product bonus privileges and providing product convenience on credit. These conditions will motivate the company to make sales and implementing a good accounting system in an effort to increase revenue from sales so that supervision must be carried out carefully because the position of income largely determines the company's performance.

The existing credit sales accounting system in the company is designed in such a way as to handle credit sales transactions for the products produced. In the mechanism of this accounting system, the function is separated for each credit sales transaction, such as the sales function is separated from the credit function and the sales function is separated from the warehouse function. This is intended to prevent fraud in recording sales such as fraud in recording the number of products sold or stamped in sales invoices. The benefits of separating the two parts are to prevent the risk of fraud by re-checking the books of sales transactions and to avoid fraud in the issuance of product quantities for products sold with goods issued by the warehouse. Because sales are very influential and the main reason for the company to get the maximum profit.

PT. Pangea Argo Adikara is a privately owned company engaged in the material supplier sector. The sales system is done on credit. This system can occur in companies, related to the payment deadline given is 30 days from the date of the invoice issued in accordance with the agreed agreement. Payment of accounts receivable at this company is done by check, bank transfer, or biliet giro. However, during running its business the company had several problems in the credit sales system including the existence of receivables that were past due, incomplete customer credit application data, and lack of authorization on documents.

The company also has problems in the related accounting system, including the error in giving copies of credit sales invoices arising from the sales department to customers which causes problems with customer receivables. Some also found that the credit sales department was not careful in checking documents on the customer's credit status, resulting in receivables that were past due with a fairly large receivable value. It is not uncommon to find sales slow in responding to customer orders causing shipments that are not in accordance with the time of customer orders.

In addition to cash sales transactions in the last 3 years, PT. Pangea Argo Adikara has made sales on credit along with the balance of receivables. There are significant changes in credit sales every year. In 2016 the balance of credit sales was recorded at Rp. 26,973,724,754. In 2017 the balance of credit sales became Rp. 46,709,664,014. In 2018 the balance of credit sales to Rp. 71,684,726,428 can cause problems for the company if sales that have not yet generated revenue on the income are not followed up, it will cause a loss of receivables for uncollectible sales on credit and disrupt the company's operations, especially cash-related company needs.

Receivables that have not been collected at the age of receivables period of 31-60 days, 61-90 days and >90 days are increasing every year. This happens because customers experience difficulties and delays in paying receivables for taking the credit and will result in bad debts.

2.0 LITERATURE REVIEW

System

Diana and Setiawati (2011), the system is a series of parts that are interdependent and work together to achieve certain goals. Mulyadi (2013), the system is a network of procedures made according to an integrated pattern to carry out the company's main activities. A procedure is a clerical sequence, usually involving several people in one or more departments, designed to ensure the uniform handling of repetitive corporate transactions.

Accounting

According to Hans Kartikahadi, et al. (2016), accounting is a financial information system, which aims to generate and report relevant information for various interested parties. According to Thomas Sumarsan (2013), accounting is the art to collect, identify, classify, record transactions and events related to finance, so as to produce information, namely financial statements that can be used by interested parties.

Accounting System

According to Bodnar and Hopwood (2010), an organization's accounting system is an organization consisting of methods and records. Records are made to identify, collect, analyze, record, and report the transactions of the organization that is responsible for the related assets and liabilities.

Purpose of Accounting System

The development of an accounting system according to Mulyadi (2013) has the following general objectives: (1) to provide information for the management of new business activities; (2) to improve the information produced by the existing system, both regarding the quality, accuracy of presentation, and the structure of the information; (3) to improve accounting controls and internal checks, namely to improve the level of reliability of accounting information and to provide complete records regarding the liability and protection of company assets; (4) to reduce clerical costs in maintaining accounting records.

Credit Sales

According to Baridwan (2011) in credit, there is a credit standard, namely the minimum quality of credit worthiness of a credit application that can be accepted by the company. With these standards, companies can increase their sales through credit sales but do not pose an excessive risk of bad debts.

Credit Sales System

According to Romney, et al. (2015), the credit sales accounting system is a sales system whose payment is made after the delivery of goods within a period agreed by both parties. The credit sales accounting system includes related functions, documents used, accounting records, a network of procedures that make up the credit sales system, and elements of internal control in the credit sales system. Most business-to-business sales are made on credit. Therefore, another revenue cycle threat is the possibility of making sales that later become uncollectible. Requiring proper authorization for each credit sale reduces the threat.

Credit Sales Purpose

According to Agusti, et al. (2013), the purpose of credit sales is: (1) to increase sales where companies that sell their goods on credit will be able to sell more goods than companies that demand cash payments, but it is also necessary to pay attention to the costs incurred due to a large number of receivables; (2) to increase profits where investment in receivables is expected to increase sales because with higher sales it is expected to provide greater profits for the company and can occur when the marginal contribution of goods is still greater than costs as a result of credit policy taken by the company; (3) to meet competition requirements because customers or consumers tend to buy goods with lighter or longer terms of payment and credit sales are also attractive to consumers.

Formulation of Hypothesis

H₁: Functions related to the credit sales accounting system at PT. Pangea Argo Adikara in Pekanbaru has been running effectively.

H₂: Documents used in the credit sales accounting system at PT. Pangea Argo Adikara in Pekanbaru has been running effectively.

H₃: Accounting records used in the credit sales accounting system at PT. Pangea Argo Adikara in Pekanbaru has been running effectively.

H₄: The procedure used in the credit sales accounting system at PT. Pangea Argo Adikara in Pekanbaru has been running effectively.

H₅: Internal control used in the credit sales accounting system at PT. Pangea Argo Adikara in Pekanbaru has been running effectively.

3.0 METHODOLOGY

The Place and Time of the study

This research was conducted at PT. Pangaea Argo Adikara having its address at Jl. Darma Bhakti No. 18 Pekanbaru – Riau. The time of research was carried out from August 2019 to d. January 2020.

The Definition of Research Operational Variables

| No | Component | Defenition | Indicator | Scale |
|----|-------------------|--|--|---------|
| 1 | Related Functions | Functions are parts that work together and are interconnected with one another for a specific purpose (Mulyadi, 2016). | Sales function, Credit function, Warehouse function, shipping function, accounting function. | Ordinal |
| 2 | Documents Used | Documents or forms are media for recording events that occur in the organization into records (Mulyadi, 2016). | Delivery orders and copies, invoices and copies, recapitulation of cost of goods sold, memorial evidence. | Ordinal |
| 3 | Notes Used | Accounting records in the form of a collection of accounts in the general ledger are then periodically compiled into financial statements (Mulyadi, 2016). | Sales Journal, Accounts Receivable Card, Warehouse Card, General Journal, Inventory Card. | Ordinal |
| 4 | Procedure Used | The procedure is a series of activities that are interconnected with one another (Mulyadi, 2016). | Sales order procedures, credit sales procedures, shipping procedures, receivable recording procedures, sales distribution procedures, and cost of goods sold recording procedures. | Ordinal |
| 5 | Internal control | Internal control includes organizational structures, methods, and measures that are coordinated to maintain organizational assets, check the accuracy and reliability of accounting data, epromote efficiency and encourage compliance with management policies (Mulyadi, 2016). | Organizational structure, Authorization system, and recording procedures, Healthy practice, qualified employees. | Ordinal |

Data Analysis Technique

According to Sanusi (2011), data analysis techniques consist of: (1) Descriptive analysis is an analytical method that first collects existing data and then clarifies, analyzes, and then interprets it so that it can provide a clear picture of the situation being studied. The data will be compared with relevant theories and conclusions and suggestions will be drawn to make decisions in the future. (2) The sign test is a test that is intended to see the difference and not the magnitude of the difference and is based on the procedure for the positive (+) and negative (-) signs of the difference between pairs of ordinal data.

4.0 RESULTS AND DISCUSSION

Related Functions

From the test results at P = 18 obtained a probability value of 0.000634193 and a cumulative probability value of 0.999889374. So it was found that the probability < 0.05 and the cumulative probability > 0.95 which

means that H_1 is accepted and H_0 is rejected. This means that the related functions in the Credit Sales Accounting System at PT. Pangea Argo Adikara in Pekanbaru has been running effectively.

Documents Used

From the test results at $P = 14$ obtained a probability value of 0.005187988 and a cumulative probability value of 0.998825073. So it was found that the probability < 0.05 and the cumulative probability > 0.95 which means that H_2 is accepted and H_0 is rejected. This means that the documents used in the Credit Sales Accounting System at PT. Pangea Argo Adikara in Pekanbaru has been running effectively.

Notes Used

From the test results at $P = 13$ obtained a probability value of 0.003204346 and a cumulative probability value of 0.999511719. So it was found that the probability < 0.05 and the cumulative probability > 0.95 which means that H_3 is accepted and H_0 is rejected. This means that the records are used in the Credit Sales Accounting System at PT. Pangea Argo Adikara in Pekanbaru has been running effectively.

Procedure Used

From the test results at $P = 16$ obtained a probability value of 0.000583649 and a cumulative probability value of 0.999927521. So it was found that the probability < 0.05 and the cumulative probability > 0.95 which means that H_4 is accepted and H_0 is rejected. This means the procedures used in the Credit Sales Accounting System at PT. Pangea Argo Adikara in Pekanbaru has been running effectively.

Internal Control

From the test results at $P = 14$ obtained a probability value of 0.036964417 and a cumulative probability value of 0.979305267. So it was found that the probability < 0.05 and the cumulative probability > 0.95 which means that H_5 is accepted and H_0 is rejected. This means the internal control in the Credit Sales Accounting System at PT. Pangea Argo Adikara in Pekanbaru has been running effectively.

Credit Sales Accounting System

From the calculation results obtained $Z = 6.1849$ where Z obtained $>$ the real level used is 1.65, which means H_0 is rejected and H_a is accepted. It is concluded that the overall Credit Sales Accounting System at PT. Pangea Argo Adikara in Pekanbaru has been running effectively.

Related Functions

The results of the sign test on the related function indicators indicate the functions related to the credit sales accounting system at PT. Pangea Argo Adikara in Pekanbaru has been running effectively. However, in its application, it is still found that customer data is incomplete so it finds incomplete information, less thorough checking of customer credit status, and slow response to customer orders.

Documents Used

The sign test results on the document indicators indicated that the documents related to the credit sales accounting system at PT. Pangea Argo Adikara in Pekanbaru has been running effectively. This can be seen from the documents used in the credit sales accounting system between the company's policies and the implementation. However, the company does not have a document of the type of acknowledgment letter.

Notes Used

The results of the sign test on the record indicators are used to indicate the related records of the credit sales accounting system at PT. Pangea Argo Adikara in Pekanbaru has been running effectively. This can be seen from the records used in the credit sales accounting system between the company's policies and the implementation.

Procedure Used

The results of the sign test on the indicators of the procedures used indicate that the procedures related to the credit sales accounting system at PT. Pangea Argo Adikara in Pekanbaru has been running effectively. However, errors were still found in providing a copy of the credit sales invoice, and finding the sales function's lack of accuracy in checking documents caused the delivery to be jammed.

Internal Control

The results of the sign test on the indicators of internal control indicate that the internal control is related to the credit sales accounting system at PT. Pangea Argo Adikara in Pekanbaru has been running effectively. However, there are still some shortcomings that need to be corrected in the future, such as the lack of supervision and performance reviews by HRD/leaders to employees, and the lack of awards that need to be given to motivate their work so that they can excel in the company.

Credit Sales Accounting System

The results of the sign test on the indicators of the credit sales accounting system indicate that the credit sales accounting system is related to functions, documents, records, procedures, and internal controls at PT. Pangea Argo Adikara in Pekanbaru as a whole has been running effectively. However, companies need to pay attention to the components of internal control partially to avoid things that deviate from the company's goals.

5.0 CONCLUSION

Based on the results of research and discussion of the credit sales accounting system at PT. Pangea Argo Adikara in Pekanbaru it can be concluded that the related functions, documents used, records used, and procedures used in supporting the effectiveness of the credit sales accounting system at PT. Pangea Argo Adikara in Pekanbaru has been running effectively and has internal control in supporting the effectiveness of the credit sales accounting system at PT. Pangea Argo Adikara in Pekanbaru has been running effectively.

Based on the results of the research that has been done, several suggestions can be put forward, namely (1) For the Company. It is expected that the company will tighten policies to discipline employees, improve supervision and review the performance of each employee, and be able to reward outstanding performance and motivate employees to perform better. (2) For Academics. It is hoped that it can increase academic knowledge about the importance of the accounting system on credit sales and can be a reference for further researchers regarding problems in credit sales that occur in other companies.

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