Acceptance Effectiveness Through Accounts Receivable Billing Period Average

Agung Listiadi
Department of Accounting Education, Universitas Negeri Surabaya, Surabaya, Indonesia
agunglistiadi@unesa.ac.id

ABSTRACT

Purpose: Sensitivity Performance company to economics depend on sold service. Condition of company’s finance always becomes especial reason to a company to develop its effort. One of the source of fund to company is liquefaction of receivable. Not rarely receivable cannot be billed for as according to its due date, which is on finally must be done abolition to receivable. Intention of this research is to know Effectiveness receivable measured, from industrial ACP. The purpose of this research is to measure the level of ACP of companies engaged in household needs and lifestyles that are included in the stock exchange. Benefit of research is known of ACP hence earning is immediately known by receivable effectiveness.

Design/methodology/approach: This study used a descriptive research method. Data is the document obtained financial statement for the period of 2021. As for the subjects in this study are companies engaged in household needs and lifestyle, by calculating the ACP based on the financial statements in 2021.

Findings: Based on the results of calculations using the ACP formula, the big unknown ACP is below the industry average. This means that the average consumer pays his debts to the company on deadlines faster than the industry average. This means that the ACP period of companies engaged in the household and lifestyle equipment business is in good condition even though they are facing the era of covid 19.

Research limitations/implications: The limitation in this study is that calculating ACP can only be done for one entity.

Practical implications: The results of this study can be used as a comparison in a cluster of companies engaged in similar fields.

Originality/value: The focus of the research is to find ways to calculate the effectiveness of sales on receivables during the COVID-19 pandemic.

Paper type: Research paper

Keyword: ACP, Receivable, Sale

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I. INTRODUCTION

The visible impact of Covid-19 does not only affect public health, but also affects the economy in various countries. Even now the world economy is experiencing heavy pressure caused by the virus. The world economy in certain countries such as Indonesia, the United States, Japan, South Korea, Hong Kong, the European Union, Singapore, and several other countries experienced economic growth. Indonesia is faced with many problems related to economic aspects as a result of Covid-19. The performance of an enterprise is affected by industry conditions such as the level of competition and regulation of the industry in the world. A company that is at the high level of competition that is the subject of a high business risk because the market share will be reduced. A company's performance is also affected by the national economy. The sensitivity of the company's performance against the national economy depends on the product or service sold by (Marshall & Adamic, 2010). When the demand for the products or services the company is very sensitive to the national economy, the company has a high level of business risk. The tightening of economic policy is usually characterized by an
increase in interest rates, the goal siphon excess money in the economy in order to dampen inflationary pressures. According to (La Porta et al., 1999) the available evidence on corporate ownership patterns around the world, the tendency of increase in the prices due to increased demand for goods and services from excessive money. Indonesia’s economy in 2021 grew by 3.69 percent, higher than the achievement in 2020 which experienced a growth contraction of 2.07 percent, the decline is due to such revisions as a result of the weakening of the exchange rate, and the volume of world trade is slower than expected. Although slower to rebound, the structure of economic growth still leads to a more balanced growth and sustainable development, namely the increasing role of investment and exports of goods and services in economic growth. Based on data from the Central Statistics Agency (BPS), inflation for the Consumer Price Index (CPI) in 2021 will remain low and below the target range of 3.0±1%. CPI inflation in 2021 was recorded at 1.87% (yoy). Meanwhile, the development of non-oil commodity prices in the international market is expected to move relatively stable.

Governments and the business world do not need to expect much in the interest rates to boost the economy. Company as a for-profit business entity seeks to going concern by (Marshall & Adamic, 2010). One source of funds for companies is melting receivables (Sopranzetti, 1998). Not infrequently uncollectible receivables according to their maturity date, or even not collectible at all, which in turn should be the elimination of the receivables. When the greater the value of doubtful it is feared will have a negative impact on the profitability of the real forecast. In this study the formulation of the problem presented is how Effectiveness of receivables measured from the ACP does. The purpose of this study was to determine the effectiveness of receivables measured from the ACP industry average. The benefit of this research is to know it may soon be known ACP effectiveness of receivables.

A. Receivables

Receivables in the broad sense include all accounts receivable that are not supported by other forms of commercial paper (Kousen K Fred, 1986). Although it may be appropriate to refer to open accounts on customer arising from the sale of goods and services as accounts receivable to distinguish it from other accounts, has been a steady practice to use the term accounts receivable to reflect the right. Right For reporting purposes, the notion of receivables should be limited to the accounts of trade that is expected to be converted into cash in the company’s daily activities. The development of recording and selling of goods in general in reporting was recorded at the time the rights to the goods to the buyer. Due to the time of delivery rights may vary depending on the sales requirements, then it is common practice to record accounts receivable at the time the goods sent to the customer. Receivables should not be recorded when goods have been delivered, but the sender still hold the rights of these items until the time of handover of formal, or for goods shipped on consignment, the sender still hold the rights to the goods until the goods are sold by the seller consignment (consignee). Usually the main source of credit is the normal operating activities of the company, namely credit sales of goods and services to customers. Accounts receivable (trade receivables) is supported by a formal written promise to pay and classified as notes receivable (notes receivable). However, in many cases accounts receivable are unsecured open account is often referred to briefly as receivables (accounts receivable) (Sopranzetti, 1998). Accounts receivable is an extension of the short-term credit to customers. Payment-payment is usually due within thirty to ninety days.

Credit agreement is an informal agreement between the seller and the buyer backed by corporate documents such as invoices and contracts of delivery. Usually accounts receivable do not include interest, although the interest or service fee may be added if payment is not made within a certain period. Accounts receivable is the greatest type of accounts receivable. Trade receivables not include all types of other receivables. Not trade receivables arising from various transactions such as: (1) the sale of securities or ownership in addition to the goods or services; (2) advances to shareholders, directors, officers, employees, and the company's affiliated companies; (3) deposit-payment to creditors, company general requirements, and other agencies; (4) prepayment purchases; (5) a deposit to guarantee the execution of contracts or payment of fees; (6) a claim for loss or damage; (7) a claim for rebates and tax refunds; (8) of shares to be paid up; and (9) of dividends and interest receivable. Trade receivables are generally not supported by formal agreements that are often also written. Trade receivables not to be summarized in estimates are entitled accordingly and are reported separately in the financial statements. Another classification relates to the nature of the current receivables (current) or short-term as opposed to non-current (noncurrent) or long term. As stated in the classification of current assets that are widely accepted cover all receivables identified with the normal operating cycle. Receivables arising out of the inventory cycle to cash qualify smoothly only if it is expected to be in one year, so for the purposes of classification, all accounts receivable are considered substandard, each post instead of trade requires its own analysis to establish whether it is feasible to assume that the post will be billed in one year. Receivables must be recorded according to section work completed by the construction contract and on a cost reimbursable and honorarium to be paid on contract costs plus a fixed honorarium. Usually, a detailed account of the customer transactions and balances of customers made in additional notes. The verses
bookkeeping additional notes can be created based on the document. The company's original document supporting the transactions. With the method of the machine, additional records can often be made simultaneously with invoicing and delivery notes. Certain revenues anticipated by the passage of time and the most easily recorded upon receipt of payment.

At the end of the period, the amount of the anticipated need to be calculated since the moment the last acceptance and accounts receivable needs to be established. For some business units, accounts receivable may be small total; while for others, it may be able to include a large amount (La Porta et al., 1999). Estimates of creditors with a debit balance needs special attention. These amounts can be found by analyzing additional books in detail. Although a debt of wealth and equally reported, no need to have an adjustment to the approximate book ledger or additional details. Debit balances in additional books should be left at the end is removed with the purchase or cash settlement. Details of books customers also require a similar analysis. Slightly estimate-forecast customers with a credit balance can be caused by receipt of payment that is too large, due to customer returns, the settlement payment, or payment in advance for their customers. Thus these credits should be recorded as current liabilities and receivables should be reported with the number of debit balances in additional books.

At the time of receiving bank deposit slips and receipts of credit card, bank account resellers credited with the amount deposited. Every month the bank to debit your bank account for the amount of retailer credit card service fee is normally a percentage of net sales of credit cards. Customers pay the banks directly, thus the banks that manage the accounts. Theoretically, receivables arising from the seller which can be realized or expected cash value. This would indicate that the accounts should be recorded net of the pieces are taken and their expected returns or rebate on anticipated sales. Furthermore, receivables have to be reduced by financial costs or deferred interest contained in the nominal amount and the anticipated outposts cannot be charged. The goal is to report on the number of rights to receivables with customers who are actually expected to be received payment in cash. Many companies charge their customers with a gross sales price minus an amount determined as a reductions / discounts on trade (trade discount). These discounts may vary by customer depending on the volume of business or size of customer orders. Thus, the sales discount reduces the net selling prices are actually charged to the customer. The net price is the amount by which the receivables and income concerned shall be recorded in Cash discounts. Already a common business practice to offer customers cash discounts to stimulate cash payment on invoices.

Cash discounts can be taken only if payment is received within a certain period, usually thirty days or less. Therefore, receivables can be recorded net of discount on the assumption that all discounts will be utilized, although the procedure is quite logical, the method is more commonly followed in practice is to record receivable by the number of gross, payment is received within the discount period, sales discount debited by the difference between the carrying amount of accounts receivable and total cash received. This method is quite simple and is widely used. In the normal course of the company there may be some goods being returned, discounted rates will have to be given due to factors such as damage to the goods during transport, goods rot or other defects or errors both freight in the amount or type. If an item is returned then the net sales and accounts receivable will be reduced. Although the assignment can be done directly on the sale, use of a separate account which will provide useful information for management.

Some industries, such as the publishing industry, experienced relatively high sales returns. When returns are expected to occur in future likely to have a material effect on the financial statements, adjustments must be made end of the period to record the estimated returns-returns. Estimated allowance is an estimate of the property cons votes deducted from receivables on the balance sheet, so the reported receivables with a value estimated net realizable. Estimated sales returns and allowances deducted from the sales price in the statement. This procedure is fundamentally consistent with the matching principle. This is an attempt to record the number of eligible sales revenue for a particular period. The revenue can be realized then can be matched properly with the appropriate fee to obtain a realistic measurement of revenue for any particular period. Revenue from the customer's financial burdens is reported under income and other costs in the calculation of income. Financial burdens will be reported on the balance sheet as, a deduction from the relevant accounts as follows: Accounts receivables that cannot be billed almost always there. The amounts that cannot be billed her burdens related to the sales period and because receivables assigned with the estimated realizable amount.

Estimated amount receivable cannot be billed is recorded as a debit to the credit cost estimates and the estimates of the allowance. Terminology for the titles of these estimates has varied from time to time. Provision for sanctions term receivables largely replaced the earlier term used is receivable Loss Reserves restrictions on use of the term backup. Another term that allows in addition to accounts receivable are receivables Doubtful or Loss (Bad Debts). In the preliminary estimate of the adjustment to the percentage of receivables, experiences regarding receivables are not collectible in the last periods associated with receivables that are still open for such periods, and the data is regarded as a special condition to walk. Although this method appears to be a satisfactory approach to the assessment of receivables, this method cannot assign loads corresponding period on.
revenue (equitable period charges). The most common method used to establish the allowance (allowances) based on open accounts is the determination of the age of accounts (aging receivables). Each receivable analyzed to establish which are not yet due and what is due. In the preliminary estimate of the adjustment to the percentage of receivables, experiences regarding receivables are not collectible in the last periods associated with receivables that are still open for such periods, and the data is regarded as a special condition to walk (Tucker & Moore, 2000). Sometimes companies require cash in the near future and cannot wait for the completion of the normal cycle.

At other companies may not be in financial distress but wanted to accelerate the process of collection of accounts receivable or reduce the risk of credit and collection efforts with other parties. In this case, on customer receivables can be used as a source of expenditure. Three types of plan expenditure by using credit to get cash from a bank or financial institution is: (1) mortgage receivables, (2) the transfer of receivables to a joint responsibility (with Recourse), and (3) sale of receivables without joint liability (with Recourse). Mortgage Receivable (Pledge of Accounts Receivable), by pawn receivables as collateral for loans, often can be obtained an advance from a bank or other lending institution. Billing is usually carried out by borrowers who were asked to pay the collection proceeds to repay its obligations to the buyer of the loan. Buyers can loan borrowers are allowed to see the records to determine whether the results have been recorded in the accounts receivable billing mortgaged. The main difference is that if the receivables sold with joint liability would be conditional debt. Terms financial institutions simultaneously with the purchase receivables without a joint responsibility.

A sale of receivables without joint liability commonly referred to as factoring receivables (accounts receivable factoring) and the purchaser is referred to as factoring. The debtor usually told that their debts should be paid to factors, and these parties bear the burden of billing and payment receipts receivables. In many ways, factoring involves more than just the purchase and collection of accounts receivable. Factors often also involve an agreement that continues where the financial institutions bear the credit function is also function of billing. In this way, the factors warrant or refused credit, handling accounts receivable records, bill customers, and receive payments. Unit Companies is exempt from all this activity. Sales of goods can make money quickly for use by the company. Because of absorbing losses that may arise from their bad debt and often take responsibility. Assuming that there is no return or allowance; settlement may eventually be recorded as follows: Expenditure accounts can be used as a temporary or emergency measure after exceeding the boundary line of credit that is not guaranteed provided by the lending institution. On the other hand, management can be tied up in receivables financing as a policy that is continuous. The recent years have shown an increase in the number of agreements involving factoring delegation fully credit and billing responsibilities to specialists. Financial assistance to the company through open receivables factoring today reached the number of millions of dollars. A money order is an unconditional written promise by one party to the other party to pay a certain amount at a certain moment. Notes may be negotiable or non-negotiable. Can be negotiated, that can be legally transferred through endorsement and submission, only if the money order payable to the second party or carrier.

Notes like this are usually accepted by the bank at a discount; so it is considered more liquid than in other receivables. In its reporting, promissory notes should only cover short-term instruments that can be negotiated are obtained from trade debtors are not yet due. Notes trade in general, arising from the sale of which includes a relatively high dollar amount, in which the buyer wants to defer payment beyond the usual credit period for thirty to ninety days. Also the seller will sometimes ask for money orders from customers whose receivables are still open after the passing of time. Notes receivable not trade shall be stated separately in the balance sheet under the appropriate title. For example, money orders arising from loans given to customers, the officials, employees and affiliated companies must be separately reported. Notes bill basically recorded at present value. Ratings notes can be defined as the amount of revenue in the future are discounted to their present value with an interest rate that is appropriate in a lending transaction; the present value is the amount of cash received by the borrower. If the notes exchanged for fixed assets, goods, or services, the present value is equal to the selling price of goods exchanged for cash running it. The difference between the current value and the amount billed on the maturity date or expiry date of the loan (maturity date) interest expense. All bills arising from a straightforward transaction between parties who do not have the relationship will include the elements of interest.

Although the assessment eligible receivables require amortization procedure as just described, in some circumstances may be granted an exception for their special limitations or practical considerations. Among the exceptions are as follows: receivables and payables arising; as a result of transactions with customers or suppliers in the normal activities of companies which matures within the trading day prevalent roughly not exceed one year, because it notes the short term and receivables arising from the sale of trade should be recorded by the number of billable within the time sales are prevalent. As with receivables, notes cannot always be charged. If the promissory notes covering most of the receivables outstanding, should be made a determination concerning the amount of which cannot be charged as well as an estimate of the allowance determined by using procedures similar for receivables as has been discussed, the note is not trade and long term.
as well secured and no secured notes, trust bonds (debentures), payable equipment, and money orders mortgages. The difference between the nominal amount of the notes to be recorded as the present value discount or premium and amortized over the life of the note. If the fixed assets, goods, or services, or do not have-market prices prevailing then-current value. Notes should be determined through the selection of a reasonable interest rate and use the rate to discount future recipient to the present.

Interest rate related to imputed interest on the redemption date specified and not permuted again permanently. Usually receivables qualify as checkpoints smoothly grouped presentation in groups as follows: (1) money orders - the debtor trade (2) accounts - debtor’s trade, (3) other accounts receivable, and (4) receivables postal accrued. Reporting should disclose bank drafts were negotiated there. Detailed reporting regarding other accounts and postal accrued depending on the relative importance of various elements included therein. When a trade receivable or installment contracts are appropriately reported as well but requires billing-billing exceeded one year, should be suspended bills are treated specially. Estimates are deducted assessment of each receivable or balance the combination associated with it. Notes receivable may be reported on the gross amount of discounted notes receivable presented as a reduction of this balance, or money orders can be reported to the net amount by reference to taste the conditional debt arising from discounted bills of exchange. If notes receivable or accounts receivable pledged to guarantee a loan, the amount should be disclosed.

B. Revenue

Income is a major and important element of financial statements; income has a variety of uses in a variety of contexts. Revenue is considered as the basis of taxation, a dividend payment policy maker’s factor, investment guidelines and decision-making, as well as an element of prediction (Shoemaker, 2003). First, the income has been considered as a basis of taxation and redistribution of wealth among the individual, for the task, a version known as the income of the taxable income calculated in accordance with regulations prescribed by the tax laws of the government. However, two other bases for taxation have been proposed as a better basis than the basic income. For example, possession of a source of income can be a fairer basis for the determination of the tax or feasible economic unity. Also, it can be suggested that individuals should be taxed on the basis of their expenditure rather than on the basis of earnings. Secondly, revenue has been considered as an indication of wisdom and discretion delay dividend payments of dividends a company. Revenue recognized is an indicator of the maximum amount that will be distributed as dividends and retained for expansion or for reinvestment. However, because of differences between the accounting principles and accounting principles gather cash, the company may recognize a number of incomes and at the same time do not have sufficient funds to pay a dividend. Thus, revenue recognition itself does not guarantee that a dividend will be paid.

In credit sales companies can set limits on subscription maximal given by M.S.K. Ifurueze (2013). Third deemed income investment guidance and decision-making in general. Generally hypothesized that investors try to maximize profits on invested capital, which is commensurate with the level of acceptable risk. However, there are doubts that accounting earnings can be used to predict the variable portion. Moreover, there have been changes bit by bit to the suppression of the concept of income to the concept of cash flow. The purpose of financial statements is to provide useful information to investors and creditors to the forecasting, comparison, and assessment of potential cash flow for him in terms of the amount, timing and uncertainty concerned. Fourth, the income is considered as a predictive tool. Revenue assists in predicting future earnings and economic events in the future. In fact, past a revenue value, based on historical cost price and the prevailing values, it is useful in predicting the future value of the two versions of that income.

Revenue consists of the results of operations, or ordinary income, and the results of outside operations: or extraordinary gains and losses, which amount to the same of all net income. Ordinary income is considered income for the year and occurs repeatedly, while extraordinary gains and losses is not the case. In conclusion, the revenue has a role to play various fields, but their use can depend on a number of limitations. An overview of revenue accounting, revenue accounting is operationally defined as the difference between the income that has been ascertained from transactions during the period; the historical cost price is concerned. This definition proposes five characteristics of accounting income. First, it is based revenue accounting, the actual transactions engaged by the company in the main income comes from the sale of goods or services deducting the costs required. To peak at the sale. If the people who make management decisions and investments have not found the financial statements based on historical cost worthwhile over time, the accounting change will happen long ago. Second, because the revenue accounting based on transactions that actual and factual, the revenue accounting measured and reported objectively and therefore basically verifiable objectivity, generally reinforced by the belief on the proposed use of the revenue accounting suggests that accounting should report the facts rather than reporting value. Third, relying on the principle of realization for the recognition of revenue, revenue accounting conservatism meets the criteria. In other words, the measurement and reporting of income is done carefully by ignoring changes in value and recognizes only the realized profits. Fourth, accounting income is deemed useful
for the purpose of controlling and especially in the context of management reporting, use of other sources of income by management entrusted to it.

Revenue in this case needs to be planned sales, sales planning includes planning advertisements, promotions, sales cost planning and marketing planning by Unegbu (2014). Revenue accounting conveys historical background on how to fulfill management responsibilities. Losses Revenue Accounting, earnestly defended addition, it also criticized the accounting income spacy in the literature for a variety of limitations. Finally, revenue showed cash payments received and are intended to be used for consumption to meet the cost of living. While revenue psychic more fundamental and more money income are often referred to as income, real income is perceived as a more practical income for accountants. There also introduced the notion of income as interest, by directing the continuous appreciation of the capital goods every time

C. Average Collecting Period (ACP)

When specialization began to form, began what is called a trade, which was originally done by barter. At first every self-employed workers, and restricted trade in the local environment. Then some people set up factories and hire some employees. When the money (in the form of shells) started to be used and trade has started to develop outside the local area. When this development occurs, the primitive form of banks has started there. A rich merchant lending to the factory owners who need capital to expand or to the young traders who need money to buy vehicles, boats, as well as merchandise. When the first loan granted, lenders can check the physical assets of the borrower and decide the possibility of the debt can be paid. Finally, the practice is becoming increasingly complex loans, borrowers began to develop a larger plant, tranders bought a lot of boats and cars, and loans made to develop a factory or office trade outside the region.

At that time, the lender can no longer check directly collateralized assets on loan, and they need a way to recap on the assets of the borrower. Some investments may also be made on the basis of profits, in which case this means that the earnings (or revenue) must be determined beforehand. At the same time, owners of factories and wholesalers require a report to see the effectiveness of the running of the company, while the government needs information for taxation. Because of these reasons, it is necessary to the financial statements, which in turn requires an accountant to prepare the report, as well as an auditor to verify the accuracy of the work of accountants. However, the original reason of the use of the financial statements are still used: Banks and other investors require accounting information to make the right decisions, managers need accounting information to run the company efficiently, and requires tax authorities to impose a tax accounting information. Yet it is not easy to translate the physical assets in the figures, and this is what will be done accountants when they prepare financial statements. Figures are listed in the balance sheet generally shows the cost or historical cost of assets. Weakness historical cost is the value of assets can change; inventory may be damaged, worn, or even lost while fixed assets such as machinery and buildings may have a value that is higher or lower than its historical cost and accounts receivable may be uncollectible. In addition, some of the debt as the obligation to pay medical expenses of retirees may not be included in the balance sheet. Likewise, some of the costs reported in the income statement may be set too low. Cost allocation is aimed at calculating the cost of the product according to Unegbu (2014).

The ratio is calculated by dividing accounts receivable by the average sales per day, it shows the average time period that is to be seen company after selling before receiving the cash. Billing period average (average collection period, ACP) or Days Sales Outstanding (ACP), used to estimate accounts receivable, and is calculated by dividing accounts receivable by the average daily sales to determine the number of days' sales in receivables by Brigham (2001). So, ACP shows the average time period that is to be seen company after selling before receiving the cash, which is the average collection period, an investment with a low rate or zero. Low inventory turnover ratio also makes us question the current ratio. With such a low turnover, we also should be suspicious if the company store goods are damaged or worn which is disproportionate to its stated values. We should note that the sale occurred during the year, while the inventory figure is reported at a specific time. Therefore, it is better to use the average measurement of inventory. If the company is highly seasonal, or sales trend was very up and down throughout the year, it is important to make some adjustments. However, to maintain comparability with the industry average, we do not use average figures for these supplies.

ACP can also be evaluated by comparing it to the period of the company's sales. For example, terms of sale require payment within 30 days, so if the results of the calculation of the ACP are 45 days instead of 30 days, indicating that the average consumer does not pay its bills in a timely manner (Zeng et al., 2008). This will suck the actual company funds can be used for investment in productive assets. Problems arise when we calculate and analyze the inventory turnover ratio. Sales are set at the market price, so if inventories are reported at cost, then the calculation will be declared a higher turnover (overstated) than the actual turnover ratio (Madheshthi Srinivas, 2013). Therefore, it would be more appropriate to use the cost of sales as a divider in the formula. However, there is also using the ratio of sales to inventories at cost, to measure inventory turnover with sales as the divisor.
The average value of the inventory can be calculated by summing the monthly inventory figures for the current year and then divide it by 12 months. If monthly data are not available, then we can add up the numbers beginning inventory and ending divided by 2. Note that by convention in the financial community generally use numbers 360 and not 365 as the number of days in a year. This calculation would be better to use the average accounts receivable, both the average monthly and (accounts receivable + accounts receivable beginning of the end) / 2. Although this figure is more accurate, but we still use the numbers above calculation as the average industry based on the year-end accounts receivable.

II. METHODOLOGY

This study used descriptive research methods according to Walliman (2011) to approach the scene, trying to explain that the purpose of accounting is to provide information about relevant economic events, which can be utilized in a variety of decision models. Through this approach, the financial statements perceived as an indirect communication throughout the relevant accounting events for the company since its origins. Descriptive research method was able to answer the problems studied. From the description above can be described indicators to be studied are ACP / ACP applicable based on the financial statements. In this study were used as the sample population is a company that is open and a listing on the stock exchange in carrying out its activities during the period of 2021. The subjects in this study are companies engaged in the household and lifestyle equipment business that have gone public and are listed on the stock market. In the data collection through the transaction analyze documentation in financial report statement, the authors attempted to obtain data and information. Data is the document obtained financial statement for the period 2021. The financial statement data that has met the requirements set out in accounting principles, the financial statements have been audited by the competent parties and otherwise unqualified. For description data obtained in this study, which is derived from the financial statements, are analyzed with descriptive analysis techniques.

III. RESULTS AND DISCUSSION

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period/year are disclosed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur. The preparation of the Group’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods. The Group reviews periodically the estimated useful lives of fixed assets and investment properties based on factors such as technical specification and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned (carrying amounts of fixed assets and investment properties). The Group determines the appropriate discount rate at the end of each reporting period, this is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related obligation.

Based on the calculation results with the ACP formula, the big unknown ACP is 31 days above the industry average. This means that the average consumer pays its receivables against the company by the deadline 31 days. In accordance with the ACP standard industry average is 36 days which comes from the habit in the industrial world in general use 360 numbers as the number of days in a year. Thus the company is able to generate above-average ACP industry in general. With ACP figure above the industry average this indicates the need for maximum efforts by the management company to manage the billing against trade receivables. ACP proved above the industry average mean maximum effectiveness of receivables not yet been reached. If ACP is above the industry average, or more than 36 days then it means that there are indications there are consumers who pay their overdue obligations of the repayment schedule that has been determined by the company. And
there is a possibility that consumers who are late to meet its obligations are to experience financial difficulties, which it is of course affect the difficulty of a company to collect its receivables. the results of the study times the ACP value below the industry average, so that the ACP of the companies that are respondents in the good category

But otherwise if ACP companies under the industry average this means consumers pay their obligations on time or even ahead of schedule made by the company. So that it contains the sense that consumers are no significant financial problems, which of course this results in ease of Companies in collecting receivables. All significant transactions with related parties, whether made under terms and conditions are the same or not the same as with the parties who are not related, are disclosed in the notes to the consolidated financial statements. Accounts receivable are stated at net realizable value. Allowance for doubtful accounts is determined based on a review of the state of the individual receivable accounts at the end of the year. Inventories are stated at the lower of cost or net realizable value. Cost is determined using the weighted average (weighted-average method). Net realizable value is determined based on the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale. Allowance for obsolete inventories and slow-moving determined, if any, based on a review of the condition of inventories at the end of the year. Prepaid expenses are amortized proportionately over the life of each charge.

Financial ratio analysis mainly aims to get a picture of the good and bad financial condition of a company at the time of analysis. Based on the results of the analysis, management will obtain information about the company's strengths and weaknesses. This information can help managers understand what the company needs to do, besides that managers can make important decisions in the future. Financial ratio analysis is not only important for the management but also for the external parties of the company. For external parties, financial ratio analysis is important to obtain an overview of the financial development of a company. By knowing the financial development of the company they can decide whether to continue to invest their funds in the company or not. The benefit of financial ratio analysis is that it can identify financial strengths or weaknesses from previous years. By comparing the number of financial ratios with the standards set, other benefits will be obtained, namely it can be seen whether in certain financial aspects the company is above the standard below the standard. If the company is below the standard, management will look for the factors that cause it to then take financial policy to be able to raise the company's ratio again. Financial ratio analysis is the best method used to get a picture of the company's overall financial condition. This analysis is useful as an internal analysis for company management to determine the financial results that have been achieved for future planning and also for external analysis for creditors and investors to determine credit policies. The measurement of a short Average Collection Period or ACP can indicate a strict credit policy and effective receivable management that allows the company to meet its short-term obligations. In contrast, a long ACP indicates that the company must further tighten its credit policies and improve receivable management in order to meet its short-term obligations. This ACP measurement at a glance is similar to the Receivable Turnover Ratio or the Receivable Turnover Ratio. The difference is that the Receivable Turnover Ratio divides the number of days in a period that shows the results of "How many times" receivables collection in a certain period while the Average Collection Period (ACP) is the average number of days in collecting receivables which of course is shown in the results of "Number of Days". Receivables are one of the elements of current assets in company balance sheet arising from the sale of goods and services or granting credit to debtors whose payments are generally given 30 days (thirty days) up to 90 days (ninety days). Receivables are claims to other parties in the form of money, goods or services that are sold credit. Receivables for accounting purposes have a narrower meaning, namely: to show demands on parties outside the company that really hope it will be resolved soon with acceptance some cash. In general, receivables arise as a result of transactions sale of goods or services on credit. Various accounts receivable references often also interpreted as a form of claim addressed to other parties as a result of transactions for accounting purposes as defined which is the right to collect amount of money from the seller to the buyer arising from there is a transaction. Receivables arise due to sales credit to other companies. At the reporting date the Group assessed whether credit risk on financial instruments has been significantly increased since recognition beginning. When making this assessment, The Group considers changes in risk defaults that occur during life financial instruments, not changes to amount of expected credit losses. In do an assessment that, Group compare the risk of default on reporting date with default risk at the time of initial recognition as well as consider reasonable information and supported which is available at no cost.

IV. CONCLUSION

ACP achieved by the company is 31 days; it is higher than the ACP industry average of 36 days. ACP that is lower than the industry average shows the effectiveness of receivables, it means consumers pay obligations on
time and consumers are not experiencing financial difficulties in connection with these obligations. The management of the company needs more maximum efforts in collecting receivables. First the management of the ACP to lower achievement rates. Both sides reviewed the company's management on the state of the individual receivable accounts at the end of the year and if the consumer has had well-publicized financial statements, it can be used as material to study the company's receivables.

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ABOUT THE AUTHOR

Dr. Agung Listiadi, S.Pd, M.Ak is an associate professor in the accounting education department at the Universitas Negeri Surabaya (State University of Surabaya) in Indonesia, a developing country. He has been pursuing accounting education since 2005. Many researches have been carried out in the fields of accounting teaching materials, accounting and finance learning strategies, and evaluation of accounting and finance learning. In Indonesia, helping to develop the potential of teachers in the form of dedication.
Email: agunglistiadi@unesa.ac.id
ORCID ID: https://orcid.org/agung listiadi (0000-0002-9686-5935)