

ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) have a strategic role in the Indonesian economy, including. The quality of financial reports is an important factor for MSMEs in ensuring transparency and making the right business decisions. However, the problem of the quality of financial reports in MSMEs is largely influenced by the low understanding of accounting and the minimal application of AIS.

This study aims to analyze the effect of the implementation of accounting information systems and accounting understanding on the quality of financial reports of culinary sector MSMEs.

This study uses a quantitative method with a descriptive and verification approach. Data were collected through questionnaires distributed to 87 culinary sector MSMEs, which were determined through purposive sampling techniques. Data analysis was carried out using multiple linear regression to test the effect of the variables Implementation of Accounting Information Systems and Accounting Understanding on the variable Quality of Financial Reports using SPSS statistics software.

The results of the study to show that the implementation of accounting information systems and accounting understanding simultaneously have a positive effect on the quality of MSME financial reports. Partially, it is expected that the implementation of accounting information systems will contribute to increasing the efficiency of financial recording, while accounting understanding is expected to improve the accuracy and compliance with applicable accounting standards.

The results of the research conducted related to the implementation of accounting information systems and understanding of accounting on the quality of financial reports in culinary sector MSMEs are expected to provide benefits to various parties, namely academics, MSME owners, and policy makers in designing strategies to improve the quality of financial reports.

Keywords: *Implementation of Accounting Information Systems, Understanding of Accounting, Quality of Financial Reports.*