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Accounting as Social Practice: An Ethnomethodological Study of Business Decision Making at Kedai Pempek Kembar

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Abstract

This study addresses the need to understand the accounting practices employed by MSMEs in their daily operations specifically, how informal financial record keeping rooted in experience, habit, memory, communication, and social interaction informs business decision-making. The research aims to uncover how accounting practices are interpreted and enacted as social practices within the business decision-making processes of the Kedai Pempek Kembar MSME in Lubuklinggau City. A qualitative approach utilizing ethnomethodology was adopted to comprehend these accounting practices based on the business owners' experiences, habits, social interactions, and daily life contexts. Data were gathered through participant observation, in depth interviews, and documentation. The findings reveal that accounting at Kedai Pempek Kembar is conducted informally and simply on a cash basis, where revenue is recognized upon cash receipt and expenses upon cash payment. Records are maintained through simple notebooks, memory, verbal calculations, and communication among those involved in the business. These practices serve to manage daily cash flow, determine raw material purchases and product pricing, evaluate business conditions, and support operational continuity. Furthermore, the results indicate that business decision-making is not solely based on formal accounting calculations but is influenced by experience, habit, market conditions, supplier relationships, trust, and social interactions. Thus, accounting at Kedai Pempek Kembar can be understood as a contextual and adaptive social practice, wherein its meaning and application are shaped by the business owners' daily activities and needs.

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1. Introduction

MSMEs are an integral part of the people based economy, holding a strategic position in realizing a national economic system that is increasingly balanced, progressive, and equitable (Ernawati, 2026). To achieve this goal, the national economy is being steered toward a system that favors the people based economy and is characterized by equity, reliability, fairness, accountability, transparency, and competitiveness in both regional and global economic arenas (Farazmand, 2017). To foster such economic democracy, MSMEs must be developed to enhance their role and potential in driving sustainable economic growth. In conducting their business activities, MSMEs inevitably engage in accounting practices as tools for financial management and decision-making support. Generally, accounting is understood as the process of recording, classifying, and reporting financial transactions to generate information for economic decision making. However, contemporary studies no longer view accounting merely as a technical mechanism; instead, it is seen as a social practice shaped by interactions, cultural values, and the daily contexts of business operators. Consequently, accounting figures do not merely represent quantitative data but also reflect social meanings constructed by individuals within their business activities.

In the context of MSMEs, accounting is often not implemented as a standardized formal system; instead, it is interpreted through the business owners' own experiences, memories, intuitive practices, and rationales (Aufa et al.,

2026). Research reveals that MSME accounting practices in the field often involve simple record keeping or rely on the owners' memory and trust. Such studies demonstrate that accounting within MSMEs is a social practice deeply intertwined with experience and local cultural contexts. Regulations regarding MSMEs are based on micro, small, and medium sized criteria, as outlined in Law Number 20 of 2008 concerning MSMEs which updated the earlier Law Number 9 of 1995 concerning Small Businesses (Pana et al., 2024).

A Micro Enterprise is a productive business owned by an individual and/or an individual business entity that meets the criteria for micro enterprises (Yanti, 2025). A Small Enterprise is an independent productive economic business operated by an individual or business entity that is not a subsidiary or branch of a larger company. A Medium Enterprise is an independent productive economic business not a subsidiary or branch of another company that possesses specific net assets or annual sales figures (Mahfud, 2025).

Accounting research that grounds its practices in local wisdom values consistently offers a compelling area of study. This interest stems from two primary reasons. First, such research highlights the unique local cultural characteristics reflected in community accounting practices. Second, these efforts help preserve traditional accounting practices amidst the overwhelming influence of accounting systems based on modern Western values. Accounting plays a crucial role in supporting resource management at various levels, ranging from the family and community to the business sector (Narayan & Oru, 2024). Accounting practices at these three levels vary significantly, as each level has distinct needs and characteristics regarding the management of financial resources.

Business operators generally already apply accounting principles in the conduct of their operations. Accounting is the process of recording, classifying, and summarizing transactions and events many of which are financial in nature and interpreting the resulting information (Kimani, 2025). As both a discipline and a profession, accounting involves professionals whose activities center on providing information for decision making; indeed, relying solely on economic information is no longer sufficient in the current context (Mukherjee et al., 2025). Given the significant impact corporate activities have on society, the public demands that companies manage their operations to prevent these impacts from escalating unchecked. Social accounting encompasses a variety of concepts and forms; it serves as an umbrella term covering areas such as social responsibility accounting, social audits, corporate social reporting, and environmental accounting and reporting (Chung & Cho, 2018). Through social accounting, a company's accountability extends beyond mere shareholders to a broader range of stakeholders (Dahri et al., 2022).

Researchers can observe how employees or staff implement formal rules not only as guidelines for their daily activities but also as mechanisms for achieving organizational goals, or vice versa. Data derived from employees' everyday conversations reveals how they construct and make sense of their activities, both as individuals and as members of an organization. These findings enable researchers to uncover how organizational reality is shaped and sustained through the employees' daily interactive practices.

Preliminary observations conducted by the researcher at the Pempek Kembar shop revealed that the owner and employees do not rely entirely on formal accounting records to run the business. Financial management and business decision making are largely based on experience, memory, verbal communication, and daily habits. While the processes of recording and calculation are informal, they are nonetheless considered valid and trustworthy by those involved in the business.

This phenomenon demonstrates that, within the context of MSMEs, accounting functions not merely as a technical tool for record keeping but also as a social practice shaped by interactions, trust, and the business owners' own interpretations of their business activities. At Pempek Kembar, accounting is understood not just in terms of profit and loss calculations, but also as a means of ensuring business continuity, equitable distribution of earnings, and harmonious working relationships. However, accounting studies have historically been dominated by technical and formal approaches, leaving a gap in understanding how accounting is actually practiced in the daily lives of MSME operators. Consequently, there is a need for research that views accounting practices as contextual social realities. Against this backdrop, this study is significant for examining accounting as a social practice through an ethnomethodological lens

specifically, by exploring how accounting practices are utilized in business decision-making at the Pempek Kembar shop.

The novelty of this research lies in its use of an ethnomethodological approach to examine accounting not merely as a formal financial recording system, but as a social practice shaped by the experiences, habits, interactions, and daily life contexts of MSME operators. Specifically, this study links informal accounting practices to business decision making processes within a traditional culinary MSME: Kedai Pempek Kembar in Lubuklinggau City.

2. Literature Review

2.1 Definition of Accounting

The KBBI defines accounting as the art of recording and summarizing financial transactions and interpreting the impact of a transaction on an economic entity (Karjoko & Waluyo, 2026). According to the American Institute of Certified Public Accountants (AICPA), accounting is defined as the art of recording, classifying, and summarizing in a specific manner and in monetary terms transactions and events that are generally financial in nature, and interpreting the results thereof. Accounting is an information system that provides financial reports regarding the financial position, performance, and changes in the financial position of an entity, which are useful for economic decision making (Shubina et al., 2021).

Accounting is the art of recording, classifying, and presenting financial transactions systematically and in accordance with applicable accounting standards, in order to provide information for economic decision making by the users of such information (Russu, 2024). Accounting is a process of systematically recording financial transactions, preparing financial reports, and presenting information relevant to both managerial and external decision-making (Rotaru et al., 2022).

Based on the definitions above, it can be concluded that accounting is the process of systematically recording, classifying, summarizing, and reporting the financial transactions of an entity to provide relevant and reliable information for economic decision making by internal and external parties.

2.2 Bisnis Business Decision Making

Business decision making is a systematic process undertaken by business operators to determine the best course of action or choice from among available alternatives in order to achieve organizational or business objectives (Taherdoost et al., 2024). This process entails identifying problems, gathering and interpreting information, and evaluating potential decisions. In practice particularly within small and medium sized enterprises business decision-making is not always grounded in rational calculations and formal financial reports; rather, it is also shaped by experience, habits, intuition, and social interactions occurring during daily operations. Thus, business decision making can be understood as a socially meaningful process in which accounting information is interpreted and utilized in alignment with the business operator's specific context and social reality.

2.3 The Relationship Between Accounting as a Social Practice and Decision Making

Viewing accounting as a social practice means regarding it not merely as a set of techniques for financial recording and reporting, but as an activity shaped by the social interactions, habits, and cultural contexts of those involved (Fukofuka, 2023). In the context of decision making, accounting information is not utilized in an objective or mechanical manner; rather, it is interpreted and imbued with meaning by individuals based on their experiences, interests, and business objectives. Business decision making processes particularly within small enterprises are often influenced by informal accounting practices that emerge from daily activities, such as simple record-keeping, reliance on memory, and discussions among business operators.

3. Research Methods

This study employs a qualitative research design utilizing an ethnomethodological approach. A qualitative approach was selected because the study aims to understand the meanings, processes, and social interactions inherent in the accounting practices found in the daily lives of business operators. The resulting data consist of descriptions, words, and actions observed directly in the field. An ethnomethodological approach was adopted because the study focuses on how individuals understand, create, and maintain social reality through their daily activities. In this context, ethnomethodology is used to examine how accounting practices are understood and enacted as social practices by business

operators.

The data collection techniques employed are as follows: 1) Observation, conducted by directly observing the activities and behaviors of individuals or groups at the research site. Specifically, the researcher utilized participant observation, involving direct engagement within the research environment to gain a deeper understanding of the situation. 2) Interviews, conducted to obtain in depth information regarding the research issues; this involved in-depth interviewing techniques, specifically asking questions directly to participants. 3) Documentation, involving the collection of relevant materials such as financial records, activity photographs, and archives to support the study. This technique serves to complement the data obtained through observation and interviews.

Data analysis in this study employs an ethnomethodological approach, which focuses on understanding how individuals or groups create, interpret, and maintain social order within their daily activities. In the context of accounting research, ethnomethodology is used to reveal how accounting is enacted as a social practice through the interactions, conversations, and work routines of business actors. Data obtained through observation, in depth interviews, and documentation are classified based on the context of daily activities such as transaction recording practices, decision-making processes, and social interactions among business actors. This stage aims to preserve the integrity of the data's meaning in relation to the social situation in which it was generated.

Within the ethnomethodological approach to data analysis, "indexicality" refers to the understanding that the meaning of an utterance, action, or social practice is heavily dependent on the context in which it occurs. Consequently, during the analysis phase, the researcher does not detach the data from its underlying social situation; instead, the data is interpreted based on the context of the research subjects' interactions and daily practices. Findings are consistently linked to the social context in which these practices take place such as owner-employee relationships, work culture, and business environment dynamics. The data is not analyzed in isolation from its social context.

Data validity in this study is tested using triangulation techniques, specifically: 1) Data Source Triangulation, a method for verifying data credibility by cross referencing information obtained from participants. Data is considered credible if the substance of the participants' responses aligns; the results of this comparison are organized into a table. Triangulation involves combining various methods to examine interconnected phenomena from different perspectives, thereby enhancing the reliability of the findings. Therefore, triangulation is an effort to verify the validity of data or information from various perspectives regarding the researcher's work; the approach involves minimizing to the greatest extent possible ambiguity and multiple interpretations that arise during data collection and analysis.

The "Result Triangulation" method is a research technique particularly in qualitative research used to enhance data validity by comparing findings derived from various sources, methods, or perspectives. Through result triangulation, one can gain a deeper and more objective understanding of the issue under study. Triangulation offers several crucial benefits for improving the quality and reliability of research findings. This study was conducted at the "Kedai Pempek Kembar Bu Ayu" Micro, Small, and Medium Enterprise (MSME), located opposite the gas station on Jalan Fatmawati, East Lubuklinggau I District, Lubuklinggau City. The research was carried out from November 2025 to June 2026.

4. Results and Discussion

Research result

4.1 Informal Cash Basis Revenue Recognition Method

Based on field research findings, the revenue recognition method applied at Kedai Pempek Kembar is cash-based and operates informally within the business's daily routine. Revenue is recognized when cash is received from customers, regardless of when the sales transaction economically occurs. In this context, the receipt of cash serves as the primary indicator for the business owner in determining whether revenue has been generated.

Interview results indicate that the business owner perceives revenue as money that has been received and is immediately available to meet the stall's operational needs. Revenue is not understood as an economic right arising from sales activities, but rather as actual, available cash. This understanding stems from the owner's practical experience in managing a micro-enterprise, where business continuity

relies heavily on daily cash availability.

In practice, revenue recognition occurs after the payment transaction is completed, particularly for cash sales. The researcher found no evidence of credit sales recording or the recognition of accounts receivable. Transactions that do not result in cash receipts are not considered revenue and are not recorded in the books. Consequently, the timing of revenue recognition depends entirely on cash inflows rather than the moment goods are handed over to the customer. Revenue recording is simple and unstructured; the owner records daily income in an ordinary notebook, usually after operations conclude at the end of the day. There is no segregation of accounts or preparation of periodic financial statements; the records serve merely as a tool to track the amount of money received in a single day, rather than as a formal financial reporting mechanism.

The revenue recognition method employed does not adhere to formal accounting standards such as PSAK or SAK EMKM. The business owner acknowledges that the record-keeping is rudimentary and tailored to established work habits. This flexibility is deemed better suited to the business's operational realities particularly during periods of high customer volume when immediate recording is not feasible. This cash based revenue recognition practice does not exist in isolation; rather, it is closely linked to how the owner perceives and manages expenses. Since revenue is equated with available cash, expenses are treated with the same logic: they are recognized at the moment cash is disbursed. In other words, the cash basis approach applied to revenue recognition directly shapes the pattern of expense recognition within the business. perational decisions such as purchasing raw materials and covering daily necessities are dictated by the amount of cash received on that same day. Revenue serves as a tangible limit on the business's capacity to incur expenses. Consequently, this cash oriented method of recognizing revenue underpins an expense recognition practice that is likewise cash-based and informal. Thus, the informal cash-basis revenue recognition method at Kedai Pempek Kembar not only reflects the manner in which receipts are recorded but also shapes the owner's mindset regarding expense management.

4.2 Field Evidence of Informal Cash Basis Revenue Recognition Practices

Based on interview results and field observations, it was found that revenue recognition at Kedai Pempek Kembar follows an informal cash basis approach, where revenue is recognized only when cash is actually received from customers. The informant stated that "revenue is calculated once the money has been received" (Informant 1, interview on May 15, 2026). This indicates that revenue is understood practically as cash inflows available for immediate business operations, rather than as an economic right arising from a transaction.

Researcher observations revealed that revenue is calculated after cash transactions are completed, with no recording of credit sales or accounts receivable. No evidence was found of revenue being recognized at the time goods were handed over if payment had not yet been received. Consequently, the timing of revenue recognition depends entirely on cash receipt rather than the occurrence of the economic transaction itself, as dictated by the accrual basis concept in formal accounting. Regarding record-keeping, the business owner maintains simple and unsystematic records of income. Entries are generally made at the end of the day after the shop closes, using a simple notebook. There are no journals, general ledgers, or formal financial statements prepared periodically. This practice is corroborated by the informant's statement: "We don't use accounting standards; we just record things however we can" (Informant 1, interview on May 15, 2026). These findings indicate that the accounting practices employed do not adhere to accounting standards such as PSAK or SAK EMKM.

Business owners' understanding of the concept of revenue is practical and contextual. Revenue is perceived as money that has been received and is immediately available to meet the stall's operational needs. An informant stated, "Revenue is money that can be used right away for the stall's needs" (Informant 1, interview on May 15, 2026). This understanding reflects a strong cash-based orientation and underscores that the meaning of revenue is shaped by daily business operations. Regarding the level of formality, revenue recognition practices at Kedai Pempek Kembar are highly informal and flexible. The researcher found no standardized financial reporting formats, segregation of accounts, or written recording procedures. The business owner relies heavily on memory and daily work

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habits, particularly during busy periods when immediate recording is not feasible. In such situations, transactions are often recorded later or simply kept in mind.

This informal cash-basis practice aligns with the characteristics of the micro business operated by Kedai Pempek Kembar. The informant noted that the business's primary focus is ensuring cash availability to purchase raw materials and maintain business continuity, as expressed in the statement: "The important thing is having enough money to buy ingredients and keep things running" (Informant 1, interview on May 15, 2026). Operational decisions, such as purchasing raw materials, are based on the cash available that day rather than on periodic financial data. However, this practice carries risks, particularly regarding potential recording oversights. Observations revealed no mechanisms for correction or reconciliation should a transaction go unrecorded. While the high flexibility of the recording practices allows for easy adaptation to on the ground conditions, it simultaneously increases the likelihood of errors. The informant acknowledged that recording is often postponed during busy periods, explaining, "When it's busy, I'll record it later" (Informant 1, interview on May 15, 2026).

Table 1. Comparison of Informal Cash Basis and Accrual Basis Methods

A Aspects of Comparison	*Cash Basis* Informal	Accrual Basis
Basis for Revenue Recognition	Revenue is recognized when cash is received from customers.	Revenue is recognized when the transaction occurs, even if cash has not yet been received
Time of Recognition	Upon receipt of the cash payment	At the time the goods/services are handed over
Form of Recording	Simple record-keeping, often done at the end of the day.	Systematic and periodic recording
Standards Applied	Does not refer to specific accounting standards	With reference to accounting standard (PSAK/SAK EMKM) No. 72
Understanding Among Business Operators	Revenue is understood as "money that has come in."	Revenue is understood as the economic right of the company.
Level of Formality	Very informal and flexible	Formal and structured
Reliance on Memory	High, depends on memory and habit	Low, dependent on documents and systems
Suitability for MSMEs	Highly suitable for micro enterprises.	More suitable for medium-to large businesses.
Impact on Decision-Making	Daily actual cash-based decisions	Decisions based on periodic financial information
Social Connectedness	Integrated with social interactions and work habits.	More administrative and technical in nature
Risk of Error	Relatively high if you forget to record it.	Relatively lower if the system is run well
Flexibility	Tall and easily adjustable	More rigid because it follows established rules.

This table demonstrates that the informal cash-basis method employed by Kedai Pempek Kembar is a practice consistent with the characteristics of micro enterprises, despite its limitations regarding the accuracy and completeness of financial information. In contrast, the accrual basis offers a more comprehensive financial picture but requires more complex systems and resources.

4.3 Expense Recognition Method at Kedai Pempek Kembar

Based on observations and interviews, the method of expense recognition at Kedai Pempek Kembar is simple and informal. Expenses are recognized when cash is disbursed, rather than when the economic benefits of the expenditure are consumed. In daily business operations, cash outflow serves as the primary indicator for the owner to determine whether a transaction constitutes an expense.

Interview results indicate that the owner defines an expense as money actually spent on the shop's operational needs. Until payment is made, the expenditure is not considered an expense and is not recorded. This understanding aligns with the owner's view of revenue as money actually received. Consequently, cash flows both inflows and outflows are the central focus of the business's financial management. In practice, expenses are recorded only after payment is made, whether for raw material purchases or other operational needs. No records were found regarding accounts payable or expenses incurred but not yet paid. This indicates that expense recognition relies entirely on the actual cash payment,

rather than on the moment the expense is economically incurred as dictated by the accrual basis concept.

The treatment of raw material purchases also reflects a cash basis approach; purchases of fish, flour, and other pempek ingredients are immediately recognized as expenses on the day payment occurs. There is no record of inventory or expensing of raw materials based on actual usage. Raw materials are viewed as daily expenditures requiring immediate payment to keep production running, rather than as assets providing economic benefits in future periods. Furthermore, the concept of prepaid expenses is absent from this business's recording practices; all payments are treated immediately as expenses without inter-period allocation. The business owner does not calculate or distinguish between payments for immediate consumption and those providing benefits extending beyond a single period. This demonstrates that the recording focus is on cash flow rather than the period of benefit. The expense recording system employed is simple and unstructured; expenses are noted in an ordinary notebook without account classification or standardized procedures. Entries are often made after operational activities conclude or are postponed during busy periods, forcing the owner to rely on memory to recall expenses incurred.

These expense recognition practices do not adhere to formal accounting standards such as PSAK or SAK EMKM. However, the owner considers the records adequate as long as they provide an overview of daily cash outflows. Expense information serves primarily as a tool for controlling daily cash spending rather than as a basis for preparing periodic financial performance reports.

4.4 Evidence of Field Findings Regarding CashBasis Expense Recognition Practices

The results of interviews and observations indicate that expense recognition at Kedai Pempek Kembar follows a cash basis approach, where expenses are recognized only when cash is actually disbursed. The informant stated, "If the money has gone out, we consider it an expense" (Informant 1, interview on May 15, 2026). This statement confirms that the concept of an expense is interpreted directly as a cash outflow, without regard for when the economic benefits of the expenditure are consumed. Regarding the timing of recognition, the researcher observed that expenses are recorded after payment is made, whether for raw material purchases or other operational expenditures. No records of accounts payable were found for expenses incurred but not yet paid. This demonstrates that expense recognition relies entirely on the actual cash payment, rather than the moment the expense is incurred, as required by the accrual basis concept.

Observations also revealed an absence of practices matching expenses with revenues within a specific period. Expenses are not systematically linked to the revenue generated during the same period. Consequently, the matching principle standard in formal accounting is not applied in Kedai Pempek Kembar's financial recording practices. Regarding the purchase of raw materials such as fish, flour, and other pempek ingredients, all expenditures are immediately recognized as expenses on the day payment is made. The researcher found no records of inventory or expense allocation based on actual material usage. Raw material purchases are viewed solely as daily cash outflows, rather than as assets expected to yield economic benefits in future periods.

Furthermore, the concept of prepaid expenses is not formally recognized by the business owner. The informant stated, "We never calculate prepayments; basically, if we pay, it becomes an expense" (Informant 1, interview on May 15, 2026). This statement indicates that all payments are immediately treated as expenses, without recognizing assets or allocating expenses across periods. The expense recording system employed is simple and unstructured. Expenses are recorded in a notebook without account classification, without distinguishing between expense categories, and without standardized recording procedures. This practice does not adhere to any specific accounting standards; as one informant stated, "We don't use accounting rules; we just record things however we can" (Informant 1, interview on May 15, 2026). In terms of formality, the expense recording process is informal and flexible. The business owner relies heavily on memory, particularly when transactions are not recorded immediately. Observations indicate that when recording is delayed, the owner depends on memory to recall the amount of expenses incurred that day.

The implications of this cash based expense recognition practice are evident in the

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resulting profit figures. Profit is understood as the remaining daily cash after deducting all expenses incurred that day, rather than as the outcome of a financial performance calculation for a specific period. Consequently, the profit figure reflects the actual cash position rather than periodic business performance. Nevertheless, this practice is considered appropriate for the nature of micro enterprises; informants indicated that the primary business focus is tracking daily cash outflows as expressed in the statement, "the important thing is knowing how much money goes out today" (Informant 1, interview on May 15, 2026). For business owners, the primary function of recording expenses is to control daily cash outflows and ensure the ability to cover operational needs, rather than to facilitate formal financial performance reporting.

Table 2 Comparison of Expense Recognition: Cash Basis and Accrual Basis

Aspects of Comparison	Cash Basis Expense Recognition	Accrual Basis Expense Recognition
Basis for Expense Recognition	Expenses are recognized when cash is paid out.	An expense is recognized when economic benefits are consumed.
Time of Recognition	At the time payment is made	Pada saat beban terjadi, meskipun belum dibayar
Relationship with Income	Not always matched with income	Dipadankan dengan pendapatan terkait (*matching principle*)
Accounting Treatment for Raw Material Purchases	Recognized immediately as an expense when paid.	Dicatat sebagai persediaan lalu dibebankan saat digunakan
Treatment of Prepaid Expenses	Not formally recognized	Diakui sebagai aset dan dialokasikan per periode
Recording System	Simple and unstructured	Sistematis dan terstruktur
Accounting Standards	Does not refer to a specific standard	In accordance with PSAK/SAK EMKM
Level of Formality	Informal and flexible	Formal and bound by rules
Reliance on Memory	Tall	Low
Accuracy of Profit Information	Profit is actual cash based.	Profit reflects the performance of the period
Suitability for Micro Sized MSMEs	Perfect fit	Relatively complex
Key Functions	Daily cash expenditure control	Periodic financial performance reporting

This table demonstrates that the cash-basis expense recognition method employed by Kedai Pempek Kembar aligns with the characteristics of micro enterprises, which prioritize daily cash control. However, this method has limitations in reflecting periodic business performance when compared to the more systematic and standardized accrual basis.

5. Discussion

5.1 Discussion of Research Findings within an Ethnomethodological Approach

This study focuses on gaining an in depth understanding of how accounting practices are implemented, perceived, and interpreted by the operators of Kedai Pempek Kembar within their daily business activities. The research is grounded in the perspective that accounting practices should not be viewed merely as formal rules, but rather as part of the social practices that live and evolve within the business operators' everyday lives.

Employing an ethnomethodological approach, the discussion of the findings does not aim to evaluate the correctness or incorrectness of the accounting practices used by the business operators against formal accounting standards. Instead, the primary focus is to uncover the methods whether employed consciously or unconsciously that the operators use to organize their economic activities, establish order, and create economic meaning and rationality that are intelligible and acceptable within the context of their daily lives.

As outlined in Chapter III, the data analysis process in this study was conducted in a phased and continuous manner. The initial stage involved daily observation to directly capture the patterns of action, habits, and routines of the business operators in managing financial transactions. This observation enabled the researcher to understand the social context in which these accounting practices occurred, including the interactions between the operators and their surrounding environment. The subsequent stage involved in depth interviews with the business operators as the key subjects.

These interviews aimed to explore the operators' subjective understanding of record-keeping practices, money management, and how they assess profitability and business sustainability. The interviews provided insights into the practical reasons behind their actions reasons that often remain unwritten yet hold significant meaning for the business operators.

The data obtained was then analyzed

using indexicality analysis, which examines how certain terms, phrases, or actions can only be fully understood when linked to the context of the situation in which they occur. This analysis shows that the meaning of accounting practices at Kedai Pempek Kembar is highly dependent on the daily business conditions and the experiences of the business owners themselves.

The final stage of the analysis process is contextual meaning extraction, which summarizes all findings to understand how accounting practices are interpreted comprehensively by Kedai Pempek Kembar business owners. The accounting practices carried out are not merely administrative activities, but rather the result of a social process that is continuously shaped by the experiences, habits, and practical needs of business owners in running their businesses (Kaharti, 2023).

5.2 Accounting Practice as an Indexical Everyday Activity

Financial recording and management practices at Kedai Pempek Kembar do not operate as a formal system distinct from daily business operations. Instead, these practices are embedded within the business owner's daily work routine; income and expenses are recorded simply, without the standardized account classifications typical of formal accounting systems. The business owner relies more on memory, experience, and habits formed through repetitive business activities over time (Faidillah, 2026).

These findings indicate that financial recording is not viewed as an administrative obligation but rather as a practical tool to ensure smooth operations. The financial information recorded or retained is selected based on the owner's immediate needs such as determining funds available for purchasing raw materials, calculating daily sales, or ensuring a surplus remains after all business expenses are met. Interviews with the owner and those involved in managing Kedai Pempek Kembar reveal that various business decisions such as purchasing raw materials, setting selling prices, and distributing profits are not based on systematic, formal accounting calculations. Instead, these decisions stem from practical considerations rooted in business experience, established habits, and social interactions with relevant parties. For instance, when purchasing raw materials, the owner does not employ formal standard costing or cost-of-goods analysis; rather, they consider actual conditions on the ground, such as raw material price fluctuations, established supplier relationships, and current fund availability.

Personal relationships with suppliers serve as a key factor, fostering trust and flexibility particularly regarding payment terms or the ability to adjust purchase quantities to meet specific business needs. Product pricing is determined in a similar manner; prices are not set based on a standard profit margin calculation but rather by considering market conditions, prevailing local prices, and customer purchasing power. Business owners strive to balance profitability with customer retention, meaning pricing decisions are driven more by business sustainability than by the sole pursuit of maximum profit (Zahra et al., 2025).

5.3 Reflexivity in MSME Accounting Practice

In this context, reflexivity refers to the reciprocal relationship between accounting actions taken and the meanings subsequently derived from those actions. Simple financial record-keeping serves not merely as a means to document a business's financial status but also shapes how the business owner understands, evaluates, and interprets their daily business situation. In practice, the recording of daily income and expenses becomes a primary reference point for owners to assess the business's condition on any given day. For instance, the recorded or recalled figures regarding raw material costs and sales revenue serve as the basis for determining whether the business was busy or quiet that day. This assessment relies not on formal accounting indicators but on the owner's subjective interpretation, constructed through experience and recurring habits (Balal et al., 2017).

Through this process of reflexivity, record-keeping practices are neither neutral nor passive; instead, they actively shape the business owner's social reality. What is recorded, remembered, and deemed important influences how the owner interprets the business's condition and determines subsequent actions. In other words, accounting practices do not merely represent business reality but also play a role in constructing it.

The impact of this reflexivity is evident in various operational decisions made by business owners; assessments of whether business is busy or quiet based on simple records and memory influence decisions regarding production volumes for the following day, raw

material purchases, and even the distribution of business earnings. These decisions, in turn, influence record keeping and assessment practices in subsequent days, thereby creating a continuous cycle.

5.4 Accounting as a Social Practice in the Context of MSMEs

The accounting practices at Kedai Pempek Kembar cannot be understood merely as technical activities of financial record-keeping; rather, they are social practices embedded in the family values, trust, and life experiences of the business operators. Accounting operates within a framework of long established social relationships; consequently, the way operators record, calculate, and interpret their business's financial status is heavily influenced by the context of these relationships (Belal et al., 2017).

The distribution of wages and profits is not governed by written contracts or standardized formal calculations but is based on mutual agreements that evolve through daily interaction. Fairness is perceived subjectively and contextually, defined by the extent to which each member feels their contribution is duly recognized. In practice, these agreements are rarely disputed, as they are underpinned by familial ties and a high level of trust among the operators; thus, despite the absence of formal written rules, orderliness in business management is maintained.

Communication occurs continuously throughout daily activities from opening the business and serving customers to closing the shop. Through this communication, the operators collectively build an understanding of the business's condition such as assessing whether a day is busy or quiet and determining the necessary courses of action. Orderliness arises not from a formal accounting system, but from social practices that are repeatedly produced and reproduced.

These research findings confirm that, in the context of MSMEs, accounting functions as a living, dynamic, and contextual social practice. Accounting does not stand as a set of rules detached from the operators' social reality; instead, it is integrated into the way they make sense of their business and navigate their daily economic lives. The ethnomethodological approach enables researchers to understand how business actors actively practice accounting through practical actions, everyday language, and shared interpretations (Meier & Meyer, 2024).

6. Conclusion

Research findings indicate that accounting practices at Kedai Pempek Kembar are informal, simple, and contextual, relying on cash based recording methods such as logbooks, memory, mental calculations, and verbal communication. These practices serve to monitor daily cash flow and support business decisions including raw material procurement, pricing, expense control, and business evaluation. Decision-making is not solely based on financial data but is also influenced by experience, habits, social interactions, market conditions, and supplier relationships. An ethnomethodological perspective reveals that accounting at Kedai Pempek Kembar functions not merely as a record keeping activity but as a social practice; it enables business owners to understand their business's status and make decisions aligned with their specific needs and the context of their daily lives.

This study has certain limitations that should be noted: the financial management of the subject business remains informal and relies heavily on memory, experience, and rudimentary record keeping. Given these limitations, future research is encouraged to explore the transition process from informal accounting practices to more structured record-keeping systems tailored to the needs of MSMEs.

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