TELAAH BISNIS
Volume 27, Issue 1, 1-15
http://journal.stimykpn.ac.id/index.php/tb
ISSN 1411-6375 (Print)
ISSN 2541-6790

Improving MSME Performance through Accounting Knowledge and Financial Reporting: Fintech as a Moderator

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Received Apr 6, 2026
Revised May 3, 2026
Accepted May 19, 2026
Published Jul 23, 2026

DOI 10.35917/tb.v27i1.682

Abstract
The purpose of this study is to determine the perception of Micro, Small, and Medium Enterprises (MSMEs) in Sleman Regency regarding accounting and financial knowledge in preparing financial reports on MSMEs performance moderated by Financial Technology. Using primary data by distributing questionnaires via Google Form to MSMEs in Sleman Regency with a purposive sampling method. A total of 200 samples were obtained with the criteria of micro businesses in Sleman Regency, having run a business for at least six months, having received facilities from the Sleman Regency Cooperatives, Small and Medium Enterprises Office, and having implemented digital connection services with financial technology. The data were processed using Partial Least Square (PLS) 4. The results of the study indicate that accounting knowledge and the ability to prepare financial reports have a positive and significant effect on MSMEs performance. Fintech acts as a moderator that strengthens the relationship between accounting knowledge and MSMEs performance, but has not shown a significant moderating effect between the relationship financial report preparation ability and MSME performance.
Keywords: accounting knowledge, financial reports, MSMEs, fintech

Introduction

Micro, Small, and Medium Enterprises (MSMEs) play an important role in the Indonesian economy. MSMEs have proven resilient in various crises, such as the 1998 economic crisis, the 2008 global crisis, and the COVID-19 pandemic. According to Rostikawati & Pirmaningsih (2019), MSMEs were able to maintain and operate their businesses and generate profits during the global crisis. Gyamera et al. (2023) explain that MSMEs provide a platform for entrepreneurs to develop and contribute to solving community problems.

According to data from the Ministry of Cooperatives and SMEs in 2023, the number of business actors reached 65.5 million, with 97% being micro-enterprises, 2% being small-enterprises, and 1% being medium-enterprises. According to the Central Statistics Agency (BPS), MSMEs contribute 61% to Gross Domestic Product (GDP) and absorb up to 97% of the national workforce. This demonstrates that MSMEs are a vital part of the Indonesian economy and play a crucial role in job creation.

Because it does not require large capital, MSME activities are still very popular among the public. There are no capital requirements, making it easy for people to start their businesses (Maelani et al., 2024). MSMEs are a form of business that is widespread in Indonesia and plays a strategic role in driving the economy. Sleman Regency is recorded as the regency with the largest population in the Special Region of Yogyakarta. Statistics on SMEs in Sleman Regency as of March 2025 show that there are 110,000 SMEs spread across seventeen sub-districts. Miswanto et al. (2025)

One way to measure the success of MSMEs is by conducting performance measurements. Financial reports are very important for MSME players. Maelani et al. (2024) explain that with the availability of financial reports, MSME players can obtain important information. One of the problems often faced by MSMEs and affecting their performance is the lack of regular financial reports. Business owners have limited accounting knowledge, so they do not prepare reports regularly (Suyono & Zuhri, 2022). As a result, SME entrepreneurs often focus only on operations and neglect transaction recording, which is actually very important for decision-making. In addition to accounting knowledge, efforts to improve individual financial literacy are through financial education, with the aim of shaping individuals' financial behavior to be wiser in using their financial resources. This aligns with the findings of research Kristianti & Deranika (2023) which states that individuals with adequate financial literacy will have a level of knowledge and understanding of various financial concepts, enabling them to evaluate and make logical assessments when making financial decisions.

The performance of MSMEs is inextricably linked to the quality of financial management implemented in business operations. Financial management serves as the primary foundation for maintaining sustainability and driving business growth, particularly in the face of increasingly complex market dynamics and competition. Within this framework, the ability of business actors to prepare financial reports is an essential competency.

Hutabarat et al. (2025) emphasize that the ability to prepare financial reports is the initial step in producing reliable and relevant financial information. Systematically prepared financial reports serve not only as a recording tool but also as an analytical instrument that enables MSMEs to understand the financial condition, profit and loss performance, and operational efficiency of the business. Thus, the quality of financial reports directly influences the quality of strategic decision-making by stakeholders.

Furthermore, improving the financial management capacity of MSMEs can be achieved through interventions such as training and mentoring. Research Miswanto et al. (2025) demonstrated that strengthening competencies in financial management including investment analysis and working capital management, contributes significantly to increasing business competitiveness and sustainability. These findings indicate that financial literacy and capability are important determinants in strengthening the position of MSMEs in the market.

On the other hand, developments in financial technology (fintech) have also expanded opportunities for MSMEs to optimize financial management. Lontchi et al. (2023) stated that fintech provides various digital solutions, such as financial reporting applications and electronic payment systems, which can improve the efficiency and accuracy of business financial management. This digital transformation is further supported by high internet penetration in Indonesia. Data from the Indonesian Internet Service Providers Association (APJII) shows that the number of internet users is estimated to reach 221,563,479 by 2024, reflecting increasing access to digital technology (Sumani, 2022). Therefore, it can be concluded that the synergy between financial management skills, quality financial reporting, and the use of digital technology is a key factor in improving the performance and sustainability of MSMEs.

Although extensive research has been conducted on MSME performance, several research gaps remain that require further study. First, most previous studies have focused on external factors or the use of technology as the primary determinants of MSME performance, while the role of internal factors such as accounting knowledge and financial reporting skills has been relatively limited and comprehensively explored (Li et al. (2024), Monica & Ruzikna

(2024), and Ranti & Sartika (2024). Yet, these two aspects are fundamental to producing quality financial information to support business decision-making.

Second, there are differing approaches to positioning fintech within research models. Most previous studies position fintech as an independent variable that directly influences MSME performance. However, this approach fails to fully explain how fintech interacts with the internal capacity of business actors, particularly in strengthening the influence of accounting knowledge and financial reporting skills on performance. Therefore, there is still room for examining fintech as a moderating variable (Lontchi et al. (2023), Yulianto & Rita (2023), and Utami & Sitanggang (2021). Third, there is inconsistency in empirical results regarding the influence of fintech on MSME performance. Murdiono et al. (2024), Leatemia et al. (2023), and Prasetya (2022) studies find a positive and significant effect, while others indicate that fintech has no significant effect. These discrepancies in findings indicate that the relationship between fintech and MSME performance is not yet fully conclusive and may be influenced by other variables not yet included in the research model.

Based on these three gaps, this study attempts to integrate internal factors (accounting knowledge and financial reporting skills) with technological factors (fintech) within a more comprehensive analytical framework, by positioning fintech as a moderating variable. Thus, this study is expected to provide a deeper understanding of the determinants of MSME performance and bridge the inconsistencies in findings from previous research.

Literature Review and Hypotheses

Resource-Based View Teory

The Resource-Based View (RBV) theory explains that an organization's competitive advantage can be achieved through the utilization of its internal resources. This theory was originally introduced by Penrose (1959) in his book, The Theory of the Growth of the Firm. Penrose provided a theoretical basis for how a resource can provide a competitive advantage. Barney (1991) created a standard for sustainable competitive advantage in 1991. According to him, sustainable competitive advantage comes from organizational resources that are valuable, rare, imperfectly imitable, and organized. These resources are defined as tangible and intangible assets, such as skills, processes, and procedures. According to Dasuki (2021), Resource-Based View Theory focuses on strategic choices, namely how to optimize human resources to increase business value. The Resource-Based View Theory can be used to examine how an organization's accounting and financial resources can increase value and support the overall business strategy.

Accounting Knowledge

Maya & Husda (2024) explains that accounting knowledge is knowledge about how to classify, analyze, and record information related to a company's financial operations. This refers to a person's understanding of basic accounting concepts, such as the ability to record and understand financial information. Lestari & Rustiana (2019) divide accounting knowledge indicators into two categories: declarative knowledge and procedural knowledge.

Financial Report Preparation Ability

Maseko & Manyani (2011) in their research by Adela et al. (2024) stated that bookkeeping and financial reporting are very important in business activities and economic decision-making. The ability to prepare financial reports is very important for businesses. This ability includes conducting short-term and long-term planning, managing, monitoring, and preparing reports that reflect the business's progress toward achieving its objectives (Maelani et al., 2024). According to Robbins & Judge (2003) in Maelani et al. (2024) the ability to prepare financial reports has five indicators, namely numerical ability, verbal comprehension, perceptual speed, inductive and deductive reasoning, and spatial visualization.

Micro, Small, and Medium Enterprises (MSMEs) Performance

Performance is the ability of a business to achieve profitable market results (Soomro et al., 2025). Putra & Khalisa (2023) & Aritonang et al. (2023) defines MSMEs performance as the ability of MSMEs to achieve work results according to predetermined criteria. According to Government Regulation Number 7 of 2021, micro, small, and medium enterprises are classified based on capital size and annual sales revenue. Abrokwah-Larbi (2024) divides performance indicators into four categories: financial performance, customer performance, internal business performance, and business growth performance.

Financial Technology

Fintech is seen as a digital innovation that has emerged due to advances in technology (Offiong et al., 2024). As stated by Leong & Sung (2018), fintech is any innovative concept that improves financial services processes by using technological solutions that are appropriate to the business situation. Fintech has a long history, from Fintech 1.0 (1866–1967) to Fintech 4.0 (2018–present). Lontchi et al. (2023) mention four fintech indicators, namely: service benefits, ease of use, trust, and risk.

Hypotheses Development

The Influence of Accounting Knowledge on MSMEs Performance

Based on the Resource-Based View theory, accounting knowledge is a crucial internal resource for MSMEs to improve their business performance. In this regard, accounting knowledge, as an internal resource possessed by business actors, will improve MSME business performance. According to Hutabarat et al. (2023), financial management practices such as budget management and company budget control reflect the accounting knowledge of business actors. Accounting knowledge improves business management, strengthens financial control, and supports strategic decision-making. This combination directly drives improved MSME performance, including profitability, growth, and business sustainability. Therefore, financial management, as a reflection of MSME accounting knowledge, can improve MSME business performance. Business actors with extensive accounting knowledge will prepare their business financial reports using appropriate accounting practices, which can be used to measure MSME business growth. This finding is supported by Putra & Holisoh (2023), Suyono & Zuhri (2022), and Setiawati et al. (2021), which explains that the level of accounting knowledge possessed by MSMEs is proportional to the level of performance achieved.

H1: *Accounting knowledge has a positive effect on MSMEs performance.*

The Influence of Financial report preparation ability on MSMEs Performance

Hutabarat et al. (2023) explained that the ability to prepare financial reports is an important aspect in MSME financial management because it can provide relevant information for decision-making. According to the Resource-Based View (RBV) theory, the ability to prepare financial reports is included in the internal resources owned by MSME actors. RBV theory views this ability as part of internal assets that can support competitive advantage. The ability to prepare financial reports increases transparency, information accuracy, and control in the business. This has a direct impact on better decisions, operational efficiency, and ease of access to capital, which ultimately improves MSME performance in terms of profit, growth, and sustainability. According Wahid (2017),business actors who are able to prepare financial reports well tend to have higher performance. Similar findings by Hutabarat et al. (2025), Adela et al. (2024), Fachrunnisa et al. (2024), Maelani et al. (2024), Winarso & Kurniawati (2022), Kamilan & Nurcholisah (2022) and Agbemava et al. (2016) found that the ability to prepare financial reports has a positive impact on performance.

H2: *The ability to prepare financial report has a positive effect on MSMEs performance*

The influence of fintech in moderating accounting knowledge on the performance of MSMEs

Monica & Ruzikna (2024) menyebutkan bahwa *fintech* adalah sebuah teknologi keuangan yang berkembang pesat dan mempengaruhi pengelolaan keuangan UMKM. Candraningrat et al. (2025) also explain that fintech not only enhances financial inclusion but also provides accessible tools that facilitate financial management, thereby driving improved business performance. Lontchi et al. (2023) indicates that fintech can lead to greater financial literacy, meaning that business actors are encouraged and accustomed to innovations that enhance performance. The utilization of fintech in MSMEs business activities requires not only access to technology but also sufficient knowledge to ensure optimal use of fintech applications. Business actors with strong accounting knowledge can leverage fintech to optimize their financial understanding, thereby improving business performance. Based on the explanation above, the third hypothesis is formulated as follows:

H3: *Fintech moderates the influence of accounting knowledge on MSMEs performance*

The Influence of Fintech in Moderating the Relationship Between Financial report preparation ability and MSMEs Performance

Sharabati et al. (2024) explains that technology adoption needs to be handled systematically in terms of resources and ensuring that they have the right skills. Many business owners face difficulties in managing their finances due to a lack of knowledge and skills in financial reporting (Safitri, 2024). By adopting technology appropriately, business owners are required to enhance their capacity in preparing financial reports to leverage the features offered by fintech. Research by Li et al. (2024) and Utami & Sitanggang (2021) found that the adoption of fintech can significantly improve the performance of MSMEs. Research by Novianti et al. (2025) found that MSMEs actors who adopt digital applications for financial recording have a positive influence on their financial performance. The higher the level of financial technology possessed by business actors, the stronger the relationship between the transformation of financial recording from a manual system to a digital system, which can ultimately increase business profitability. Based on the above explanation, the fourth hypothesis is formulated:

H4: *Fintech can moderate the influence of financial report preparation ability on SME performance.*

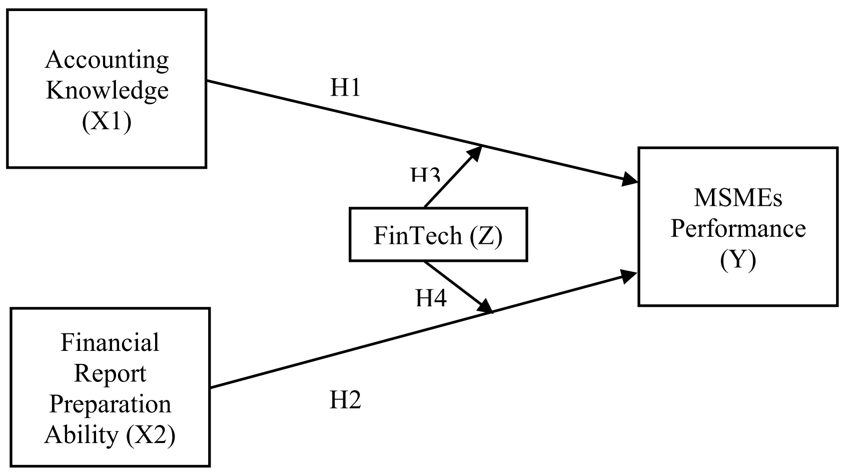

Figure 1. Research Model

Research Method

Algifari (2016) states that a population is a collection of all objects being studied. The population in this study consists of MSMEs actors operating in Sleman Regency. Furthermore, a sample is drawn from the existing population. Algifari (2016) also states that a sample consists of a portion of the individuals being studied. The sample criteria consist of business actors who operate in the Sleman Regency area, have been running their businesses for at least six months, have previously received facilitation from the Department of Cooperatives, Small and Medium Enterprises of Sleman Regency, and have implemented fintech in their business activities. The sampling method used is purposive sampling, a non-probability sampling technique in which samples are selected based on specific criteria. The sample size determination refers to penelitian Hair et al. (2019),who state that the minimum number of respondents should be 10 times the number of research indicators. This study uses 15 indicators; therefore, the minimum required sample size is 10 multiplied by 15 indicators, resulting in 150 respondents.

This research uses primary data collected through a questionnaire distributed via a Google Form link. The data collection technique involves a Likert scale questionnaire ranging from 1 to 5. Data were collected by distributing the questionnaire link through private messages, training group chats, or directly during training activities. The questionnaire responses will yield numerical (quantitative) data, which will then be processed using the SmartPLS 4 statistical analysis tool

Before starting the research, an evaluation was conducted on the measurement model (outer model), structure (inner model), and hypothesis testing in accordance with the previously established hypotheses. The outer model measurement included validity, discriminant, and reliability tests used to test data quality. According to Ghozali (2014), validity tests are conducted to evaluate the accuracy of statements included in the questionnaire. According to Henseler et al. (2009), for convergent validity testing, indicators are considered good if they have a factor loading of more than 0.7. The Average Variances Extracted (AVE) value is used to test the validity of variables. The AVE value is considered valid if it exceeds 0.5 (Algifari & Rahardja, 2020). If each cross-loading value of a latent variable shows the highest value compared to other cross-loading values, then the model has good discriminant validity. The reliability values between indicators of the constructs forming composite reliability are measured in this way. A variable is considered reliable if its composite reliability value is greater than 0.7 and its Cronbach's alpha value is greater than 0.6.

Inner model measurements include model fit, R Square, Q Square, and VIF test. A model is considered fit if the SRMR value is <0.1 for the model to meet the appropriate criteria. The relationship between research variables is measured by the R-Square value. An R-Square value of 0.67 is generally considered strong, 0.33 moderate, and 0.19 weak, according to the measurement criteria described Q-Square (Q^2) is used to evaluate the predictive ability of the PLS model. A Q^2 value > 0 indicates that the model has predictive relevance, where the higher the value, the better the model's predictive ability. In the VIF test, there are no multicollinearity issues in this model if the Inner VIF value for all variables is > 0.1 and < 5.

To determine how significant the influence of each variable is, bootstrapping is used to propose hypotheses by looking at the path coefficient (Ghozali & Hengky, 2015). With a reliability level of 95% and an accuracy limit of 0.1, this study is considered significant if the p-value is less than 0.1. If the t-statistic value is greater than the t-table value of 1.96, then the hypothesis is supported.

Results and Discussion

The questionnaire was distributed from June 26, 2025, to July 5, 2025. A total of 223 respondents completed the questionnaire. Data from 200 respondents that met the criteria were processed using SmartPLS4.

Table 1. Respondent Characteristics

Item	Category	Frequency	%
Gender	Woman	174	87
	Man	26	13
	Total	**200**	
Age	17 – 25 years old	6	3
	26 - 35 years old	27	13.5
	36 - 45 years old	64	32
	46 - 55 years old	74	37
	> 56 years old	29	14.5
	Total	**200**	
Level of Education	Junior high school	9	4.5
	Senior high school	84	42
	Diploma (D3)	30	15
	Bachelor's degree (S1)	70	35
	Master's degree (S2)	7	3.5
	Total	**200**	
Business Sector	Accommodation and Food Services	113	56.5
	Trade	36	18
	Craft Industry	32	16
	Service	17	8.5
	Agriculture and Fisheries	2	1
	Total	**200**	
Business Location	Depok Subdistrict	57	28.5
	Kalasan Subdistrict	26	13
	Gamping Subdistrict	20	10
	Sleman Subdistrict	14	7
	Ngaglik Subdistrict	12	6
	Pakem Subdistrict	12	6
	Seyegan Subdistrict	9	4.5
	Mlati Subdistrict	7	3.5
	Prambanan Subdistrict	7	3.5
	Godean Subdistrict	6	3
	Moyudan Subdistrict	6	3
	Ngemplak Subdistrict	6	3
	Berbah Subdistrict	5	2.5
	Cangkringan Subdistrict	4	2
	Turi Subdistrict	4	2
	Minggir Subdistrict	3	1.5
	Tempel Subdistrict	2	1
	Total	**200**	
Length of Business Operation	6 months – 1 year	10	5
	1 - 2 years	18	9
	3 - 4 years	51	25.5
	More than 4 years	121	60.5
	Total	**200**	
Fintech Implementation	Digital payments (mobile banking/QRIS)	100	50
	Digital payments + Marketplace	27	13.5
	Digital payments + Free shipping service	17	8.5
	Digital payments + Digital financial reporting application + Marketplace + Free shipping service	14	7
	Digital payments + Marketplace + Free shipping service	10	5
	Digital payments + Digital financial reporting application	8	4

Item	Category	Frequency	%
	Digital payments + Digital financial reporting application + Free shipping service	6	3
	Free shipping service	5	2
	Digital payments + Digital financial reporting application + Marketplace	5	2.5
	Digital financial reporting application	3	1.5
	Marketplace	3	1.5
	Digital financial reporting application + Marketplace + Free shipping service	2	1
	Total	**200**	

Based on respondent data, the number of respondents was dominated by females (87%) and males (13%). The majority of respondents were in the 46–55 age group (37%), followed by the 36–45 age group (32%). The age group 56 years and older accounted for 14.5%, the 26–35 age group for 13.5%, and the youngest age group, 17–25 years, for only 3%. Most respondents had a high school education (42%), followed by a bachelor's degree (35%), an associate's degree (15%), a junior high school education (4.5%), and the fewest had a master's degree (3.5%). The majority of respondents work in the accommodation and food services sector (56.5%), followed by the trade sector (18%), handicraft industry (16%), services (8.5%), and the smallest percentage from the agriculture and fisheries sector (1%). Most respondents are from Kapanewon Depok (28.5%), followed by Kalasan (13%) and Gamping (10%). Respondents from other areas account for less than 10%. The majority of respondents have used fintech in their businesses, with digital payments via mobile banking or QRIS being the most commonly used method (50%). 13.5% of respondents combined this with digital marketing through marketplaces. The remainder (under 10%) utilized other service combinations such as digital financial record-keeping, free shipping, and other fintech services.

According to the Table 2, a loading factor of more than 0.7 is considered valid. The KU2 indicator with a loading factor of 0.639, KU3 with a loading factor of 0.682, and F10 with a loading factor of -0.062 were removed because they had loading factor values below 0.70. The AVE values for each variable were above 0.5, so the variables were considered valid. The variables of accounting knowledge, financial report preparation ability, MSMEs performance, and fintech are considered reliable. The Cronbach's alpha values are above 0.60, and the composite reliability is above 0.70.

Table 2. Validity and Reliability Test Results

Variabel	AVE	Indicator	*Loading Factor*	*Composite Reliability*	*Cronbach's Alpha*
Accounting Knowledge	0.734	PA1	0.854	0.943	0.927
		PA2	0.885		
		PA3	0.799		
		PA4	0.866		
		PA5	0.860		
		PA6	0.872		
Financial Report Preparation Ability	0.747	KPLK1	0.864	0.954	0.943
		KPLK2	0.864		
		KPLK3	0.862		
		KPLK4	0.897		
		KPLK5	0.871		
		KPLK6	0.857		
		KPLK7	0.831		
MSMEs Performance	0.623	KU1	0.811	0.937	0.924
		KU4	0.839		
		KU5	0.857		
		KU6	0.780		
		KU7	0.850		
		KU8	0.735		
		KU9	0.735		
		KU10	0.755		
		KU11	0.700		
Fintech	0.798	F1	0.875	0.973	0.968
		F2	0.905		
		F3	0.910		
		F4	0.919		
		F5	0.902		
		F6	0.858		
		F7	0.915		
		F8	0.918		
		F9	0.835		

Table 3. SRMR Value

Desription	Saturated model	Estimated model	Information
SRMR	0.056	0.056	Model fit

SRMR value of less than 0.1 indicates that the model fits.

Table 4. R-Square and Q-Square Result

Variabel	R-Square	Q-Square
MSMEs Performance	0.571	0.339

The dependent variable of MSMEs performance can be explained by the independent variables of accounting knowledge, financial statement preparation skills, and the moderating variable of fintech by 57.1%. The remaining 42.9% is explained by other factors outside the model. The Q-square value of 0.339, which is greater than zero, indicates that the structural model used has the ability to evaluate how accounting knowledge and financial statement preparation skills impact SME performance.

Table 5. Inner VIF Value

Variable	VIF
Accounting Knowledge → MSMEs Performance	2.415
Financial Report Preparation Ability → MSMEs Performance	2.456
Fintech x Accounting Knowledge → MSMEs Performance	2.970
Fintech x Financial Report Preparation Ability → MSMEs Performance	2.968

VIF values greater than 0.1 and less than 5, as shown in Table 5, indicate that there is no multicollinearity problem in this model.

Based on the bootstrapping procedure testing in PLS 4.0, the overall results of the research hypothesis testing are shown in Table 6.

Tabel 6. Hypothesis Test Results

Hypothesis	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Result α: 10%
Accounting Knowledge → MSMEs Performance	0.289	0.295	0.078	3.690	0.000	Supported
Financial Report Preparation Ability → MSMEs Performance	0.353	0.349	0.079	4.439	0.000	Supported
Fintech x Accounting Knowledge → MSMEs Performance	0.120	0.122	0.069	1.737	0.083	Supported
Fintech x Financial Report Preparation Ability → MSMEs Performance	-0.074	-0.070	0.072	1.032	0.302	Not Supported

The results of the first hypothesis test show that there is a positive relationship between the accounting knowledge variable and MSMEs performance, with a positive path coefficient value of 0.289. The p-value is 0.000, which is less than 0.1, and the t-statistic value of 3.69 is greater than the t-table value of 1.96. These results indicate that there is a positive and significant relationship between accounting knowledge and MSMEs performance. Hypothesis 1 is supported. The results of the second hypothesis test, which shows the relationship between financial report preparation ability and MSMEs performance, indicate a positive path coefficient value of 0.353, with a p-value of 0.000, which is less than 0.1, and a t-statistic value of 4.439, which is greater than the t-table value of 1.96. These results indicate that the relationship between financial report preparation ability and MSMEs performance has a positive and significant effect. Hypothesis 2 is supported.

The results of the third hypothesis test show a positive path coefficient value of 0.120, a p-value of 0.083 less than 0.1, and a t-statistic of 1.737 lower than the t-table of 1.96. The results indicate that fintech as a moderating factor influences the relationship between accounting knowledge and MSMEs performance. Hypothesis 3 is supported. The results of the fourth hypothesis test, which examines the influence of fintech in moderating the ability to prepare financial statements on MSMEs performance, show a negative path coefficient of -0.074. The p-value shows a value of 0.302, which is greater than 0.1, and the t-statistic value of 1.032 is less than the t-table value of 1.96. These results indicate that fintech, as a moderating variable, does not significantly influence the relationship between financial report preparation ability and MSMEs performance. Hypothesis 4 is not supported.

The results of the first hypothesis indicate that accounting knowledge has a positive and significant effect on the performance of MSMEs. The higher the accounting knowledge possessed by business actors, the better the financial management, thereby encouraging improved business performance. This finding is in line with Barney (1991) Resource-Based View theory, which emphasizes that competitive advantage stems from internal resources, one of which is accounting knowledge. The characteristics of the respondents support this finding, as most SME entrepreneurs in Sleman have a minimum educational background of high school and more than four years of business experience. Furthermore, the majority operate in the accommodation and food and beverage sector, which has a high transaction frequency, making accounting knowledge crucial for cash management, profit setting, and inventory control. This study reinforces the results of previous studies conducted by Putra & Holisoh (2023), Suyono & Zuhri (2022) dan Setiawati et al. (2021), which concluded that accounting knowledge is comparable to MSMEs performance. In the context of SMEs in Sleman, accounting knowledge helps business owners separate personal and business finances, prepare systematic financial statements, and make more rational managerial decisions to support business growth.

The results of the second hypothesis indicate that the ability to prepare financial statements has a positive and significant effect on MSMEs performance. According to the Resource-Based View theory with Barney (1991) technical skills in financial statement preparation are internal, knowledge-based resources that can serve as a source of competitive advantage. Supporting data from respondent characteristics show that the majority of respondents have more than four years of business experience and a high school educational background, which supports their ability in financial recording and reporting. In addition, the predominance of female business owners also reflects a tendency to be more meticulous in business administration. These findings are consistent with previous studies conducted by Hutabarat et al. (2025), Adela et al. (2024), Fachrunnisa et al. (2024), Maelani et al. (2024), Winarso & Kurniawati (2022), Kamilan & Nurcholisah (2022) dan Agbemava et al. (2016), which found that the ability to prepare financial statements positively impacts performance. By having the ability to prepare financial reports, MSMEs actors can generate the necessary reports as tools to evaluate business performance, develop strategies, and make accurate decisions. Thus, the findings of this study reinforce the importance of strengthening the managerial capacity of MSMEs in systematically recording and preparing financial reports.

The results of the third hypothesis indicate that fintech is able to moderate the influence of accounting knowledge on MSMEs performance. This means that business actors with strong accounting knowledge can leverage fintech such as digital payment systems, digital financial reporting applications, marketplace-based marketing, and free shipping support to enhance their business performance. This finding aligns with the Resource-Based View theory by Barney (1991), which posits that accounting knowledge, as an internal resource, can be strengthened through the use of technology, thereby supporting data-driven financial decision-making. Respondent data supports this finding, as 50% of MSMEs actors have already utilized fintech for digital payments. In addition, the majority of business actors who have been operating for more than four years already possess experience in financial management. The concentration of respondents in the Depok sub-district an area with well-developed digital infrastructure and access to quality education also reinforces fintech adoption in business practices. These findings are consistent with research by Candraningrat et al. (2025), which identifies fintech as a means to enhance financial inclusion and operational efficiency for MSMEs, as well as serta (Lontchi et al., 2023), which demonstrates a positive relationship between fintech, financial literacy, and business performance.

The results of the fourth hypothesis indicate that fintech does not moderate the influence of financial report preparation ability on MSMEs performance. Although business actors possess the ability to prepare financial statements, the use of fintech particularly in the form of digital financial recording applications has not been optimally utilized. According to the Resource-Based View theory by Barney (1991), the ability to prepare financial reports is an important internal resource. However, without a synergistic integration with technology, competitive advantage cannot be fully achieved. This finding is supported by the fact that the majority of respondents only use fintech for basic transactions such as digital payments (50%), and have yet to adopt it widely for financial reporting purposes. Another influencing factor is the dominance of the 46–55 age group (37%) among respondents, who tend to be less adaptive to technology. The dominant business sector is accommodation and food services (56.5%), has a high transaction frequency but has not yet fully integrated digital financial recording systems. Therefore, this finding is not consistent with previous studies by Li et al. (2024) and Utami & Sitanggang (2021), which stated that fintech adoption can significantly enhance MSMEs performance. In contrast, Novianti et al. (2025) found that MSMEs actors who adopt digital applications for financial recording have a positive influence on financial performance. Similarly, Arsyad et al. (2023) reported that financial technology strengthens the relationship between the transformation of financial recording systems and profitability.

Conclusion

The purpose of this study is to determine how MSMEs actors in Sleman Regency perceive accounting knowledge and financial statement preparation skills in relation to MSMEs performance, moderated by the use of fintech. The conclusion is that accounting knowledge and financial statement preparation skills have a positive and significant effect on MSMEs performance in Sleman Regency. Fintech acts as a moderator that strengthens the relationship between accounting knowledge and MSMEs performance, but it has not yet shown a significant moderating effect on the relationship between financial statement preparation skills and MSMEs performance. The limitations of this study include its restricted geographical scope to Sleman Regency, uneven distribution of respondents across all subdistricts and business sectors, and a limited focus on basic fintech features, despite the existence of other types of fintech that could also influence MSMEs performance. Furthermore, the data collection method using questionnaires relies on respondents' understanding, which may lead to perceptual bias.

Recommendations for MSMEs actors include improving their understanding of basic accounting and their ability to prepare financial statements on a regular basis. Additionally, expanding the use of fintech, particularly digital financial reporting applications, can support improved business performance. For future researchers, it is recommended to expand the geographical scope and include additional variables such as financial literacy, digital technology adoption, entrepreneurial motivation, etc. This is to obtain a more comprehensive understanding of the factors influencing MSMEs performance. Local governments can develop programs or policies in the form of training or mentoring focused on accounting literacy and financial statement preparation. Education on the use of fintech also needs to be improved to strengthen the capacity and competitiveness of MSMEs.

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