JURNAL RAK (RISET AKUNTANSI KEUANGAN)
URL : http://jurnal.untidar.ac.id/index.php/RAK

Perumusan Tujuan Laporan Keuangan Dan Konsep Entitas Bisnis Islami Perusahaan Non Keuangan

FORMULATION OF FINANCIAL STATEMENT OBJECTIVES AND THE CONCEPT OF ISLAMIC BUSINESS ENTITIES OF NON-FINANCIAL COMPANIES

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ARTICLE INFORMATION

Article history:
Received date: June, 2024
Accepted: June, 2024
Available online: June, 2024

ABSTRAK

Akuntansi adalah produk budaya, sehingga konsep-konsep yang dikembangkan dalam akuntansi tidak pernah lepas dari nilai-nilai budaya dimana akuntansi tumbuh dan berkembang. Nilai-nilai islam dalam kehidupan ekonomi dikenal dengan Hall Mark Ekonomi Islam Konsep tujuan laporan keuangan dan konsep entitas perusahaan sangat fundamental dalam pengembangan akuntansi. Kedua konsep tersebut manjadi dasar penentu materi komponen laporan keuangan perusahaan. Perumusan konsep tujuan laporan keuangan dan konsep entitas akuntansi tidak lepas dari nilai-nilai sosial masyarakat yang diinginkan atau yang berlaku. Dalam nilai-nilai Islam, maka nilai-nilai hall mark ekonomi islam menjadi dasar perumusan konsep tujuan laporan keuangan dan konsep entitas perusahaan.
Kata kunci: Produk Budaya; Kapitalis; Islami

ABSTRACT

Accounting is a cultural product, so the concepts developed in accounting are never separated from the cultural values in which accounting grows and develops. Islam has values that are different from capitalist values. Islamic values in economic life known as the Hall Mark of Islamic Economics. The concept of the objective of financial statements and the concept of corporate entities are fundamental in the development of accounting. These two concepts form the basis for determining the material components of the company's financial statements. The formulation of the concept of the objectives of the financial statements and the concept of the accounting entity cannot be separated from the desired or prevailing social values of society. In Islamic values, the hall mark values of the Islamic economy become the basis for the formulation of the concept of the objective of financial statements and the concept of corporate entities.
Keywords: *Cultural Products; Capitalist; Islamic*

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P-ISSN: 2541-1209
E-ISSN: 2580-0213

INTRODUCTION

Accounting is a product of culture, accounting practices and products cannot be separated from the culture that surrounds it. Accounting produces information about company performance, so that performance information is highly dependent on the culture that surrounds it. The statement that accounting is strongly influenced by culture is Mathews and Perera's statement in 1996, as follows:

Culture is often considered to be one of the powerful environmental factors impacting upon the accounting system of a country. Accounting is a socio-cultural activity. It involves dealing with human and non-human resources or techniques as well as with the interaction between the two. Accounting cannot be culture free (Mathews and Perera, 1996).

Conventional accounting practices, which are accounting practices that have been applied in capitalist countries and then adopted in Indonesia, are accounting full of the spirit of capitalist culture. Isgiyarta (2009) states that conventional accounting has a capitalist spirit. This can be seen in the accounting concepts used in: 1) Formulation of financial statement objectives, 2) The concept of propriertary entities becomes the basis of accounting practice, 3) The formulation of the definitions of the elements of the financial statements refers to the basic equation of the propiertary concept, 4) the existence of a statement of changes in equity in the financial statements.

Islam has life values that are very different from capitalist values. Islamic values refer to the values contained in the Qur'an and Hadith. The two sources of Islamic life values teach human relations with God, human relations with humans, and human relations with other creatures. Isgiyarta (2011) explains that in human life in organizing the economy, Islam has a concept known as the Hallmark in Islamic Economics, there are five hallmark components, namely: 1. Love of Allah, His Messenger, and jihad in His way is more important, 2. The afterlife is more important than the life of the world, 3. Work for worship: help and amar ma'ruf nahi mungkar, 4. Optimistic in doing good: Allah will always help, 5. Life will always have tests: fear, hunger, and deprivation.

The difference in cultural values between capitalist and Islamic values means that business and accounting practices are very different. These differences include the rights and obligations of people in business relationships, the recognition of the contributions of people in business transactions, especially the forms of appreciation of people involved inside and outside the company, the measure of business success, and the information materials that must be disclosed to the public.

The formulation of objectives is the most important factor in the establishment of concepts and principles, and is the initial stage in the formulation of accounting (Belkaoui, 2000). Formulation of financial statement objectives has always been an important topic and full of debate from interested parties. Understanding the impact of the formulation of financial statement objectives on the form of financial statements makes the accounting profession in the United Kingdom and Canada have tried various variations of the formulation of financial statement objectives. While in the United States, the formulation of financial statement objectives is an important and main expression in the study group report. The final result of the formulation of the objectives of financial statements in these countries cannot be separated from the accounting environment that exists in these countries, especially the socio-cultural environment.

The formulation of the objectives of financial statements, in particular, financial statements in the United States, which refers to SFAC no. 1 of 1973, it appears that the objectives of financial statements are in accordance with the objectives of company ownership by investors and creditors. In other words, the objectives of financial statements are focused on the interests of the owners of capital, not for the wider community, such as the state, society, labor, and others.

In this paper, the material selection of the formulation of the objectives of financial statements and the concept of Islamic business entities of non-financial companies is a topic that needs to be disclosed with the following considerations. Islamic accounting that is developing today is not the Islamic accounting that practitioners and academics expect, Islamic accounting today, and better known as sharia accounting is accounting for Islamic financial institutions. While in practice and academic interests, the development of accounting is based on non-financial entities, namely trading and manufacturing companies. In addition, in business practice, the variety and number of non- financial institution companies are more than financial companies.

The purpose of financial statements and the concept of a business entity are the main foundations in the development of accounting practices. The purpose of financial statement will be the basis for the material content of financial statements, while the concept of a business entity is the basis in the rights and obligations of people with an interest in the company. In addition, the business entity concept will be the basis of accounting to determine the need for recording transactions for business events.

So far, both capitalist and Islamic financial institutions have been accounting for the propiertary concept, the interests of capital owners, investors and creditors. Islam has different value rules regarding the ownership and utilization of wealth, so the Islamic concept of the company certainly has a different perspective.

Conventional accounting is the accounting that is mainstream today. This accounting has international standards and is applicable throughout the world, especially countries that have international capital markets. Conventional accounting is accounting that was developed in countries that have established economies, namely countries whose economic style is capitalist.

International accounting standards undergo continuous improvement to continue to meet the needs of society. The needs of this society, so far, have emphasized the needs of capital owners (capital providers). The development of society's values of the role and function of companies in life will be the main trigger factor for changes in accounting standards.

Conventional accounting practiced in many countries has grown and developed in "the capitalistic spirit". There are two main characteristics of the capitalistic spirit, namely profit making and economic rational decisions (Kam, 1990). The statement of profit creation and rational economic decisions is based on individual interests (the desire for self-gain/for profit). Accounting as a form of organizational administration must be able to help conduct analysis for the pragmatic interests of the organization. Pragmatic and individual interests are very clearly expressed in the following statement:

The Western world has come to appreciate the pragmatic benefits of organization, analysis, and administration. The Western has come to value individuality: in particular, it has made a "religion" of hard work to achieve economic benefits. (Kam 1990)

The implementation of the capitalist spirit for individual interests in accounting can be seen from: the objectives of financial statements, inconsistencies in the concept of accounting entities, and the definition of financial statement elements. The objective of financial statements in conventional accounting can be seen in The conceptual Framework for Financial Reporting from the International Accounting Standard Boards (IASB) in paragraph OB2. The paragraph states that the primary objective of financial reporting is to be useful for the decision-making of investors (primary objective of financial reporting). The investors here are shareholders and lenders.

The statement of objectives of financial statements in the United States is also not different from the statement of objectives of financial statements from The conceptual Framework for Financial Reporting of the International Accounting Standard Boards (IASB), where US accounting practices were previously adopted in Indonesia, before adopting International Financial Reporting Standards (IFRS). The objectives of financial statements in the United States are formulated in Statement of Financial Accounting Concept (SFAC) no 1. The purpose of financial statements in the SFAC clearly states the parties that directly benefit, namely investors and creditors. Financial statements must be useful for decision making for investors and creditors as well as potential investors and potential creditors (Warfield et. al., 2007).

The formulation of financial statement objectives is a fundamental part of the preparation of financial accounting standards. The statement of purpose of the report will contain information that must be disclosed in the contents of the financial statements. The experience of preparing financial statement objectives in the United States, namely the 1960s to the early 1970s, shows that the preparation of financial statement objectives is not an easy thing. Many parties are interested in the statement of financial statement objectives (Belkaoui, 1993). Two accounting organizations play a role in the preparation of financial statement objectives in the United States, namely the American Accounting Association (AAA) and the American Institute of Certified Public Accountants (AICPA).

The results of the formulation of the objectives of the financial statements of the American Accounting Association were stated in A Statement of Basic Accounting Theory (Asobat) 1966, while the results of the formulation of the objectives of the financial statements of the American Institute of Certified Public Accountants (AICPA) in 1970 were stated in Accounting Principles Boards (APB) statement no 4 Concepts and Accounting Principles Underlying Financial Statements of Business Enterprises, but because many parties could not accept the material from APB no 4, then in 1971 the AICPA formed a committee chaired by Robert M. Trueblood, known as the Trueblood Committee, which was tasked with building the objectives of financial statements. The results of the formulation of the objectives of the financial statements of the committee became the basis for the statement of the objectives of accounting reports in Statement of Financial

Accounting Concept (SFAC) no1 The objectives of financial statements.

The formulation of the objectives of international financial statements stated in The conceptual Framework for Financial Reporting of the International Accounting Standard Boards paragraph OB2, the formulation process is also not easy. The International Accounting Standard Board in formulating the objectives of financial statements must be able to accommodate the interests of many countries, moreover not every country has the same characteristics of accounting practices. The result of the formulation of the objectives of financial statements of international accounting standards is a compromise of the interests of countries whose accounting practices are capitalist and the interests of countries whose accounting practices are socialist.

RESEARCH METHODS

This research uses a case study design because this design is a strategy that is more suitable when the main question of a study concerns how or why, when the researcher has little opportunity to control the events to be investigated, and when the research focus lies on contemporary phenomena (present) in the context of real life ".

According to Whitney (1960), the descriptive method is the search for facts with proper interpretation. Descriptive research studies problems in society, as well as procedures that apply in society and certain situations, including relationships, activities, attitudes, views, as well as ongoing processes and the effects of phenomena.

According to Yin (2011), "the implementation of data collection has six sources, namely: documents, archival recordings, interviews, direct observation, participant observation, and physical devices. In this study, documents and archival records were used to collect data. After the data is collected, the next step is to analyze the data and conclude based on the results of the data presentation that has been done.

RESULTS AND DISCUSSION

This part should describe informative results of empirical research which are written systematically and critically. Tables and figures can be presented in this part to support the discussion, for examples table of statistics-test results, figures of model test results and etc. In general, journal papers will contain three-seven figures and tables. Same data can not be presented in the form of tables and figures.

The function of the entity concept in accounting is to provide information on the business area that is the object of financial statements. The limitation of this business area is very necessary, among others: to separate the company's property or non-owned property, to determine whether a transaction has an impact on increasing or decreasing wealth, whether the occurrence of a transaction has caused an increase or decrease in liabilities, and others.

The formulation of the accounting entity concept is closely related to the legal form of the business institution. Companies in the form of individuals and companies in the form of limited liability companies have a very clear entity concept. However, in practice, the entity concept does not run according to the legal form or business company. In conventional accounting, the practice of the entity concept does not have a separation between companies in the form of individuals and companies in the form of limited liability companies. Both forms of business entities, empirically, continue to use the propiertary entity concept, which is an entity concept in individual companies.

In the propiertary concept, shareholders are the dominant party in the company, the interests of shareholders become the center of interest of financial statements. So that in accounting practice, the measurement of the company's success is aimed at the interests of shareholders.

In accounting, there is a separation of entities based on the point of view of ownership or controlling interest of the company. Theoretically there are six types of entities, but based on existing conditions, especially from a legal aspect there are only two, namely propiertary theory and enthity theory. However, in field practice, of the two that should be used, only one is applied, namely propiertary theory. This can occur due to the lack of accounting standards in regulating accounting policies, namely there is a separation of financial reporting standards between individual companies and financial reporting standards for limited liability companies.

There are several forms of conventional accounting entities, namely: proprietary theory, entity theory, fund theory, commander theory, investor theory, and enterprise theory (Kam, 1990). The explanations is presented in Table 1 below.

Table 1. Forms of accounting entities

Entity Type	Explanation	Accounting Equation
Proprietary theory	The company is owned by a person. The owner is the *primary focus of* the financial statements	Assets - Liabilities = Equities
Entity theory	The company is separate from the owner, and the owner's liability is also limited. Creditors have the same role as shareholders, namely as contributors of funds.	Assets = Liabilities + Equities
Fund theory	Funds within the entity are used for specific purposes or specific activities.	Assets = Restriction on Assets
Commander theory	The owner has the authority to control the economic resources of the company, and has the ability to *command to* create profits.	Assets = Resources commander
Investor theory	The company is the right of investors, namely creditors and shareholders.	Asset = Specific Equities + Residual Equity
Enterprises theory	The company is a corporation that has social responsibility. The company is a social institution	Asset = Stakeholder Assets

Financial reporting standards that are not separated between individual companies and limited liability companies, when examined from a cultural perspective, are due to the strength of capital voters in controlling the company. In addition, the owner of an individual company does not want to lose control of the company, even though the form of the company has changed to a limited liability company. This condition is actually a reflection of the capitalist values still attached to the management of the company. This is clearly evident in accounting standards that never separate the concept of propiertary theory from the concept of other entities. So that until now the standard still uses the spirit of the propiertary theory entity.

The entity theory concept is the concept of a company entity that has been separated from the owner. In that concept, the company already stands alone in economic and legal aspects, the responsibility of economic transactions becomes the legal responsibility of the company. The concept of entity theory has normatively been treated in accounting, but in empirical reality, this concept has never been treated.

In the concept of entity theory, owners and lenders have the same position in the company, namely as providers of company funds. In such a position, it is appropriate that the company's rewards to owners and lenders are treated the same. But in reality, the owner and the lender are treated differently, the lender gets a reward in the form of interest, the amount of which is in accordance with the agreement when the loan occurs, while the owner gets profit from the company. The owner will always get more than the amount received by the lender.

The concept of entity theory is theoretically different from the implementation in the field, this is more due to historical aspects and aspects of cultural characteristics that apply where the company develops. In the historical aspect, the company was originally an individual company then with the development of capital needs and understanding of trade law, the company turned into a company. When the company is still an individual, the accounting entity concept is propriertary theory and when the company changes to a corporate company, the accounting entity concept is the entity theory concept. But in reality, in accounting even though the company has changed to entity theory, the accounting treatment still maintains propriertary theory.

Islam is a religion that Allah revealed to mankind through the Prophet Muhammad SAW is to improve the aklaq of mankind. Islam, through its teachings sourced from the Quran and Hadith, is the basis for regulating the relationship between humans and God, humans and other humans, and humans and other creatures (Isgiyarta, 2011). The regulation of human relationships with God, other humans, and other creatures is a form of social engineering.

A social order that is in accordance with religious rules is a social order that is desired by God and for the benefit of mankind. A social order derived from religion will provide the salvation of mankind. This is clear as expressed in several letters, such as the following:

> The truth is from your Lord, so do not be of those who doubt. (Qs Al Baqarah (2); 147)
>
> We have revealed to you the Book (Quran) for mankind with the truth; whoever is guided, it is for himself, and whoever goes astray, it is for himself, and you are not responsible for them. (QS Az Zumar (39); 41)
>
> And thus, We have sent down the Quran as a (true) rule in Arabic. And had you followed their lusts after knowledge had come to you, there would have been no protector and guardian for you against the punishment of Allah. (Qs Ar-Ra'd (13); 37)

The statement of Qs Az Zumar verse 41, it is clear that the Quran must be a guide for humanity in organizing social, if not followed, then humans are in a state of loss. Then continued with the statement of Qs Ar-Ra'd verse 37, when the rules in the Quran do not become instructions in compiling the social organization of society, there will be punishment that will be accepted by mankind. The statement of another verse, Qs Al An'am verse 116, confirms that statements, thoughts, or concepts of social arrangements other than those derived from the Qur'an are only a presumption of truth, and they are lies and lead to misdirection.

The Qur'an and Hadith are the source of truth in organizing social, as a consequence, humans must lower the values of the Qur'an and Hadith to build concepts in social science, namely economics, law, political science, psychology, and other social sciences. The development of social science based on religious teachings is called prophetic research methods (Kuntowijoyo, 2007).

The development of Islamic accounting science cannot run alone without being followed by the development of business science and economics. The development of economics will be the basis for the development of business science concepts. Then, the development of accounting science cannot be separated from the concepts developed in business science. Indeed, accounting science is part of business science, accounting functions to provide information for business decision making.

In Islamic social science, empirical research is conducted to examine the suitability of empirical phenomena with Islamic values in the Quran and Hadith. Empirical phenomena must be tested for truth, and the values in the Quran and Al Hadith are the basis for measuring the truth. If the empirical phenomena are not in accordance with the social order, then improvements must be made.

The development of Islamic accounting so far is still more focused on financial companies, while Islamic accounting in non-financial companies is still very minimal. Islamic accounting for financial companies, which is now better known as Sharia accounting, was developed by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) is a non-profit international Islamic organization that prepares accounting and auditing standards for Islamic financial companies, namely Islamic banks, Islamic insurance, Baitul Maal wa Tamwil (BMT), and other Islamic financial companies. This institution was legally established on March 27, 1991 in the State of Bahrain. The AAOIFI institution has compiled accounting standards for Islamic financial companies and has become an international reference in the accounting practices of Islamic financial companies (Abdul Rahman, 2010).

The development of Islamic accounting for non-financial companies so far is still an individual thought, especially academics. The movement to develop Islamic accounting for non-financial companies is very slow. Based on the historical experience of accounting development, both conventional accounting and Islamic accounting for financial companies, accounting development can run fast when there is pressure from the needs of the community and there is a special institution that focuses on preparing the basic framework for preparing financial statements.

The development of Islamic accounting for non-financial companies at the moment is still in the discourse stage, and is far from being implemented immediately. The lack of development of accounting for non-financial companies is caused by: 1) There is no institution that focuses on preparing accounting standards for non-financial companies, 2) Islamic business practices cannot be realized 3) Teaching Islamic business concepts is still in the development stage.

The development of Islamic accounting must also be accompanied by the development of Islamic business. In today's academic world, Islamic business and accounting writings or teaching materials are still lacking. And even more worrying, teaching in Sharia economics study programs in Indonesia, material from business and accounting books with a capitalist pattern is still quite dominant.

The development of Islamic accounting in the coming years needs hard work. Everyone who is aware of saving humanity from misleading values, namely values that are not derived from the Quran and Al Hadith, must participate in contributing to the development of Islamic accounting science. In the road map for the development of Islamic accounting above, it is clear that there are still many things to do.

Islamic economic hall mark is the basic foundation in conducting economic policies and actions. This hall mark is a reference in the development of economic concepts, whether in the development of the concept of consumption, production, distribution, pricing, human resource development investment, or the role of companies in society (Isgiyarta, 2011). Hall marks in Islamic economics are as follows:

1. The love of Allah, His Messenger, and jihad in His path is better.
2. The life of the hereafter is more important than the life of the world.
3. Work for worship: help and amar ma'ruf nahi mungkar.
4. Be optimistic in doing good: God will always help.
5. Life will always have trials: fear, hunger, and lack.

Jihad in the person of mankind must always be a guide in everyday life. Jihad in detail can be interpreted as: a) fighting in upholding Islam and protecting Muslims: b) fighting lust; c) donating property for the good of Islam and Muslims; d) eradicating evil and upholding the truth in accordance with the teachings. Jihad in a broad sense is all actions to glorify and exalt greatness; spread and uphold religious values, maintain good relations with anyone according to religious rules, live daily life in accordance with religious provisions and at the same time become an example to others.

The life hereafter is more important than the life of this world. Islam teaches that human life is not only in the universe, but also in the afterlife. Life in the afterlife is the real life, because the afterlife is eternal. The time horizon of life in this world is short, while the time horizon of life in the hereafter is infinite. Knowledge of such a time horizon should be realized by every human being, so that they will focus on finding provisions for the afterlife.

The arrangement of social values and concepts developed in economics should lead to the provision of life for the afterlife. Social values and economic science concepts that make people behave love the world should be eliminated.

The characteristics of Islamic society are the order of community life derived from the Qur'an and Hadith. This characteristic will be a differentiator between groups of people who have other idiologies. Isgiyarta (2009) explains that in Islamic society there will be an arrangement of relationships between; 1) Humans with God, 2) Humans with other humans, and 3) Humans with other creatures. In addition, there is another statement from Fathurrahman (2016):

> Rabbâniyah (Allah Oriented in the dimension of the source of teachings and goals), Insâniyah-'âlamiyah (universal and compatible with pragmatic human aspects), Al-'adl al-muthlaq (justice, anti-tyranny and injustice of what and whoever), Al-tawâzun bayna al-fard wa al-jamâah (balance between individual and social interests), Tsabât wa al-tathawwur

(a harmonious combination of conservative matters and the progress of the times).

Based on these two statements, the characteristics of Isgiyarta (2009) mention more objects that make relationships, while those of Fathurrahman (2016) emphasize the material relationships between objects. In today's social order, the existence of companies is needed by society. The number of citizens is large, and to maintain survival, many products and services are needed. Then only the company form is able to meet the needs of goods and services in large quantities and in a short time. The existence of the company is to organize the creation of goods and services in a planned manner. So that the need for goods and services will always be available and processed efficiently and effectively.

The establishment of the company is part of the effort to spend the assets owned in the way of Allah, performing acts of charity, lending wealth to Allah. The real form of good deeds is to participate in improving the benefit of the people. If the community has a good benefit, then the worship of the people to Allah will be better, otherwise the people who are poor will tend to kufr, and kufr people are more easily slipped into acts of disbelief.

The form of efforts to improve the benefit, among others, is by creating jobs with decent wages for life. If the creation of jobs is not accompanied by decent wages, then the company's policy is more accurately said to be an act of zalim. This kind of unjust action usually occurs in companies that emphasize profits.

On the other hand, the company must be run efficiently, if the company is run with many inefficient things, it will result in a higher cost of goods produced, so that the selling price will also increase. This high selling price will make the consumer community buy above the real price. This high selling price is also an act of injustice by the company to the community.

With these two conditions, business people must be careful in conducting their business. A reasonable labor wage policy and a reasonable selling price must be taken into consideration in making company policy. In such conditions it is very important, every decision must be based on good intentions, which will not harm others either directly or indirectly, and not for personal gain alone.

The existence of companies in Islamic society is indispensable. Companies that have the function of creating goods or providing services are needed in launching Muslim worship activities. For example, the creation of communication tools, transportation, and other technology has made the Hajj pilgrimage easier and more organized. Under such conditions, the Muslim community, either individually or collectively, is obliged to maintain the sustainability of the company's existence.

Company ownership in the capitalist concept is part of a form of investment, namely direct investment. The purpose of investment in a capitalist society is to create returns for the owners of capital (Francis, 1991). The return will be fully enjoyed by the owner of the capital or investor. The success of investment is shown in the amount of return obtained, the greater the return obtained, the better the investment value.

The explanation of the characteristics of Islamic society above, which in its explanation reveals the human imperatives to do good, sacrifice for others, and there is no explanation at all that their actions are for their own interests. So in the implementation of one's life when establishing or owning a company solely to do good, namely to serve and love Allah, do good deeds, and also preserve nature in its entirety.

The wealth owned by a Muslim is a trial, so the utilization must be done with a lot of consideration. The wealth owned by a Muslim will later be accounted for, for this reason, investment actions from the utilization of wealth must be carried out with the right objectives and methods.

The analogy of formulating the objectives of financial statements from these countries can be used as a basis for finding the objectives of Islamic accounting financial statements. The objectives of financial statements in Islamic accounting refer to the socio-cultural order of Islamic society in accordance with the Quran and Hadith. In this social order, of course, the position of business entities must be formulated in the life of Islamic society.

The first objective of financial statements is the interest of the sustainability of business entities, this refers to the importance of the position of business entities in social life. If the business entity goes bankrupt, it will cause losses, namely:

1. The fulfillment of community members' needs will be disrupted, so worship activities will also be disrupted.
2. The welfare of the stakeholders will be disrupted, and it can cause adverse social impacts, eventually worship activities will also be disrupted.

In an Islamic company, profit is not the goal of the company. However, this does not mean that there is no excess selling price over production costs and marketing and administrative expenses. The excess selling price over production costs and other expenses is the business margin. This business margin will be used in the sustainability of the business. The term profit in conventional accounting is not recognized in Islamic accounting. In this case, the author introduces the term sustainability margin. This sustainability margin is intended for the company's resilience activities and product development.

Company resilience includes elements of activity related to efforts to maintain the company's ability to continue doing business. These activities include production activities, and marketing activities. These activities must be carried out efficiently so that the margin of business sustainability is high, so that business sustainability becomes even better.

Another activity related to business sustainability is product development. If the company wants to survive in society, then research and product development activities must be carried out. Thus it is appropriate that in the cost element there should be an allocation for business development. In the concept of conventional business management, research and development costs are often set aside in order to increase the value of return on investment (ROI). The decision is short-term and solely saves the manager's performance assessment. However, in the long run, it will reduce the resilience of business continuity.

In Islamic companies do not recognize profit, of course, profit in conventional accounting is defined as additional assets or reduction of debt that does not come from the owner. The concept of business sustainability margin is more appropriate in the concept of Islamic accounting. The measurement of sustainability margin is not the same as the measurement of conventional accounting profit. For example, in conventional accounting profit loan interest is treated as a business expense, in Islamic accounting does not recognize interest expense, but uses the concept of profit sharing. Thus, there needs to be a guideline that regulates the composition of the business sustainability margin report.

The second purpose of financial statements is to provide information about the business entity's contribution to society. The company's contribution is the provision of goods or services needed by society. In the financial aspect, the company's contribution to the provision of products is the implementation of an efficient production process. When production costs are inefficient, it will lead to high selling prices. The high selling price of the product will be a burden on the community, the community will pay more to the company than it should give to the company.

In fulfilling the second objective, the company must be honest and transparent about its production activities and the determination of selling prices. Transparency is a means of control over the honesty of the company's activities. This transparency will not only benefit society, but also the company managers, especially in their accountability to God.

The third objective of financial statements is to be able to provide information on company management that adheres to Islamic values. Business activities that adhere to Islamic values, especially in the financial aspect, are the implementation of humanizing and fair payroll. Employees should have an adequate income to live a healthy family life. Employee income is able to fulfill the needs of food, clothing, shelter, health and education.

On the other hand, the salaries received by employees should not be excessive. If the salary received by employees is excessive, it will result in high production costs and will become a burden on society. The practice of excessive salaries is now being carried out by many companies. Companies provide salaries that are above the standard of living of the community under the pretext of employee welfare. However, companies rarely pay attention to the fact that higher salaries will become a burden on society.

Another value of fairness, in payroll is the salary level between employees, the difference between employee salaries and company leaders' salaries that differ greatly. In payroll practices in Indonesia, often the income received by employees is very far from the income received by company leaders. This condition reflects injustice and certainly does not fulfill Islamic values, besides that salary injustice will encourage actions that are mudlarat and will lead to violations of religious rules, for example corruption or other fraud.

Based on the description of the discussion above, the purpose of financial statements in the Islamic concept is as follows:

1. Financial statements are able to provide information about the sustainability of a business entity's business.
2. Financial statements are able to provide information about a business entity's contribution to society.
3. Financial statements are able to provide information about the management of business entities that embrace Islamic values.

The purpose of financial statements according to SFAC no 1 (Kieso, 2008) is to provide information that is useful in:

1. Useful to those making investment and credit decisions, who have a reasonable understanding of business and economic activities.
2. Helpful to present and potential investors, creditors, and other users

in assessing the amount, timing, and uncertainty of future cash flow.

3. About economic resources, the claims of those resources, and the changes in them.

If we look at the three objectives of financial statements disclosed in SFAC no 1, it appears that the center of attention of financial statements are investors and creditors, namely people who have capital in the company. The first objective explicitly states that investors and creditors are the main point of attention. While the second and third objectives do not explicitly mention investors and creditors, but if we pay attention to the main parties who need information on the smooth running of cash, and the company's assets are investors and creditors, especially information that ensures the security and continuation of investment and credit.

The entity concept in accounting is needed to determine the rights and obligations of the stakeholders involved and also as a basis for determining the material and form of entity performance reports. This entity concept will connect the interests between the company and stakeholders, such as company founders, capital providers, suppliers, government, society, and others.

In conventional accounting, the company is at the center of the interests of the company owner. The establishment of the company is intended to provide returns to the owner as an investor. The interests of the company's establishment, require accounting to make performance reports in accordance with the interests of the company.

In the Islamic concept, a company is a field for worship, the property that Muslims give for the establishment of a company is expected to become a tree of charity. The establishment of the company must provide benefits to others, the establishment of the company is not intended for the economic interests of the founders of the company.

CONCLUSION

There are differences in the rights and obligations of funders between the Islamic corporate equity concept and the conventional accounting equity concept. The concept of conventional accounting equity, taking into account the definition of financial statement elements, the entity concept used is the concept of propiertary entity.

Equity is the right of the founders of the company whose value depends on the value of the share capital and the increase or decrease in profit or loss, and a decrease if there is profit sharing. The owner's right is not only a share of the profit that is divided but also a share of the profit that has not been divided. All the value of undivided profits will be the right of shareholders. So that the rights of share capital owners are equal to the company's wealth minus the amount of company debt.

Debt is a source of funds that comes from outside the company and becomes a company obligation. The right of the debt owner (creditor) is interest, the amount of which has been determined at the beginning of the debt agreement transaction. The amount of debt will not change even if the company experiences losses, and the responsibility of creditors for company losses due to mismanagement or other causes will not reduce the rights of creditors.

The purpose of the financial statements and the form of the Islamic equity equation above will have an impact on the form and content of the financial statements. Isgiyarta (2009) states that the components of the financial statements of non-financial Islamic companies are as follows: Balance Sheet, Performance Report, Cash Flow Statement, Human Resources Management Report, Report on Acquisition and Distribution of Zakat/Infaq/Shodaqoh.

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