

ANALYSIS OF IMPLEMENTATION OF MERCHANDISE INVENTORY ACCOUNTING INFORMATION SYSTEM AND MERCHANDISE INVENTORY ACCOUNTING TREATMENT (Case Study at PT. Sumber Alfaria Trijaya Branch of Titisan 3)

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Article Info	Abstract
Received July 31, 2023 Revised September 20, 2023 Published October 25, 2023	<i>Inventory accounting information system and inventory accounting treatment are important considering that the inventory of trade goods must be managed properly for the smooth running of the business activities of trading companies. This study aims to determine the implementation of the accounting information system for inventory of trade goods and the accounting treatment of inventory of trade goods at PT Sumber Alfaria Trijaya Branch of Titisan 3. The research method used is descriptive qualitative method. Data collection is done by interview, observation, and documentation. The results showed that the inventory accounting information system implemented by PT Sumber Alfaria Trijaya Branch of Titisan 3 is good by carrying out established procedures related to inventory management. The inventory recording used is the computerized perpetual method and the inventory valuation applied is the FIFO (First In First Out) method.</i>
Keywords : <i>Accounting Information System, Accounting Treatment, Inventory</i>	

INTRODUCTION

Humans and accounting have a close relationship in carrying out daily activities. The use of accounting has significant benefits for human life because it can help manage finances and provide information about income and expenses in meeting individual or company needs, as well as provide effective control and supervision in managing finances.

In carrying out company activities and the process of achieving its goals, the company tries to utilize all the resources or assets it has as best as possible. One of the company's assets that is directly related to obtaining income is inventory

which is also a current asset and is the largest part of a trading company.

A trading company is a company whose main business is to buy goods from suppliers, without significantly changing the goods which are then resold to consumers (Wicaksono et al., 2023). So trading companies only buy goods and immediately sell them at a selling price that is higher than the purchase price without changing their original form. The profit earned by trading companies comes from the difference in the price of the goods they sell. To achieve optimal profits in an effective, efficient, and economical way, a company needs a good and effective accounting information system. Accounting information system is a very important element and plays a big role in the company. Accounting information system according to Steven A. Moscové (Zamzami et al., 2021) is an organizational component that collects, classifies, processes, analyzes, and communicates relevant financial information for decision making to outside parties (such as tax inspectors, investors, and creditors) and internal parties, especially management. According to Lim, the accounting information system is defined as a tool that is integrated in the field with the information systems and technology of a company. The accounting system is a series of one or more components that are interconnected and interact to achieve goals, consisting of actors, a series of procedures, and information technology (Romney and Steinbart, 2014) in a journal (Khomarudin, 2018). Basic functions of accounting information systems (Benarli Nugraha et al., 2022) are (1) Collecting and storing data on the financial activities of an organization or company, (2) Providing quality information for information users used for comprehensive decision making materials in the form of managerial reports or financial reports, (3) As control or monitoring for accurate data recording and processing.

In the past, the recording process in the Accounting Information System was still done manually. Along with the development of information technology, the manual recording process has slowly shifted to a computerized recording process. Every company is required to follow the procedures that have been included by SAK (Financial Accounting Standards) in the form of PSAK Number 14 which is a guideline for accounting treatment, especially inventory with the intention of ensuring consistency in the treatment of inventory applied according to applicable standards. Statement of Financial Accounting Standards (PSAK) Number 14 is

expected to provide solutions to accounting problems that arise in companies, especially along with technological advances in providing current and future financial information. According to PSAK 14 (IAI, 2013) in the journal (Yusi Maesaroh & Elvia Puspa Dewi, 2020). According to PSAK 14 inventory is an asset: (1) available for sale in the context of the company's normal activities; (2) in the production process for such sales; or (3) in the form of raw materials or supplies used in the production process or service delivery.

Inventory is an important element for trading companies and manufacturing companies because without inventory, companies cannot meet customer demand or needs (Yunus, 2017). Conversely, according to (Subramanyam, K.R., 2017, pp. 152-153) in the journal (Yusi Maesaroh & Elvia Puspa Dewi, 2020), if the company has excess inventory levels, the company will be faced with problems of storage financing, insurance, taxes, finance and physical damage. Due to the risk in maintaining stock of goods and the fact that inventory takes longer to convert into cash than accounts receivable, inventory is generally considered a less liquid current asset.

Trading companies will routinely make inventory records to determine the amount of inventory available for sale and the amount of goods that have been sold. There are two accounting methods commonly used to record merchandise inventory, namely the perpetual recording system and the periodic/physical recording system. In the perpetual system, the cost of each item of merchandise purchased or sold is recorded in detail. By using the perpetual recording system, the cost of goods sold is calculated every time a sale occurs. If using the periodic recording method, merchandise purchases will be recorded in the purchase account and not in the merchandise inventory account as in the perpetual recording method. Also, with the periodic system, the following accounts will be used separately (respectively): purchase discounts, purchase returns and purchase price adjustments, and incoming freight charges (Karundeng et al., 2017). The methods used to calculate the value of inventory are FIFO (First In First Out), LIFO (Last In First Out), and the Average Method. Inventory evaluation aims to determine the value of inventory that has been sold or used, as well as the value of inventory remaining in a product. In addition, the inventory valuation system may differ from the physical inventory placement system.

This research is focused on PT Sumber Alfaria Trijaya Branch of Titisan 3, a franchise retail network company in Indonesia that sells daily necessities. The company implements a computerized accounting system, so the store network has an important role in sales transactions and receipt of goods.

Table 1. Inventory Management Condition Data for March 2023

Category	Incoming Goods	Return	Sales	Physical Difference
Tea & Coffee	90	0	69	0
Jams & Cereals	55	0	58	3
Basic Needs	297	0	232	13
Seasoning	151	0	118	6
Instant Food	496	0	414	36
Milk and Baby Food	135	0	135	10
Canned Food	22	0	12	0

Source: Processed Data

The data shows the number of incoming inventory items, returned inventory items, the number of items sold, and the difference found when physically checking according to the category of goods. Inventory is returned if an item is expired or the packaging is damaged. Physical differences are recorded if there are missing inventory items. Based on this data, it can be seen that problems arise related to inventory, namely the physical difference between the inventory in the warehouse and the amount recorded in the inventory ledger.

As based on previous research (Aan Darwati, Budiman Slamet, and Siti Maimunah,, 2019) regarding the Analysis of Accounting Treatment of trade goods inventory Against the Presentation of Inventory Accounts at the Goodyear Employee Cooperative. This study suggests that the changing inventory valuation results in the cost of goods sold changing and will affect net income. Furthermore,

(Magdalena Daos and Yohana Febiani Angi, 2019), conducted research to determine the Application of the Internal Control System and Accounting Treatment of Trade Goods Inventory at UD. Angkasa Raya Kupang. The results showed that the application of the internal control system and the accounting treatment of merchandise inventory carried out by UD. Angkasa Raya is less effective or has a percentage of 49.79% and 43.86.

(Ima Nurlaili and Andy Kurniawan, 2021), conducted research to determine the Analysis of Purchasing and Inventory Accounting Information Systems at Subur Supermarket. The results showed that the purchase and inventory accounting information system at Subur Supermarket is in accordance with the theory which states that the purchase and inventory accounting information system is said to be feasible with the existence of several functions involved, documents used and records used, but there are still weaknesses, namely duplicate assignments.

The purpose of this study was to determine how the implementation of the accounting information system for inventory of trade goods at PT Sumber Alfaria Trijaya Titisan 3 Branch and to determine how the application of accounting treatment of inventory of trade goods at PT Sumber Alfaria Trijaya Titisan 3 Branch.

METHODS

Research methods relate to the procedures, techniques, tools/instruments, and research designs used, research time, data sources, and in what way the data is obtained to be processed and analyzed (Tersiana, 2018). The research method used in this research is qualitative using a descriptive approach because this research discusses exposure, explanation, and analyzes data. In qualitative research does not use the term population, but Spradley calls it a social situation or social situation consisting of three elements, namely place, actors, and activities that interact synergistically (Sugiyono, 2022a). The population in this study consists of shop heads and employees who are directly related to inventory as actors, PT. Sumber Alfaria Trijaya Titisan 3 branch which is a place, and inventory management as an activity. In research, data collection is carried out in natural settings (natural conditions), primary data sources and data collection

techniques are more on participant observation, in-depth interviews, and documentation (Sugiyono, 2022) Data analysis in qualitative research is inductive and sustainable whose ultimate goal is to produce understanding, concepts and the construction of a new theory. Data analysis techniques in this study are analysis techniques before, during, and after the field.

RESULTS AND DISCUSSION

Implementation of Accounting Information System for Merchandise Inventory

1. Merchandise Inventory Purchase Process

The accounting information system for trade goods inventory applied to the recording process by PT Sumber Alfaria Trijaya Titisan 3 Branch is computerized. Inventory of goods at PT Sumber Alfaria Trijaya Titisan 3 Branch is arranged with a delivery schedule every two days with uncertain hours because the delivery of supplies from the central warehouse to the Alfamart Titisan 3 store follows the order of the intended store according to the delivery note.

Goods that come do not need to be ordered manually because the list of goods that must be received by Alfamart stores has automatically appeared, unless there are buyers who order certain products in large quantities, they can be ordered manually through the system. In the system there is already a minimum stock of goods to be ordered again, so that every product whose quantity has touched the minimum stock will be sent from the center. This is an effort to avoid product vacancies.

The steps for receiving inventory delivered by drivers from the central warehouse to the Alfamart Titisan 3 store are as follows: (1) The driver hands over the documents and inventory of trade goods to the employee who is on shift that day. (2) Furthermore, the process of receiving goods by first checking the goods in the container whether they are in accordance with the goods list note. (3) After the process of receiving goods, then make a return receipt and prepare the goods to be returned beforehand. (4) If there are more goods in the process of receiving goods, the goods will still be processed after the inventory checking process is complete and then a return of goods will be made for more items in the container.

After the receiving process is complete, the merchandise inventory will be taken to the warehouse and inputted into the system using a personal digital assistant (PDA). The device will input the required data to the system for the products to be displayed on the shelves. If the shelves are full, the remaining inventory that is not displayed will be stored in the warehouse.

2. Return of Merchandise Inventory Process

Trade goods inventory at PT Sumber Alfaria Trijaya Titisan 3 Branch has been equipped with specific time details regarding when these items must be withdrawn from the warehouse and display. The detailed time listed is a few months before the product expires, so before the item expires, the batch has been withdrawn or emptied from the store. The time information is automatically listed when the goods come to the Alfamart Titisan 3 store. This is also useful for avoiding the accumulation of trade goods inventory. If the product is still available in stock in the warehouse while in that month it must be withdrawn, then the item must be returned.

Merchandise inventory that is not listed in the goods receipt list when the goods come in, will be included in the list of goods to be returned. If there are damaged goods from the distribution center (DC) that are detected during the goods receipt process, these goods can also be returned. Returned merchandise inventory is sent by driver during the next incoming goods receipt process. So when the schedule for sending trade goods from the center comes, the Alfamart Titisan 3 store will give the returned goods to the driver to be sent to the center.

The return process of merchandise inventory at PT Sumber Alfaria Trijaya Titisan 3 Branch involves several structured steps. The following is the process of returning goods to DC from Alfamart Titisan 3 stores: (1) PT Sumber Alfaria Trijaya Titisan 3 Branch checks the inventory of trade goods that require the product to be returned. (2) If you have collected a list of inventory to be returned, the next step is to input the list of products to be returned to the center through the system. (3) PT Sumber Alfaria Trijaya Titisan 3 Branch submits a return request to the center through the internal system used to make returns on merchandise inventory. (4) After the return request is made, PT. Sumber Alfaria Trijaya Titisan 3 Branch prepares the goods to be returned. (5) Returned goods are given to the driver when the next scheduled receipt of goods comes. (6) The driver sends the returned goods to the DC.

3. Merchandise Inventory Stock-taking Process

Stock-taking is a process that is carried out routinely to verify and ensure the accuracy of inventory data with physical stock at PT Sumber Alfaria Trijaya Titisan Branch 3. This activity is carried out every day on the first and second shifts. Employees who are responsible for the stock-taking process will be given instructions on how many display shelves to check to do stock-taking. In doing SO, there are stages carried out by these employees.

The first process in carrying out the stock-taking process is to first open the system to do stock-taking, then select the shelf where the goods will be stored. After determining which goods storage rack will be carried out stock-taking then carry out a physical calculation of goods, in the stock-taking process adjusting the number of physical items that have been calculated with the stock on the computer. Next, print the stock-taking work paper, if there is a difference, there will be a difference statement, then adjustments are made between the physical stock and the stock on the computer.

Based on the results of the interviews that have been conducted, if there is a difference in recording the stock of goods between those in the warehouse and those recorded in the system, it can be caused by several factors. Factors that cause differences in the amount of physical stock with stock in the system are: (1) Data entry errors that can occur when inputting goods into the system using a PDA. Errors in inputting or updating inventory data can cause discrepancies between physical stock and data recorded in the system. (2) Failure of the input process, for example when a sale occurs and scans the barcode but it turns out that it is not yet listed in the system, can cause differences in the amount of physical merchandise inventory with the system. (3) Other factors can occur due to loss or theft of trade goods. Stock discrepancies can occur if items are lost or stolen without proper recording in the system.

4. Merchandise Inventory Control

In the process of a control, the head of the store or chief of store must control the existing inventory, because the main activity of PT Sumber Alfaria Trijaya Titisan 3 Branch is selling trade goods. If inventory control is less than optimal, this can have a negative impact on operational efficiency, customer satisfaction, and overall company performance. Therefore, it is important to control inventory optimally in order to identify differences in stock counts with

the system, reduce the buildup of merchandise inventory, and minimize the risk of stock loss and other problems associated with inventory. The objectives of inventory control are: (1) Ensure the availability of goods on display shelves in order to avoid the emptiness of trade goods by re-providing product stock from the warehouse of the Titisan 3 alfamart store. (2) Avoid excess or shortage of stock by using a system that automatically determines when products should be ordered or taken from the store. (3) Inventory control also aims to maintain the accuracy of inventory data. By matching physical stock with data recorded in the system, Alfamart Titisan 3 can produce accurate and reliable information.

Implementation of Accounting Treatment of Trade Inventory

1. Inventory Recording

For inventory stock adjustments made every day through the stock-taking process in order to obtain accurate information about the amount of inventory. The application used by the Alfamart Titisan 3 store in monitoring the process of goods entering until they are out or sold is a special application provided by the company and each Alfamart store has an ID that is different from one another. The ID of the Indomaret Wolter Wangurer store in Bitung City is TSN3. The application has a system that is limited to access only to internal parties related to the company. To log into the application, users are required to use NIK (Employee Identification Number) which is only given to the chief of store, store leader, and store crew who work at PT Sumber Alfaria Trijaya Titisan Branch 3. Each user has a different combination of NIK and password as their identification. So that external parties who are not related to the company cannot use the application.

2. Inventory Valuation

PT Sumber Alfaria Trijaya Titisan 3 Branch is a trading company where the inventory is in the form of finished goods that are ready to be sold to consumers without changing the physical form of the goods. Therefore, in managing inventory, the inventory valuation method used is FIFO (First In First Out) considering that the items traded have expiration dates such as snacks, drinks, noodles, eggs, and other snacks.

The FIFO (First In First Out) method assumes that the price of a product is valued based on the price of the product purchased first, so the ending inventory is

calculated based on the price of the last time the product entered. This is also applied in the storage of trade goods inventory where the first arriving product will be placed on the display shelf. While the excess inventory will be stored in the warehouse to be put back on the display shelf later if there are products sold.

3. Inventory Disclosure

PT Sumber Alfaria Trijaya Titisan 3 Branch is a branch of a publicly listed company that has financial statements. The financial statements are processed at the center through a system used by each branch store to input information on sales and purchases made. Every day when the store closes, stock-taking is carried out and the process of recording reduced and increased inventory is useful for the head office in the bookkeeping process.

CONCLUSION

Based on the research results regarding the discussion of the analysis of the implementation of the accounting system for trade inventory and the accounting treatment of trade inventory at PT Sumber Alfaria Trijaya Titisan 3 Branch, it can be concluded that: Based on the research results regarding the discussion of the analysis of the application of the accounting system for trade inventory and the accounting treatment of trade inventory at PT Sumber Alfaria Trijaya Titisan 3 Branch, it can be concluded that: (1) PT Sumber Alfaria Trijaya Titisan 3 Branch implements an inventory accounting information system with various procedures used. Every process from purchasing goods, returns, to stock-taking and goods sold is input into the system provided by the company. In the inventory management process, systems and supporting documents play a very important role. A reliable and integrated system allows Alfamart Titisan 3 to accurately record and track the movement of goods, perform inventory control, and generate information to compile relevant reports at the USAT office. The inventory accounting information system component includes inventory control. Control is carried out by companies that aim to manage inventory in order to minimize the risk of expired, lost, and damaged goods. PT Sumber Alfaria Trijaya Titisan 3 Branch implements these controls through the implementation of an inventory accounting information system. (2) Computerized inventory recording is carried out continuously (perpetual), with a schedule of inventory of trading goods

entering every 2 days. Because PT Sumber Alfaria Trijaya Titisan 3 Branch is a trading company whose activities involve purchasing products to be resold without changing the form of the product. So the inventory valuation method applied is FIFO (First In First Out) with the aim of anticipating products that have expiration dates that can affect the company's income. Thus the system for recording and valuing trade goods inventory at Alfamart Titisan 3 store is in accordance with the Statement of Financial Accounting Standards (PSAK) 14 regarding inventory regarding the FIFO formula.

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