

**THE IMPLEMENTATION OF ACCOUNTING TREATMENT ON  
CONSTRUCTION BUSINESS FOR MEASURING PROJECT  
PERFORMANCE  
(CASE STUDY AT CV. MAJU BERSAMA)**

**UNDERGRADUATE THESIS**

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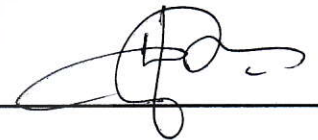
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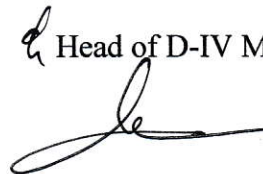
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## ABSTRACT

Bella, Swastika, 2018. The Implementation of Accounting Treatment on Construction Business For Measuring Project Performance (Case Study at CV. Maju Bersama).

Undergraduate Thesis, Accounting Department State Polytechnic of Malang

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*The aim of this research was to analyze the implementation of PSAK No. 34 or Financial Accounting Standard Number 34 for revenues and expenses recognition on construction contracts, the measurement of project performance on CV. MAJU BERSAMA in 2017 and the implementation of tax obligations on construction services in accordance with government regulation number 42 year 2009 and government regulation number 51 Year 2008. The data collection method was documentation. The research method was a quantitative descriptive method. The data used to be analyzed was income statement. The results of this study indicate that the recognition of income and expenses CV. MAJU BERSAMA was still not in accordance with Financial Accounting Standard Number 34. On the other hand, the implementation of tax obligations at CV. MAJU BERSAMA was in accordance with Government Regulation number 42 of 2009 and Government Regulation number 51 of 2008. The project performance of CV MAJU BERSAMA presented good result because realization expenses did not exceed the budget expenses*

*Keywords : PSAK 34, Construction, Performance Measurement, Taxation.*



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This research is not perfect. So that, it is expected to give constructive in order to make this paper to be a good work. Hopefully this undergraduate thesis can be useful for all parties, especially Accounting Department of State Polytechnic of Malang.

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Swastika Bella Sholichati



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# CHAPTER I

## INTRODUCTION

### 1.1 Background

Development is one of the important factors influencing the country progress and society prosperity. It is important for emerging economies to increase and develop supporting facilities and infrastructure for equitable development of the whole country economy. Construction business plays an important role in developing assets particularly in terms of public infrastructure. The construction business is a long-term business because of the character, date and contract activity sometimes finished in another accounting period. Therefore, the recognition of the revenues and expenses are often incompatible with the accounting period during the course of work. It is recognized at the end of the period after completion.

Construction business has different accounting treatment with the other business, because the character and construction contract activity on the date of started and finished are in different period. PSAK No. 34 (IAI, 2014: 43. 2) states that a construction contract is a contract negotiated specifically for the construction of an asset or a combination of assets closely interrelated or interdependent in design, technology, and function or purpose and principal use. Thus, the user of financial statement can clearly understand financial statement, so that financial statement must be formatted based on accounting principle in accordance with Financial Accounting Standard (Standard Akuntansi Keuangan).

The accuracy recognition of revenue and expense is needed to create reliable financial statement. Because of the accuracy of management decision-

making is based on reliable financial statements. In addition, the results of reliable financial statements will show the right qualifications for the company as a small, medium, or big company. Furthermore, it will be a reference for the tax base.

Tax aspect construction also must have a right treatment. The presentation of revenue and expense from tax aspect construction service also must be presented in accordance with obtaining regulation. The accuracy of imposition tax will be influenced by the presentation of the financial statement so that the financial statement can rely on as basic of making a decision.

Each construction project requires performance measurement so that the company knows what work saves time and cost and what work should be developed by the company to achieve efficiency and effectiveness of performance in working on a construction project. Mahsun (2006) states that performance measurement is the process of assessing progress of work against predetermined goals and targets, including information on, the efficient use of resources in the production of goods and services, the quality of goods and services (how well goods and services are delivered to customers and how satisfied customers are). The results of the activities are compared with the intended intentions, and the effectiveness of actions in achieving the objectives.

CV. MAJU BERSAMA is a business that runs in construction service sector and stock supplying building materials and goods stock or supplier. CV. MAJU BERSAMA has applied Implementation of Financial Accounting Standards (PSAK) Number. 34. Thus, analyzing accounting treatment applied by CV. MAJU BERSAMA using PSAK No. 34 for recognition revenue and expenses about construction contract is needed to know whether the CV. MAJU

BERSAMA has been conformity the Financial Accounting Standard Number 34 or not. Literature used to analysis tax aspect was government regulations Number 40 year 2009 changing at government regulations Number 51 of 2008 as tax on revenue and revenue of construction service business. Therefore, the title of this research is the Implementation of the accounting treatment on construction business for measuring project performance case study at CV. MAJU BERSAMA.

### **1.2 Research Questions**

Based on the background of the study, the formulated research questions are:

- a. How is the implementation of Financial Accounting Standard Number 34 for revenue and expenses recognition on construction contracts?
- b. How is the conformity of the implementation tax obligations on construction services?
- c. How is the measurement of project performance for CV. MAJU BERSAMA?

### **1.3 The Objectives of the Study**

Based on the description that has been explained, then the objectives of the study are :

- a. Analyzing the implementation of Financial Accounting Standard Number 34 for revenues and expenses recognition on construction contracts.
- b. Analyzing the conformity of the implementation tax obligations on construction services.

- c. Measuring project performance CV. MAJU BERSAMA.

#### **1.4 Scope and Limitation of the Study**

This study is limited to documentation research by taking 1 contract from a medium company as the sample. For the recognition of revenues and expenses, Financial Accounting Standard Number 34 was applied. Using the percentage of completion method and the year of data required is during 2017. In addition, the tax aspect of the constructions service is the final tax.

#### **1.5 The Significance of the Study**

The significance of this research are :

1. For the Company, this research is expected to provide solutions for problems related to the construction contract, to know the implementation of company accounting treatment based on Financial Accounting Standard Number 34 for recognition revenue and expenses. And government regulation on tax. In addition, the results of this study are expected to be used as supporting material or reference in the preparation of financial statements.
2. For State Polytechnic of Malang, this research is expected to be a reference in providing information and contribution to the development of science, especially in the field of financial accounting.
3. For the Researcher, this research is expected as base to do a better for future research in the same subject.

### 1.6 Definition of the Key terms

- Accounting treatment includes recognition, measurement, presentation & disclosure of elements of financial statements (IAI, 2014: 14 - 19).
- Construction is a consulting service of construction work planning, construction service implementation service, and consultation service of construction work supervision (Law of Republic Indonesia, 1999: article 1 (1)).



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