International Journal of Health, Economics, and Social Sciences (IJHESS)
Vol. 8, No. 3, July 2026, pp. 994~1000
DOI: 10.56338/ijhess.v8i3.11984
Website: https://jurnal.unismuhpalu.ac.id/index.php/IJHESS
OPEN ACCESS JOURNALS

# The Effect of Financial Literacy and Manual Financial Record-Keeping Systems on the Reliability of Financial Statements in MSMEs: A Study of Fashion Stores in Palu City

**Putri Nafa Bulan Aulia[1]*, Guasmin[2], Dicky Yusuf[3], Ali Supriadi[4]**
[1,2,3,4]Fakultas Ekonomi dan Bisnis, Universitas Muhammadiyah Palu

***Corresponding Author**: bulannafaaulia@gmail.com

**Article Info**

***Article history:***

Received 16 Apr, 2026
Revised 29 Jun, 2026
Accepted 18 Jul, 2026

***Keywords:***

Lifestyle, Peer Influence, Self-Control, Personal Financial Managemnt, Stundts

**ABSTRACT**

This study aims to determine the effect of financial literacy and manual financial recording systems on the reliability of financial statements in fashion store MSMEs in Palu City. The research method used is a quantitative method with descriptive and associative approaches. The population in this study consisted of fashion store MSME owners in Palu City, with a sample of 35 respondents selected using census sampling techniques. Data collection was conducted through questionnaires. The data analysis methods used included validity tests, reliability tests, classical assumption tests, multiple linear regression analysis, partial tests (t-test), simultaneous tests (F-test), and coefficient of determination tests using IBM SPSS software. The results showed that partially, the financial literacy variable did not have a significant effect on the reliability of financial statements with a significance value of 0.182 > 0.05. Meanwhile, the manual financial recording system variable had a positive and significant effect on the reliability of financial statements with a significance value of < 0.001 < 0.05. Simultaneously, financial literacy and manual financial recording systems significantly affected the reliability of financial statements with a significance value of 0.001 < 0.05 and an Adjusted R Square value of 0.814. These findings indicate that the reliability of financial statements in fashion store MSMEs in Palu City is more influenced by the implementation of routine, orderly, and consistent financial recording practices rather than solely by financial understanding.

## INTRODUCTION

MSMEs have a very important role in the Indonesian economy because they are able to absorb labor, increase people's income, and contribute to national economic growth (Tambunan, 2019; Inayah & Insani, 2023). One of the MSME sectors that is developing in Palu City is a fashion store business engaged in the trade of clothing, accessories, and other fashion support needs.

In carrying out business activities, MSME actors are required to be able to manage finances effectively in order to maintain the sustainability of their business. One of the important aspects of financial management is the preparation of reliable financial statements. Reliable financial statements can provide accurate, relevant, and reliable information so that it can be used as a basis for business decision-making (IAI, 2020; Hery, 2020).

The reliability of financial statements can be influenced by various factors, one of which is financial literacy. Financial literacy is knowledge and understanding of financial concepts that can help individuals in making appropriate financial decisions (OJK, 2017). MSME actors who have a good level of financial literacy are expected to be able to manage business finances more effectively so that they can produce more quality financial reports.

In addition to financial literacy, the financial recording system is also an important factor in producing reliable financial reports. According to Mulyadi (2016), financial recording is a process of collecting and processing financial data that is carried out systematically to produce information that is useful for decision-making. Recording that is carried out regularly and regularly can help business actors know the financial condition of the business more accurately (Kasmir, 2019).

However, there are still many MSME actors who have not done optimal financial recording. Some business actors still rely on simple recording and do not even record regularly so that the financial information produced is less reliable (Rahmadani, 2021; Ningsih, 2023).

Based on this phenomenon, this study aims to analyze the influence of financial literacy and manual financial recording systems on the reliability of financial statements in MSMEs in Fashion Stores in Palu City.

This research is expected to provide an overview of the influence of financial literacy and manual financial recording systems on the reliability of financial reports in MSMEs. In addition to making an academic contribution, the results of this research are also expected to be a consideration for MSME actors in improving the quality of business financial management and reporting.

## RESEARCH METHODS

This study uses a quantitative method with a descriptive and associative approach. According to Sugiyono (2019), quantitative research is a research method used to test certain theories through the measurement of research variables and statistical data analysis.

The population in this study is all MSMEs of Fashion Stores in Palu City that meet the research criteria of 35 respondents. The sample determination technique used is census sampling, which is a sample determination technique if all members of the population are used as research samples (Sugiyono, 2019).
The data used in this study consisted of primary data and secondary data. Primary data was obtained through the distribution of questionnaires to respondents, while secondary data was obtained from various sources such as books, scientific journals, previous research reports, and documents relevant to the research topic.

The independent variables in this study were financial literacy (X1) and manual financial recording system (X2), while the dependent variable was the reliability of financial statements (Y). Variable measurements were carried out using a five-level Likert scale, namely strongly agree, agree, neutral, disagree, and strongly disagree.

The data analysis technique was carried out with the help of the IBM SPSS V. 27 program. The analysis stages include a validity test, a reliability test, a classical assumption test consisting of a normality test, a multicollinearity test, and a heteroscedasticity test, then followed by multiple linear regression analysis. Hypothesis testing is carried out through partial tests (t-test), simultaneous tests (F-tests), and determination coefficient ($R^2$) tests to determine the extent of the ability of independent variables to explain dependent variables (Ghozali, 2018).

$$\mathbf{Yt = a + b_1X_1 + b_2X_2 + e}$$

Where:

| | |
|---|---|
| Yt | = Reliability of Financial Statements |
| a | = konstanta |
| b1, b2, | = Regression coefficient |
| X1 | = Financial Literacy |
| X2 | = Manual Financial Recording System |
| e | = *error* |

### Uji Hypothesis

Test F: To see the simultaneous influence of independent variables on dependent variables.
t-test: To see the partial influence of each independent variable on the dependent variable.

Significance is determined by alpha 5%. If the p-value < 0.05 then H0 is rejected and H1 is accepted (there is a significant influence), and vice versa.

## RESULTS

### Results of the Classical Assumption Test Normality Test

The normality test in this study aims to find out whether the research data used in the regression model is normally distributed or not. Normality testing was carried out using the IBM SPSS *Statistics* program (25). The normality test is one of the requirements in the classical assumption test so that the regression model used can provide valid results. For more details, you can see figure 1 which explains the results of the normality test as follows:

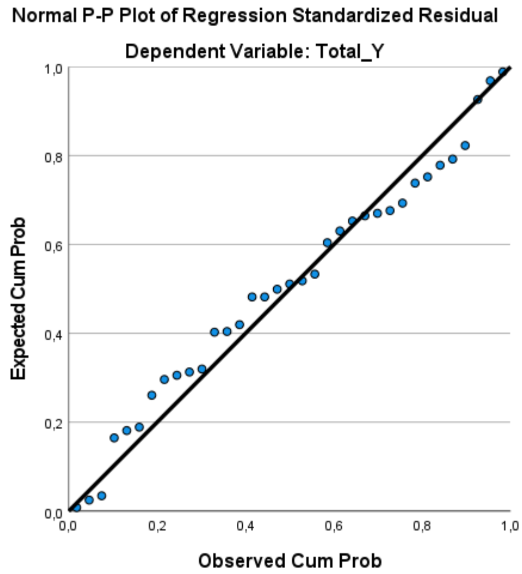


**Figure 1.** Normal PP Plot Standard Residual Regression

Based on Figure 1 Normal P-P *Plot of Regression Standardized Residual,* which is generated from data processing using IBM *SPSS Statistics v.27,* it can be seen that the data points are spread around the diagonal line and follow the direction of the line. This shows that the residuals in the regression model are normally distributed, because the pattern of point dispersion does not move significantly away from the diagonal line.

**Multicollinearity Test**

The multicollinearity test was performed to find out whether there was a high relationship or correlation between independent variables in the regression model. The multicollinearity test was carried out by looking at *the values of Tolerance and Variance Inflation Factor* (VIF). The results of this research are carried out by looking at the value of the VIF and its Volume which can determine whether or not there is a mu$ltikolinie$ritas problem. Me$nu$ru$t (Imam Ghozali, 2011:107-108) does not become mu$ltikolinie$ritas if the value of Tole$rance$ > 0.100 and the value of VIF < 10.00. To do this, the *IBM SPSS Statistics V.27* program is used, which gives the value of the value of the data as a result:

**Table 1.** Multicollinearity Test Results

| Model | Collinearity Statistics | |
|---|---|---|
| | Tolerance | VIVID |
| Financial Literacy (X1) | 0,473 | 2,114 |
| Manual Recording System (X2) | 0,473 | 2,114 |

Sumber: Output IBM SPSS Statistics V.27, 2026

The table above shows that a variable has a VIF value below 10, while the result is that the *value of a variable* has a VIF value below 0.1. Based on the results of the study, it can be concluded that there is no net difference between the variables of financial literacy (X1) and manual financial recording systems (X2) in the regression model.

**Heteroscedasticity Test**

The heteroscedasticity test is used to determine whether or not there is a deviation from the classical assumption of heteroscedasticity, namely the existence of variance from residual variance for all observations in the regression model. The results of the heteroscedasticity test are shown in Figure 2 as follows:

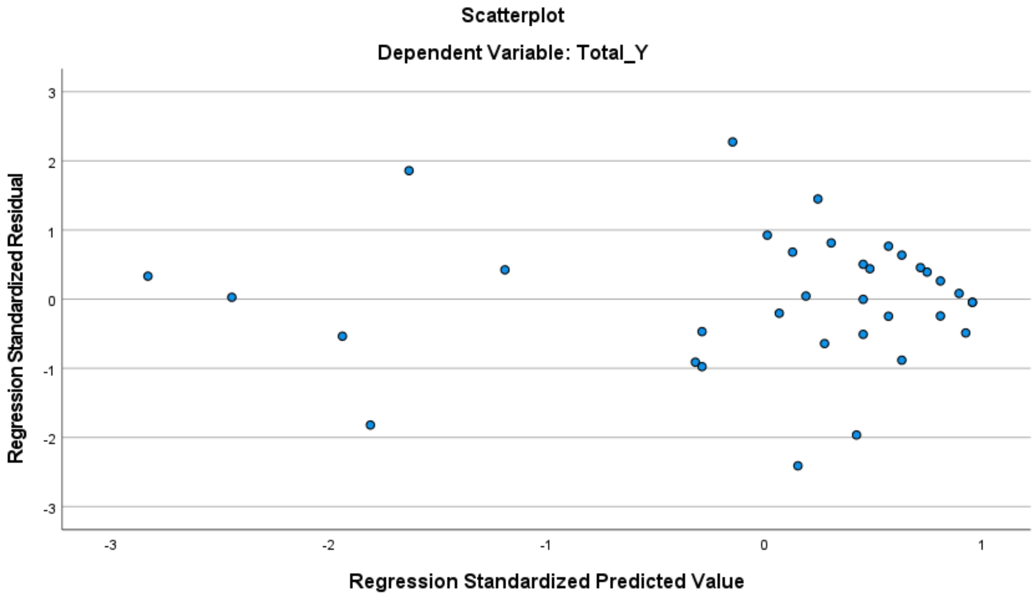


**Figure 2.** Scatterplot Heteroscedasticity Test

The results of the heteroscedasticity test in Figure 2 show that the dots on the scatterplot are randomly spread and do not form a specific pattern. Thus, it can be concluded that heteroscedasticity does not occur in the regression model.

**Multiple Linear Regression Analysis Results**

This analysis is to determine the direction of the relationship between independent variables and dependent variables whether each independent variable is positively or negatively related and to predict the value of the dependent variable if the value of the independent variable increases or decreases. The data used is on an interval or ratio scale, so the results of multiple linear regression analysis are obtained as shown in Table 2 below:

**Table 2.** Multiple Linear Regression Analysis

Coefficientsa

| Model | | Unstandardized Coefficients | | t | Sig. |
|---|---|---|---|---|---|
| | | B | Std. Error | | |
| 1 | (Constant) | 4,268 | 2,024 | 2,109 | 0,043 |
| | Financial Literacy (X1) | 0,127 | 0,093 | 1,364 | 0,182 |
| | Manual Recording System (X2) | 0,610 | 0,082 | 7,411 | 0,001 |

*Sumber: Output IBM SPSS Statistics V.27, 2026*

Based on the results of multiple linear regression analysis in Table 5.7, the following regression equations are obtained:

$$Y = a + b_1X_1 + b_2X_2$$

Y = 4.268 + 0.127X1 + 0.610X2

The regression equation can be explained as follows:

a. Constant (a)
The constant value of 4.268 indicates that if the variable of financial literacy (X1) and the manual financial recording system (X2) is considered constant, then the reliability value of the financial statements (Y) is 4.268.

b. Financial Literacy (X1)
The regression coefficient of the financial literacy variable (X1) of 0.127 indicates that every one unit

increase in the financial literacy variable will increase the reliability of the financial statements by 0.127 assuming that other variables are fixed.

c. Manual Financial Recording System (X2)
The regression coefficient of the manual financial recording system variable (X2) of 0.610 indicates that every one unit increase in the manual financial recording system variable will increase the reliability of the financial statements by 0.610 assuming that other variables are fixed.

Based on the value of the regression coefficient, the variable of the manual financial recording system (X2) is the variable that has the most dominant influence on the reliability of financial statements compared to the financial literacy variable (X1).

**Simultaneous Regression Coefficient Test (F Test)**

The F test is used to find out whether the independent variables (X1 and X2) together have a significant effect on the dependent variables (Y). Or to find out whether regression models can be used to predict dependent variables or not. The results of the F test can be seen in Table 3 as follows:

**Table 3.** F Test Results

| ANOVA | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Sum of Squares | df | Mean Square | F | Say. |
| 1 | Regression | 588,829 | 2 | 294,414 | 75,543 | ,000b |
| | Residual | 124,714 | 32 | 3,897 | | |
| | Total | 713,543 | 34 | | | |

a. Dependent Variable: Total_Y
b. Predictors: (Constant), Total_X2, Total_X1

The F-value was calculated as 75.543 with a significance level of < 0.001. The significance value is smaller than 0.05 so it can be concluded that the variables of financial literacy (X1) and manual financial recording system (X2) together or simultaneously have a significant effect on the reliability of financial statements (Y).

**Partial Regression Coefficient Test (t-test)**

The t-test is used to find out whether the independent variable partially has a significant effect on the dependent variable. In the t-test, independent variable testing was carried out separately between the Financial Literacy variable (X1) and the Manual Financial Recording System (X2). The results of the t-test for the regression model can be seen in the following Table 4:

**Table 4.** Test Results t

| Coefficientsa | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Say. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 4,268 | 2,024 | | 2,109 | ,043 |
| | Total_X1 | ,127 | ,093 | ,147 | 1,364 | ,182 |
| | Total_X2 | ,610 | ,082 | ,796 | 7,411 | ,000 |

a. Dependent Variable: Total_Y

**The Effect of Financial Literacy (X1) on the Reliability of Financial Statements (Y)**

Based on the results of the partial test (t-test), the financial literacy variable (X1) obtained a significance value of 0.182 greater than 0.05 so that it can be concluded that financial literacy does not have a significant effect on the reliability of financial statements (Y). However, the value of the regression coefficient of 0.127 shows a positive relationship between financial literacy and the reliability of financial statements. This means that the better the financial literacy that the respondents have, the reliability of financial statements tends to increase, but this influence is not statistically strong enough. Thus, the hypothesis that financial literacy affects the reliability of financial statements is rejected.

**The Effect of the Manual Financial Recording System (X2) on the Reliability of Financial Statements (Y)**

Based on the results of the partial test (t-test), the variable of the manual financial recording system (X2) obtained a significance value of < 0.001 smaller than 0.05 so that it can be concluded that the manual financial recording system has a significant effect on the reliability of the financial statements (Y). The value of the regression coefficient of 0.610 indicates a positive relationship between the manual financial recording system and the reliability of the financial statements. This means that the better the manual financial recording system is implemented, the reliability of financial statements will also increase. Thus, the hypothesis that the manual financial recording system affects the reliability of financial statements is accepted.

## DISCUSSION

**The Simultaneous Effect of Financial Literacy and Manual Financial Recording Systems on the Reliability of Financial Statements**

The results of the study show that financial literacy and manual financial recording systems simultaneously have a significant effect on the reliability of financial statements. This shows that the reliability of financial statements is not only influenced by the financial knowledge possessed by business actors, but also by the ability to implement financial recording consistently.

When financial understanding is supported by regular transaction recording, the financial information produced will be more accurate, relevant, and can be used as a basis for business decision-making (IAI, 2020; Hery, 2020).

The findings of this study are in line with the research of Anggraeni *et al*. (2025) and Yuda (2025) which shows that financial knowledge and financial management together are able to improve the quality of business management and financial information produced.

**Partial Influence of Financial Literacy on the Reliability of Financial Statements**

The results of the study showed that financial literacy did not have a significant effect on the reliability of financial statements in MSMEs in Fashion Stores in Palu City. These findings indicate that the level of financial understanding possessed by business actors has not been fully applied in the recording and preparation of financial statements.

Theoretically, financial literacy is a combination of knowledge, skills, and beliefs that affect a person's behavior in making financial decisions (OJK, 2017). However, a good understanding of finance does not necessarily result in reliable financial reports if it is not followed by the implementation of consistent financial records.

The results of this study are in line with the research of Lubis *et al*. (2024) which states that financial literacy does not have a significant effect on business management because the knowledge possessed by business actors has not been fully applied in daily business practices.

**Partial Influence of Manual Financial Recording System on the Reliability of Financial Statements**

The results of the study show that the manual financial recording system has a positive and significant effect on the reliability of financial statements. These findings show that the better the financial recording carried out, the better the quality of the financial information produced.

According to Kasmir (2019), regular financial recording can help business actors know the financial condition of the business more accurately and simplify the decision-making process. In addition, Mulyadi (2016) explained that financial recording is an important part of the accounting information system that functions to produce reliable financial information.

The results of this study are supported by research by Maulana (2024), Adiyanto (2024), and Nurlaila (2022) which shows that financial recording carried out regularly is able to improve the quality and reliability of MSME financial statements.

## CONCLUSION

Based on the results of the study, financial literacy does not have a significant effect on the reliability of financial statements in MSMEs in Fashion Stores in Palu City. On the other hand, the manual financial recording system has a positive and significant effect on the reliability of financial statements. Simultaneously, financial literacy and manual financial recording systems have a significant effect on the reliability of financial statements.

The results of the study show that the implementation of regular, regular, and consistent financial recording has a more dominant role in improving the reliability of financial statements than financial understanding alone. Therefore, MSME actors need to increase discipline in conducting financial recording so that the financial information produced is more accurate and can be used as a basis for business decision-making.

## RESEARCH IMPLICATIONS

The results of this study show that manual financial recording systems have a more dominant role in improving the reliability of financial statements than individual financial literacy. These findings indicate that the financial understanding of MSME actors does not necessarily produce reliable financial reports if not followed by consistent financial recording practices. Practically, this study provides implications for MSME actors, especially fashion stores in Palu City, to pay more attention to the implementation of financial recording regularly, regularly, and well documented. For related agencies, the results of this research can be considered in developing mentoring and training programs that not only focus on improving financial literacy, but also on the implementation of an effective financial recording system. Academically, this study enriches the study of factors that affect the reliability of MSME financial statements and can be a reference for future research that examines other variables outside of this study.

## REFERENCES

Anggraeni, D., Rahman, A., & Putra, M. (2025). The influence of financial knowledge and financial experience on the financial behavior of business actors. Journal of Management and Finance, 14(1), 45–58.

Ghozali, I. (2018). Applications of multivariate analysis with the IBM SPSS 25 program (9th ed.). Publishing Agency of Diponegoro University.

Strength. (2020). Accounting: A cyclical approach and financial statements. Fat.

Indonesian Institute of Accountants. (2020). Financial Accounting Standard Statement (PSAK) No. 1: Presentation of financial statements. Indonesian Institute of Accountants.

Inayah, R., & Insani, D. (2023). The role of MSMEs in increasing GDP and labor absorption in Indonesia. Journal of National Economics, 18(2), 89–101.

Cashmere. (2019). Financial management. Raja Grafindo Persada.

Lubis, R., Siregar, D., & Harahap, F. (2024). The effect of financial literacy on the performance of MSMEs. Journal of Economics and Business, 12(2), 88–97.

Maulana, B. Y. (2024). The application of simple financial recording in Elf's Cake MSMEs. MSME Journal, 2(7).

Mulyadi. (2016). Accounting system. Salemba Four.

Ningsih, S. (2023). Analysis of the weaknesses of manual recording of MSME financial statements. Journal of Applied Accounting, 8(1), 40–50.

Financial Services Authority. (2017). Indonesia's national strategy for financial literacy (Revisit 2017). Financial Services Authority.

Rahmadani, L. (2021). Recording and financial reporting of MSMEs in Malang City. Indonesian Journal of Accounting, 13(2), 95–104.

Sugiyono. (2019). Quantitative, qualitative, and mixed methods of research. Alphabet.

Tambunan, T. (2019). Micro, small, and medium enterprises in Indonesia: Important issues. LP3ES.

Juda, A. W. (2025). The Influence of Fintech and Financial Literacy on Financial Inclusion in Halal MSME Actors in Rejang Lebong Regency. Journal of Islamic Finance, 12(1), 14–27.