

# PROCEEDING

The International Webinar & Call Paper  
**" EXPLORING GREEN ECONOMY STRATEGIES  
AND POLICIES IN SOUTH EAST ASIA "**





CURRENT

ARCHIVES

EDITORIAL TEAM

CONTACT

ABOUT

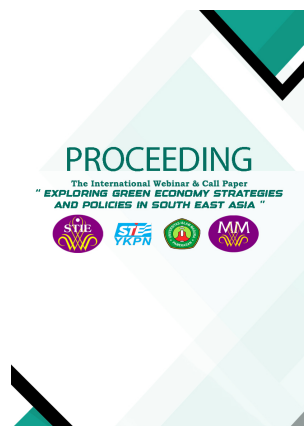
LOGIN

Q SEARCH

HOME / ARCHIVES /

Vol. 2 No. 1 (2023): Prosiding Seminar International dan Call Paper STIE Widya Wiwaha

# Vol. 2 No. 1 (2023): Prosiding Seminar International dan Call Paper STIE Widya Wiwaha



**International Seminar & Call For Papers  
"Exploring Green Economy Strategies And Policies In  
South East Asia "**

**ISSN 2986-0490**

***Speaker:***

Awalil Rizky

Dr. Narong Hassanee, SE, M.Si

Prof. Billver Singh

Prof. Dr. Misnen Ardiansyah, SE, M.Si., Ak., CA., ACPA

Assoc. Prof. Dr. Baharom Abdul Hamid

Dr. Syeh Assery, SE, M.M.

**Make a Submission**

**INFORMATION**

For Readers

For Authors

For Librarians

**EDITORIAL POLICIES**

Publication Ethic

Editorial Team

Reviewer

Focus and Scope

Author Guidelines

Peer Review Process

Assoc. Prof Dr. Uswatun Chasanah, M.Si

Dr. Ir. M. Awal Satrio Nugroho, MM

Cover

**DOI:** <https://doi.org/10.32477/semnas.v2i1>

**PUBLISHED:** 2023-10-10

## ARTICLES

### THE EFFECT OF FINANCIAL PERFORMANCE ON CORPORATE SOCIAL RESPONSIBILITY DISCLOSURE: STUDY OF INDONESIA'S MANUFACTURING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE

Panglima Zufar Wibowo, Priyastivi Priyastivi, Agus Eko Sutriyono

1-19

 PDF

### GREEN HUMAN RESOURCE MANAGEMENT (GHRM) AND GREEN ENTREPRENEURSHIP (GE): A SIMPLE REVIEW

Syeh Assery, Narong Hassanee

20-23

 PDF

### ANALYSIS OF BASIC FACTORS AFFECTING STOCK RETURNS OF PROPERTY AND REAL ESTATE COMPANIES IN THE INDONESIAN STOCK MARKET

Muhammad Faiz Fernando, Muhammad Iqbal, Muhammad Hilmy, Muhammad Baihaqi, Beta Asteria

24-33

Publication Frequency

Publication fee

Plagiarism Checker

Copyright Notice

Open Access Policy

Ethical Statement

Publisher

## ARTICLE TEMPLATE



## ISSN

eISSN 2986-0490



## TOOLS

 PDF

### **INFLUENCE OF PERCEPTION OF EASE, SERVICE FEATURES AND TRUST ON THE CUSTOMERS SATISFACTION LEVEL THE BNI DigICS MACHINE USERS**

Case Study at PT Bank Negara Indonesia KC Wonosobo

Ike Maharani Wahyuningrum, Rahmat Fatullah, Muhammad Khatibul Umam, Yunita Fitri Wahyuningtyas 34-45

 PDF

### **GREEN ECONOMY: OPPORTUNITIES AND CHALLENGES IN SOUTH EAST ASIA**

Ainina Ratnadewati, Nur Widiastuti 46-57

 PDF

### **THE INFLUENCE OF WORK ENVIRONMENT AND ORGANIZATIONAL CULTURE ON EMPLOYEES' JOB SATISFACTION AT PT BUSANA REMAJA AGRACIPTA YOGYAKARTA**

Latifatun Latifatun, Uswatun Chasanah, Lukia Zuraida 58-74

 PDF

### **ANALYSIS OF THE INFLUENCE OF ROA, ROE, AND NPM ON STOCK PRICES IN THE BANKING FINANCIAL SECTOR IN 2019-2022**

Erlina Syamsiah, Rina Sulistiani, Vinona Lula Putri Aprila, Arista Septiana, Selamat Riauwanto 75-87

 PDF

---

**INDEXING LIST**

---

**Support By**

---

**VISITORS**

**ANALYSIS OF THE EFFECT OF PROFITABILITY AND SOLVENCY ON SHARE PRICES OF FOOD & BEVERAGES SECTOR COMPANIES ON THE BEI IN 2021-2022**

Regina Adelia Prabadanti, Anisa Dwi Rohmawati, Indri Marlinda Khasanah, Nur Angraeni, Suhartono Suhartono 88-97

 PDF

**VILLAGE HEAD IN PBB-P2 LITERACY**

Evi Malia, Ika Oktaviana Dewi, Nailah Aka Kusuma, Moh. Arif 98-107

 PDF

**MEASURING THE EFFECT OF EMPLOYEE CLASS DISTINCTION AND ACCREDITATION RANK ON THE DESIRE TO CONTINUE STUDYING FOR MASTER OF MANAGEMENT STUDENTS IN YOGYAKARTA**

Jazuli Akhmad , Wahyu Purwanto 108-116

 PDF

**THE EFFECT OF ROA, ROE, AND EPS ON SHARE PRICE IN THE RETAIL SUBSECTOR 2019 – 2022**

Defi Wahyuningtiasari, Orriyana Agusti, Shielda Adeliyani Madhista, Yessi Nurviana Ardianti, Muhammad Awal Satrio Nugroho 117-128

 PDF

**APPLICATION OF THUMB MANAGEMENT IN IMPROVING THE MARKETING PERFORMANCE OF DROPSHIPPERS**

Halimatus Sakdiyah , Jamilatul Uyun 129-140

 PDF

**THE STUDY OF IMPLEMENTATION OF SHARF ACCOUNTING TREATMENT AT PT. MARKAZ SARRAF PAMEKASAN**

Abd. Muhni , Ach. Baihaki, Aminatus Zakhra

141-150

 PDF**THE EFFECTIVENESS OF ELECTRONIC SYSTEM-BASED FINANCIAL REPORTING AT TAMPOJUNG PREGI HEALTH CENTRE IN PAMEKASAN DISTRICT**

Mohammad Da'I Bachiar, Agus Sugiono, Hanafi Hanafi

151-157

 PDF**ANALYSIS OF THE EFFECT OF QUICK RATIO (QR), DEBT TO EQUITY RATIO (DER) AND RETURN ON EQUITY (ROE) ON STOCK PRICES IN FOOD AND BEVERAGE (F&B) COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (IDX) PERIOD (2021 - 2022)**

Anggi Octaviani, Ellya Aisyiyah, Etika Daningrum, Sephana Fhita Roza Tamim , Dila Damayanti

158-175

 PDF**THE INFLUENCE OF CURRENT RATIO AND ROA ON EPS IN INSURANCE COMPANIES LISTED ON THE IDX**

Nurfatikha Putri Setyaningrum, Evin Rivana, Nadela Ramadhanti, Irsya Husna Sari, Hesa Try Cahya, Meidi Syaflan

176-184

 PDF**ISLAMIC SPIRITUAL PERSPECTIVE: CHANGE MANAGEMENT FOR MICRO, SMALL AND MEDIUM ENTERPRISES**

Suci Utami Wikaningtyas, Sulastiningsih Sulastiningsih , Arsyilala Al Maududi Maududi

185-200

 PDF

**ISLAMIC SPIRITUAL PERSPECTIVE: MARKETING 4.0 STRATEGY FOR MICRO SMALL AND MEDIUM ENTERPRISES**

Suci Utami Wikaningtyas , Mujahidain Badi'ul Haq , Waeno Muhammadare

201-212

 PDF

**BASIC CONCEPTS OF ACCOUNTING IN ISLAMIC PERSPECTIVE**

Tazkiya Hasina , Sulastiningsih Sulastiningsih , Puteh-o Mada

213-226

 PDF

**Prosiding Seminar Nasional dan Call Paper STIE Widya Wiwaha**

Jl. Lowanu Sorosutan UH VI / 20, Sorosutan, Kota Yogyakarta, DIY 55162

Email:semnas@stieww.ac.id

[Prosiding STIE WW is licensed under a Creative Commons](#)

[Attribution 4.0 International License](#)

Platform &  
workflow by  
**OJS / PKP**

## **BASIC CONCEPTS OF ACCOUNTING IN ISLAMIC PERSPECTIVE**

**Tazkiya Hasina**

Magister Accounting, Universitas Islam Indonesia, Indonesia  
(hasinatazkiya@gmail.com)

**Sulastiningsih**

Economic Faculty, STIE Widya Wiwaha, Indonesia  
(sulastiningsih@stieww.ac.id)

**Puteh-o Mada**

Faculty, Fatoni University, Thailand  
(oputeh@ftu.ac.th)

### **ABSTRACT**

The current form of conventional accounting has been influenced and shaped by the prevailing value system present in Western civilization. Hence, it is indisputable that the conceptual framework employed as the foundation for formulating and advancing accounting rules exhibits a bias towards specific interest groups. Can the conceptual framework be used to accounting practices based on Sharia principles? This research posits that Islam possesses distinct values that diverge from the prevailing ideals that underpin the establishment and advancement of traditional accounting practices. Hence, it is imperative to critically evaluate the utilization of Western accounting in its current state. This paper presents a comprehensive examination of the conceptual framework of conventional accounting, while also discussing the conceptual framework of financial reporting from an Islamic standpoint. This discussion encompasses the notion of responsibility as it pertains to financial statements, the underlying objectives of financial statements, the qualitative attributes of information contained therein, and the constituent elements comprising financial statements. This composition is grounded in the use of logical reasoning derived from the primary source of Islamic jurisprudence, specifically the Qur'an.

**Keywords:** conceptual framework, financial reporting, legitimacy theory, stakeholder theory.

### **INTRODUCTION**

Financial statements are the ultimate outcome of an accounting procedure, wherein the financial information is rendered valuable for users. To ensure the usefulness of the presented information, the method of presentation must adhere to relevant accounting standards. In the process of establishing accounting standards, it is imperative to have a widely acknowledged theoretical framework that may serve as a basis for assessing current accounting practices and shaping future accounting methodologies. The theoretical framework under consideration is commonly referred to as the conceptual framework for the preparation of financial statements. The inadequacy of traditional accounting practices in meeting the



public's requirement for accurate, transparent, and equitable financial information has prompted Muslim scholars to recognize the necessity of acquiring knowledge in the field of Islamic accounting. The need for a reformation of the conceptual framework of financial reporting is of utmost importance, given that Islamic accounting aligns with the innate inclination of individuals towards the establishment of a socially responsible and ethical society. This necessitates a framework that is grounded in principles of truth, honesty, and justice.

## **LITERATURE REVIEW**

### **2.1 *Maqashid Sharia***

The primary goal of Islamic sharia principles is to achieve Maqashid Sharia. The primary objective of maqashid sharia is to achieve the realization of benefit and justice for the entirety of the human population. According to Al-Ghazali's assertion in his work "Hurayra" (2015), the notion of maqashid serves as the foundational principle for numerous regulations inside the Islamic faith. The development of Maqashid Shariah is predicated upon three primary factors: individual education, the establishment of justice, and the attainment of welfare. These three characteristics align with the aims of Maqashid Shariah, which are centered around the attainment of well-being and the prevention of harm. In his research, al-Raisuni asserts that according to Imam Shaitibi, maqashid encompasses two fundamental concepts. These principles are the initial causation or enumeration of sharia by prioritizing *maslahah* (benefit) and rejecting *nafsadah* (harm). Furthermore, maqashid, which emerges via the process of induction, serves as the foundation for *ijtihad* in situations where neither textual evidence nor analogical reasoning have been applied.

### **2.2 Legitimate Theory**

The endurance of legitimacy theory within an organization is contingent upon the alignment of the company's operations with the ideals upheld by the surrounding community. Guthrie and Parker (1989) argue that the use of legitimacy theory compels organizations to consistently consider social boundaries and norms in their operational practices. The legitimacy of a corporation can have a significant impact on its long-term viability. Legitimacy theory serves as a framework for organizations to conduct their operational endeavors in alignment with societal values, thereby mitigating corporate discord and ensuring the company's acceptance within the community. Furthermore, the implementation of a corporate social responsibility initiative serves as a strategic endeavor aimed at making a good impact on the communities closest to them in which the firm operates.

### **2.3 Stakeholder Theory**

The stakeholder theory posits that a company's operational endeavors extend beyond its internal interests, since it bears a responsibility to deliver advantages to its stakeholders. This obligation might manifest as the provision of welfare for all stakeholders, both internal and external, who own a vested interest in the organization.

## **METHOD, DATA, AND ANALYSIS**

The present study adopts a qualitative research design and employs a literature review methodology. This study employs theoretical analysis, scholarly references, and scientific literature to elucidate the aims and methodology of the research. The study employs data collection procedures involving the utilization of numerous sources, including books, journals, the Qur'an, and other forms of documentation. The sequential phases involved in performing a literature study research encompass topic selection, information exploration, determination of research focus, collection of data sources, preparation of data presentations, and compilation of reports.

## **RESULT AND DISCUSSION**

### **4.1 Islamic Accounting: The State of Art**

According to the notion of sharia, Islam is understood as a comprehensive framework including a set of principles, ceremonial practices, and a way of life. Consequently, it is expected that adherents of Islam, known as Muslims, should faithfully observe and abide by the conditions of sharia. Islam is not solely a theoretical concept, but rather a comprehensive way of life known as "din." This term encompasses the notion that Islam must be thoroughly expounded upon and applied in the practical aspects of human existence. Islam is commonly referred to as "Rahmatan lil Alamiin," a term that signifies its role as a source of mercy for all of creation. This paper aims to elucidate the distinctions between conventionalism and Islam. The conventional understanding primarily focuses on the owners of capital, whereas Islam encompasses a broader perspective that encompasses all beings within the universe. The incorporation of Islamic principles in accounting can foster integrity, honesty, and equity within societal contexts.

According to the scholarly work of Ali Shawki in Harahap's publication in 1991, it can be observed that accounting within the context of Islam is not a recent development, but rather an established art and science. The inaugural Islamic civilization established an institution known as "Baitul Maal," which functioned as a financial entity responsible for managing governmental funds and facilitating social welfare. Islamic civilization has historically employed a form of accounting known as "Kitahat Al-Amwal," which involves the systematic recording and management of financial transactions. The Islamic faith has established a comprehensive system of record-keeping that places significant importance on the principles of truth, honesty, and justice, as outlined in verse 2:282 of the Quran.

*“O ye who believe! When ye contract a debt for a fixed term, record it in writing. Let a scribe record it in writing between you in (terms of) equity. No scribe should refuse to write as Allah hath taught him, so let him write, and let him who incurred the debt dictate, and let him observe his duty to Allah his Lord, and diminish naught thereof. But if he who oath the debt is of low understanding, or weak, or unable himself to dictate, then let the guardian of his interests dictate in (terms of) equity. And call to witness, from among your men, two witnesses.” (Al Baqarah: 282)*

The requirement for all Muslims to fulfil their zakat obligations serves as a testament to the significant role that accounting plays within society, both for economic entities and non-profit groups. Accounting is a crucial component in the determination of zakat, encompassing several types such as maal zakat, income zakat, professional zakat, commerce zakat, and other forms of zakat. The recognition and

understanding of religion's significance by the general public serve as a catalyst for the creation of societal demands for ethical conduct and social accountability that have previously been disregarded. The conventional accounting practices exhibit a sluggishness in proactively addressing the evolving societal needs, particularly in terms of prioritizing justice, truth, and honesty. In this particular context, individuals have increasingly recognized the significance of incorporating Islamic principles into accounting practices, so ensuring the preservation of truth, honesty, and justice within societal interactions. Islamic accounting refers to an accounting system that has been derived from Islamic principles and beliefs. As elucidated by Harahap (1997), this form of accounting exhibits the following distinctive features:

- The determination of the value of profit or loss. The adoption of recognition, measurement, and valuation standards grounded in veracity, integrity, and equity will yield precise profit and loss data. Enhancing and evaluating leadership effectiveness
- The adherence to Shariah law. It is imperative to evaluate every undertaking conducted by the economic entity in terms of its compliance with the principles of halal and haram. It is important to note that economic considerations alone should not be the sole determinant in the decision-making process.
- The concept of attachment to justice is a fundamental aspect of human behavior and societal dynamics. The primary aim of Shariah is to establish equity and fairness within the realm of social existence. The ability of accounting information to accurately record and mitigate unfair transactions or choices is of paramount importance.
- Demonstrating proficient reporting skills. The accounting information should possess the capability to effectively communicate the economic and social value inherent in the corporate entity.
- Changes in accounting practices. The existing accounting practices necessitate swift adaptation. Islamic accounting has the capacity to formulate suitable recommendations for guiding the discourse.

#### **4.2 Accountability Concept in Islam**

In traditional accounting practices, the primary emphasis is placed on the interests of stockholders and bondholders, frequently at the expense of other stakeholders who may be overlooked. In the context of conventional banks, the accounting and presentation of financial statements are primarily designed to cater to the interests of shareholders, without acknowledging the principles of social responsibility and justice. In the context of Shariah accounting, the notion of accountability extends beyond shareholders and the broader community to include a sense of responsibility towards Allah SWT. One example of a concept in Shariah accounting is the notion of income. In this context, a value-added financial statement, also known as a value-added statement, is employed as a means of presenting a financial report that illustrates the involvement of relevant stakeholders in generating the company's added value. In practical application, the concept of accountability exhibits a strong correlation with the level of openness observed in financial accounts. To establish Islamic entities characterized by financial statements that exhibit a high level of responsibility, it is imperative to develop an accounting system that adheres to sharia principles while embodying objectivity, comparability, and transparency.

According to Velayutham (2014), the principles of Shariah accounting place significant emphasis on the concepts of accountability, truthfulness, integrity, and fairness. In the realm of business and accounting, it is expected that individuals engaged in commercial activities must provide an account of the resources

entrusted to affiliated entities through the means of financial statements. The principle of the unity of Allah SWT in Islam asserts that all entities should be held solely accountable to Allah SWT, and all actions should align with His commands. This is because the primary objective of the sharia is to uphold the maqashidul sharia, which encompasses safeguarding religion, preserving the individual's well-being, protecting intellectual minds, ensuring the welfare of future generations, and safeguarding material possessions. The analysis suggests that conventional accounting financial statements priorities the provision of information, but sharia accounting financial statements priorities both vertical and horizontal responsibility. All actions undertaken will be subject to scrutiny and responsibility on the day of ultimate judgement. The verses 7-12 of Al-Inshiqaq are included in the Quran

*“Then whoso is given his account in his right hand. He truly will receive an easy reckoning. And will return unto his folk in joy. But whoso is given his account behind his back. He surely will invoke destruction. And be thrown to scorching fire.”(Al Insyiqaq: 7-12)*

The verse exemplifies the Islamic principle of holding individuals accountable for the entrusted responsibilities bestowed upon them. The notion of accountability is an inherent attribute bestowed by Allah, intrinsically ingrained inside every individual. Accountability encompasses not only the spiritual realm but also extends to practical applications, such as in the realm of commercial transactions. In the Qur'an, specifically in Surah Hud, verses 84-85, there is a reaffirmation of the significance of honesty, truthfulness, and justice, as they are intrinsically linked to the preservation of the planet. These verses emphasize that causing harm to others is equivalent to engaging in actions that contribute to the destruction of the environment. The practice of causing harm to others within the realm of business encompasses many actions such as concealing product flaws, manipulating data or information, and diminishing the extent or magnitude of certain aspects. One of the most significant calamities that struck the corporate realm entailed the pervasive occurrence of deceit and dishonesty, exemplified by the act of disseminating misleading information to promote items, manipulating their value, manipulating information, and engaging in dosage reduction. The saying of the Prophet Muhammad (peace be upon him):

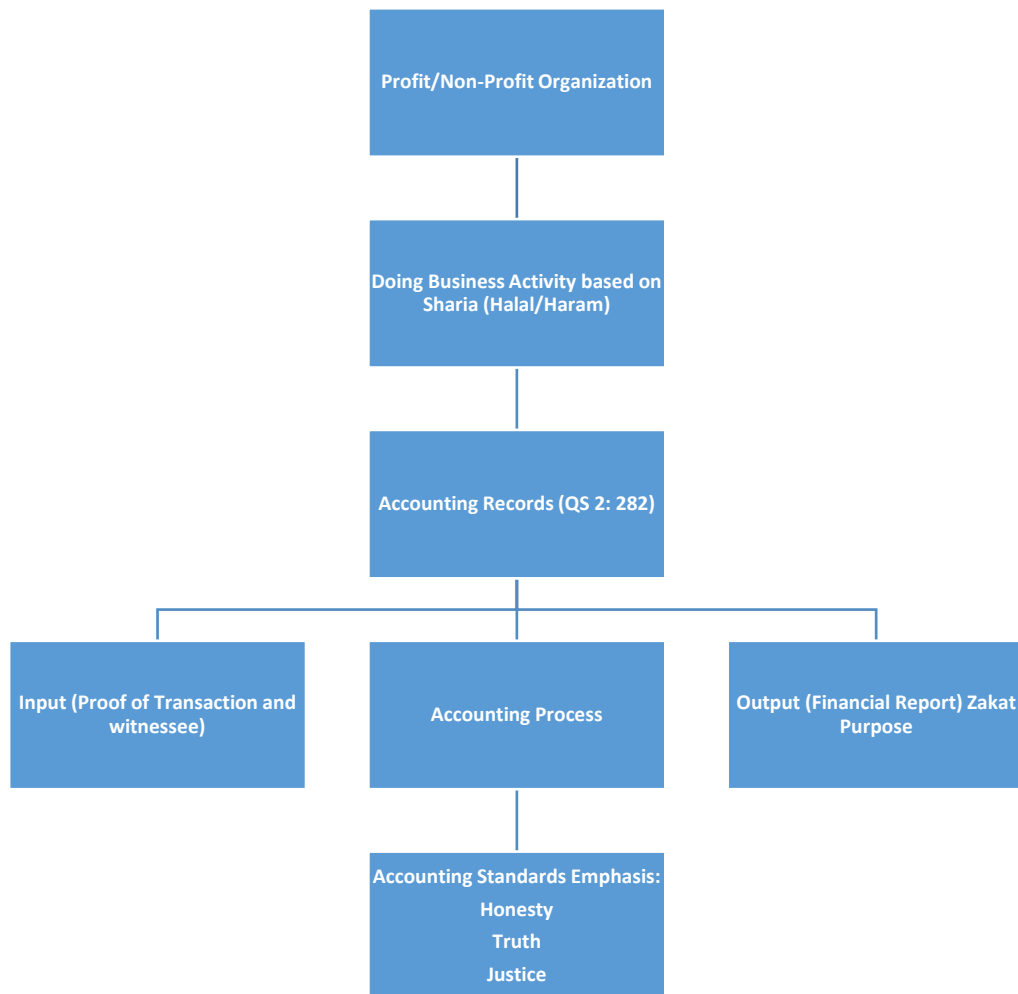
"The seller and buyer have freedom of choice as long as the transaction has not been terminated. If both of them are truthful and are willing to explain the defects of the product being traded, then both of them will receive the blessing of the trade. But if both of them cover up the defects of the product they are trading, then if they make a profit, then the blessing of the trade is lost." (HR. Muttafaqun 'Alaih)

The significance of honesty is underscored in the hadith due to its pivotal role in the pursuit of truth and justice. Accounting can be defined as a comprehensive system that encompasses the gathering, analysis, and communication of financial information. Its primary objectives are profit determination, the accurate recording of muamalah (financial transactions), and ensuring responsibility within an organization. In a general sense, there exist literary passages that elucidate the manner in which the principles of veracity influence the formation and development of societal norms and beliefs. Islamic accounting refers to a system of accounting that adheres to the principles and guidelines set out by Islamic law.

- In the Qur'an, specifically in Surah Al-Baqarah verse 282, Allah SWT instructs the documentation of muamalah, which pertains to transactions that lead to alterations in the financial resources of persons or entities. The implementation of Muamalah, as a crucial component of the economy, necessitates careful consideration of Islamic principles.

- The fundamental purpose of recording is to provide evidence of transactions. In order to establish the occurrence of this muamalah, it is imperative that the evidence presented is devoid of any fraudulent elements. Therefore, it becomes necessary to obtain testimonies from those who possess the necessary competence (QS.2: 282), as this will ensure the verifiability and reliability of the evidence. Hence, every transaction, regardless of its magnitude, is not overlooked, as stated in verse Al-Zalzalah: 7-8 of the Qur'an.
- For financial information to gain credibility, it is essential that an impartial entity, such as a public accountant, conducts a thorough examination. This auditor, acting as an attestation agent, must adhere to principles of fairness, independence, and objectivity, as stated in QS. An-Nisa': 135. This verse highlights the significance of objective and independent testimony. The schematic representation of the notion of Islamic accounting is illustrated in Figure 1.

**Figure 1 The Concept of Islamic Accounting Framework**



### **4.3 Financial Reporting Conceptual Framework**

A conceptual framework refers to a formal declaration of theoretical concepts that are widely acknowledged and employed as a foundational framework within a specific discipline. In the context of financial reporting, the aforementioned theoretical concepts will serve as a framework for assessing both existing and emerging financial reporting practices. The proposed conceptual framework aims to establish a set of theoretical concepts that can be utilized to ascertain the responsibility of economic events, determine the measurement and valuation of such events, and effectively communicate with the intended recipients of financial statements. The conceptual framework is a product of extensive contemplation and possesses wide-ranging ramifications, as it is developed via the careful examination of the values and environmental elements prevalent within a certain nation. The agreed-upon conceptual framework has the potential to yield several benefits, as outlined by KKKPK (2016):

1. Able to direct the standard-setting body in setting applicable accounting standards, so that accounting practices become consistent and can direct accounting practices in the future.
2. Provide a foundation for practitioners (accountants, management, auditors) to solve certain accounting treatment problems.
3. Increase users' understanding and confidence in the significance and limitations of the information in the financial statements.
4. Protect accounting as a profession from politicization (pressure) of certain parties (vested interest group).

The concept of reasonableness is acknowledged within the field of accounting. Fairness can be defined as the state of being devoid of any form of bias or dishonesty, as well as the practice of providing complete transparency and information. The formulation of the conceptual framework of financial reporting should be grounded in the principles of veracity, integrity, and equity. The Islamic understanding of truth is rooted on the concept of sunatullah, as derived from the teachings of the Qur'an and Hadith. In the Qur'an, specifically in Surah Ibrahim verse 52, Allah elucidates the impeccable nature of the Al-Qur'an, so establishing its significance as a fundamental source for discerning and articulating the truth.

### **4.4 Financial Reporting Goal**

As per the Conceptual Framework for Financial Reporting (CTF), the primary objective of general purpose financial reporting is to furnish financial information pertaining to the reporting entity that is deemed valuable to both existing and prospective investors, lenders, and other creditors in their decision-making process regarding the allocation of resources to the entity. The primary aim of shariah accounting financial reporting is to effectively address the requirements associated with zakat payments. In this regard, financial information should be designed to assist all relevant stakeholders in accurately determining their zakat obligations. The primary aim of financial reporting in accordance with Islamic principles, as outlined by KKDPLK sharia, is to serve the purpose of fulfilling zakat obligations. Consequently, financial information should be designed to assist all relevant stakeholders in accurately calculating zakat payments. The reason for this is because zakat serves as an embodiment of the inherent sense of duty that every Muslim feels towards their Creator. One of the primary aims of zakat is to mitigate economic inequity within society to the greatest feasible extent. Zakat holds a significant and prominent role within the Islamic faith, ranking

second in importance only to prayer. According to the words of Allah SWT in QS. Al-Baqarah verse 110, it is stated, "And establish prayer and pay zakat."

The objectives of financial reporting according to the Islamic concept are as follows:

1. Determination of income and valuation of assets as a basis for payment of zakat because zakat is a symbol of accountability to fellow human beings. Zakat is a symbol of accountability to fellow humans (Habluminannas) while prayer is a symbol of human accountability to Allah SWT (Habluminallah). Thus, Islamic Accounting must support and facilitate the implementation of zakat.
2. Proving that muamalah and transactions have occurred, recording must be done as in QS. Al-Baqarah verse 282.
3. Preventing transaction manipulation by making records accompanied by testimony so that no transactions are not disclosed in the financial statements.
4. Provide information to users, especially stakeholders (investors and creditors) that is useful in making business decisions.

#### **4.5 Characteristics of Qualitative Information**

The qualitative attributes of information serve as a mechanism for discerning which financial information should be revealed and which should not be disclosed. As the amount of information given increases, so does the associated expense of providing this information. Therefore, the cost-benefit analysis serves as the primary criterion for determining whether information should be included in reporting. Conversely, it is imperative to acknowledge that financial reporting may not encompass any relevant details, hence necessitating the establishment of criteria to discern and selectively present the information. Materiality represents the minimum threshold used to determine the inclusion or exclusion of information inside a reporting system. Furthermore, it is imperative that the given material be both pertinent and trustworthy. Relevance of information is determined by its capacity to influence the decision-making process of the information recipient, hence adding value to their decision. In the context of this discussion, reliability refers to the degree to which the information accurately portrays the issue, has undergone rigorous testing, and maintains a neutral stance. Relevance of information is determined by its temporal significance, capacity for prediction, and potential for providing feedback. The predictive value of information is determined by its ability to forecast future events. The feedback value of information is derived from its ability to enable users to make necessary modifications based on the information provided. Timeliness of information refers to its availability to the decision-maker prior to the expiration of the opportunity to have impact on their decision-making process. Reliability of information is contingent upon the possession of key attributes, namely verifiability, neutrality, and faithful portrayal. Reliable information is characterized by its accuracy and ability to faithfully represent the subject matter at hand. Verifiability refers to the condition wherein information is derived via the application of techniques that are free from errors. The concept of neutrality is closely tied to the adherence of the accounting standard-setting process to the principles of relevance and reliability, ensuring that it does not exhibit bias towards certain stakeholders' interests. The comparability of accounting information enables users to discern and elucidate

the resemblances and disparities between two sets of economic occurrences. Consistency refers to the appropriateness of accounting principles and practices over consecutive time periods.

According to the Islamic perspective, an object or action is deemed valuable if it serves to sustain the principles of amar ma'ruf (enjoining what is right) and nahi mungkar (forbidding what is wrong). Hence, the use of financial information becomes valuable when it serves as a foundation for the computation of zakat, an integral component in the building of justice within society. The primary aim of financial reporting is to establish the foundation for calculating zakat. In this regard, the presentation of financial information will be guided by the principles of truthfulness, integrity, and fairness.

The responsibility for assessing the veracity, equity, and rationality of such information does not lie within the purview of management or accountants. To yet, a thorough consensus about the practical presentation of accurate financial information has not been reached. It is incumbent upon Muslim accountants to undertake the task of redefining the conceptual framework of Islamic accounting. In a broader context, it is imperative for Islamic accounting practices to duly consider the following aspects:

- Muslim accountants must believe that Islam is a way of life, as Allah SWT says in QS. 3: 85.
- Accountants must have good character, honest, fair and trustworthy (An-Nisa' verse 135).
- Accountants are responsible for reporting any transactions that conflict with Islamic shariah, (QS. Al-Zalzalah: 7-8).
- In valuing wealth, market price or cost price can be used. The accuracy of the valuation must be witnessed by an independent party, (QS Al-Baqarah: 282).
- Generally accepted accounting standards can be implemented as long as they do not conflict with Islamic law.
- Transactions that are not in accordance with the provisions of Islamic law must be avoided because every business activity must be assessed halal and haram. Economic factors are not the sole reason for determining the ongoing activities of the organization.
- Social accounting is an important accounting concept that needs to be developed.

Apart from truth, justice is also a requirement for useful information. As in the Word of Allah in QS. An-Nisa verse 135, which is as follows:

*“O believers! Stand firm for justice as witnesses for Allah even if it is against yourselves, your parents, or close relatives.”* (QS An Nisa: 135)

The passages that enjoin fairness onto humanity include QS. Al-A'raf verse 29 and QS. The material provided should incorporate the notion of fairness into the presentation process. Therefore, the accountant's focus extends beyond the aspects of measurement, recognition, and valuation of assets, debt, and capital, as well as the utilization of accounting methods and techniques. The paramount concern lies in determining whether the accounting methods, techniques, and concepts accurately depict the transactions that have taken place within the confines of Islamic economic conduct.

#### **4.6 Elements of Financial Reporting**

PSAK No. 1 governs the constituents of financial statements that are given by firms. These constituents include income statements, statements of changes in equity, statements of financial position, statements of cash flows, and notes to financial statements. The typical components of financial statements designed to cater to the requirements of investors and creditors generally encompass a statement of financial



position, a statement elucidating the capacity to generate profits (comprising periodic earnings and cash flow), a report assessing management performance, a report evaluating management accountability, a report providing interpretation, and management explanations. According to KKPK (2021), there are ten fundamental characteristics that are commonly used to characterize the essence of a business entity. These elements encompass assets, liabilities, equity, revenues, expenses, gains, losses, investments made by owners, distributions to owners, and comprehensive income. The various components of financial reporting exhibit interconnectedness and are characterized by a fundamental accounting equation that governs their functional relationship. The primary objective of financial reporting under the Islamic framework is to fulfil the zakat obligation. Consequently, it is imperative for financial reports to provide a comprehensive account of zakat funds. In the context of QS. At-Taubah verse 61, zakat is an obligatory financial contribution or donation that is collected from individuals and distributed to the impoverished and deserving individuals, without any anticipation of receiving monetary returns.

In addition to the zakat fund report, it is necessary for the company to provide several other financial statements. These include the profit/loss statement, which outlines the results, costs, and profit/loss for a specific period. Additionally, the statement of changes in capital or statement of changes in retained earnings should be presented, as it provides information regarding capital or retained earnings. The statement of financial position is also required, as it offers insights into the company's financial standing during a specific period. Furthermore, the statement of sources and uses of funds should be included, as it highlights the sources and applications of funds over a certain period. The statement of cash flows is another essential component, as it provides details on the sources and uses of cash during a specific period. Moreover, the company must present a management performance report and a management interpretation and explanation report.

#### **4.7 Recognition and Measurement**

Recognition refers to the process of ascertaining the initial value of the Indonesian currency, known as rupiah, at the time of a transaction's occurrence, with the aim of accurately reflecting this amount in the organization's financial accounts. The concept of measurement pertains to the process of quantifying the monetary value (in rupiah) that should be assigned to a certain entity for reporting purposes. According to SAFC No. 5, paragraph 67, the measuring attributes are identified as follows:

- a) Historical cost or historical cash proceeds: Historical cost is valued at cost.
- b) Current cost: assets are valued at the purchase price in the current market, and profit is determined by allocation based on current cost. consist of present value, fair value, and expected present value.
- c) Current market value
- d) Net realizable value or settlement value
- e) Present or discounted value of future cash flow

In contrast to conventional accounting, shariah accounting exhibits minimal divergence in terms of the measurement component. This similarity arises from the requirement that all attributes utilized as benchmarks must adhere to the principles of reliability, understandability, and comparability. From an Islamic standpoint, it is important to note that the concept of sharia accounting measurement does not encompass all measuring aspects. The KDPPLKS (Kerangka Dasar Pelaporan Keuangan Sektor Publik)

produced by DSAK (Dewan Standar Akuntansi Keuangan) IAI (Ikatan Akuntan Indonesia) incorporates various measurement bases, including historical cost, current value, and realizable/settlement value. These measurement bases differ in their approach to valuing assets and liabilities. The primary emphasis of Shariah accounting reporting is to the fulfilment of zakat commitments, necessitating the utilization of appropriate accounting metrics for Muslims to accurately assess their zakat liabilities. Hence, the transition from historical cost to current value represents a viable approach for acquiring more precise and pertinent data pertaining to the estimation of zakat computation.

The significance of fair value measurement in the context of Shariah accounting lies in its alignment with the computation of zakat, as the idea of fair value facilitates this process. In the Islamic perspective, the assessment of assets and liabilities, which serves as the foundation for calculating corporate zakat, places greater emphasis on employing fair value metrics for assets that experience fluctuations in value, as opposed to relying solely on past expenses. Fair value measurement has the ability to generate information that aligns with prevailing circumstances. According to a study conducted by Gambling and Karim in 1991, as referenced by Eliza and Ramdani in 2020, it is recommended to employ the current value rather than historical value when determining the worth of assets that will be subject to zakat. This is particularly relevant in the context of zakat calculation, as the valuation for zakat purposes should be based on the time when zakat will be disbursed. The conclusion can be drawn that, prior to the distribution of zakat funds, a reassessment of the assets eligible for zakat is necessary, taking into account the prevailing market price at the time of zakat issuance (current cost). The utilization of fair value as the fundamental approach for assessing the components of financial statements in Islamic businesses represents a means of enhancing corporate accountability. This practice is deemed to align with the principles of Islamic justice, particularly in the determination of zakat.

According to Adnan (1997), there is an important accounting concept that is applied in conventional accounting but is not acceptable from an Islamic point of view, namely the concept of conservatism. The principle of conservatism, when applied, will result in profit and asset figures tending to be low and debt and cost figures tending to be high. This is because conservatism adheres to the principle of slowing down revenue recognition and accelerating cost recognition, so that reported profits tend to be too low (understatement) (Tazkiya & Sulastiningsih, 2020). Historical cost is a direct derivation of the concept of conservatism. The concepts derived by conservatism and historical cost, such as matching, objectivity, realization, going concern, and the assumption of a stable value of money, cannot be justified from an Islamic perspective. Conservatism and historical costs will result in an undervaluation of wealth and, thus, an undervaluation of the amount of zakat payable. Generally accepted principles of recognition, measurement, and valuation of financial statement elements, as long as they do not conflict with the objectives of financial reporting according to Islamic concepts, should be followed. Conversely, if such principles are contrary to Islamic concepts, they should be avoided.

## **4.8 GREEN ACCOUNTING from a Maqashid Sharia Perspective**

### **4.8.1 Green accounting concept**

The concept of green accounting pertains to the identification, quantification, evaluation, and disclosure of the expenses incurred by an organization in relation to its environmental undertakings.

Legitimacy theory and stakeholder theory are two theoretical frameworks that provide support for the practice of submitting social and environmental responsibility reports (Deegan, 2004: 292). According to the theory of legitimacy, organizations strive to align their operations with the prevailing societal values and conventions within their specific geographic context. According to Ghozali and Chariri (2007), firms often employ environmental-based performance and disclosure of environmental information as a means to establish legitimacy in the eyes of society. In the context of stakeholder theory, it is posited that a company's operational actions serve not only its internal interests but also entail a responsibility to give benefits to both internal and external stakeholders who contribute to the company's success.

The concept of green accounting extends beyond the traditional focus on financial objects and transactions, incorporating considerations of business, economy, development, and the sustainability of human lives. It also integrates social phenomena with the surrounding environment in the context of a company (Vinces, 2022). According to the study conducted by Al-Munawwaroh et al. (2022), the primary objective behind the use of green accounting is to enhance the precision of environmental management. They are :

1. Enhance corporate responsibility and increase concern for the exploited environment.
2. Identify methods used to minimize the negative impact of company operations on the environment.  
Avoid negative public perception of the company.

#### **4.8.2 Green accounting according to maqashid sharia**

Yusuf al-Qardhawi, as cited in Nasution (2022), asserts that safeguarding the environment constitutes an element of dharuriyah within the framework of Islamic jurisprudence, encompassing the imperative to preserve religious principles. According to al-Qardhawi, the preservation of the environment is congruent with religious mandates. The concept of humans serving as khalifah on earth, as mentioned in the Quran, is reaffirmed. The concept entails that, in the capacity of a caliph, individuals are obliged to adhere to and comply with the directives of Allah SWT, namely in the context of diligently safeguarding the Earth. The preservation of the environment encompasses the preservation of the human spirit. Preserving the environment entails implementing measures to safeguard the progeny. The preservation of the environment is vital in order to safeguard mental well-being. Individuals who do not feel compelled to uphold and safeguard the environment are those who can be considered as lacking rationality. The act of safeguarding the environment is necessary in order to ensure the protection of property. The act of protecting the environment can be seen as a demonstration of preserving property in its diverse manifestations. For instance, a study conducted by Tazkiya and Rifqi (2023) posited that the products offered by Islamic banks aim to preserve and enhance customer assets through the use of profit-sharing principles. The demonstration of transparency in the management of customer assets in Islamic banking is evident through the implementation of the zakat system. According to this system, Islamic banks are required to levy a zakat of 2.5% on the assets owned by their customers. The concept of green accounting is intricately linked to the recognition of human welfare. Any behaviors that contribute to environmental degradation can be considered as acts that oppose religious principles, jeopardise spiritual well-being, impair cognitive mental abilities, harm material possessions, and endanger future generations.

## CONCLUSION

In the contemporary era of globalization, there is a growing recognition among individuals regarding the significance of religion. The recognition of this phenomenon serves as a catalyst for the establishment of societal demands for ethical conduct and social accountability that have previously been disregarded. Traditional accounting methods sometimes fail to promptly address the evolving needs of society, particularly in terms of prioritizing truth, honesty, and justice. Consequently, there is a need to enhance public consciousness regarding the significance of accounting practices grounded in Islamic values. Hence, the principles of truth, fairness, and honesty can be effectively maintained within the realm of social interactions. The primary objective of financial reporting is to establish accountability by providing reliable and transparent financial information that can serve as a foundation for the calculation and payment of zakat. Islamic accounting principles place significant emphasis on the fundamental values of accountability, truthfulness, integrity, and fairness. The ramifications for persons or organizations engaged in muamalah necessitate a sense of accountability in handling entrusted resources with utmost honesty, accuracy, and fairness. This approach aims to generate advantages for all stakeholders involved while refraining from engaging in behaviors that may cause harm to other parties. The qualitative qualities of information are significantly shaped by the objective of financial information presentation. This is particularly relevant in the context of zakat, where the information must adhere to principles of truthfulness, honesty, and fairness. In conjunction with the primary financial accounts, it is imperative for management to provide a comprehensive account of zakat monies and disclose pertinent details regarding their allocation and utilization. The incorporation of green accounting entails the inclusion of several components within a company's financial accounts, specifically those pertaining to the company's social and environmental obligations. Green accounting is a theoretical framework within the field of accounting that incorporates environmental cost mechanisms into financial statements. This practice serves as a tangible representation of a corporation's commitment to environmental conservation in the pursuit of sustainable growth. The notion of green accounting aligns with the aims of maqashid sharia, namely the mandate to safeguard the environment, which is a responsibility of companies. This mandate also encompasses the protection of religion, preservation of the soul, safeguarding of the mind, ensuring the well-being of future generations, and protection of property.

## REFERENCE

- Abu Hurayra, Mohammad. 2015. *Achievement of Maqashid al-Shariah in Islamic Banking: An Evaluation of Islamic Bank Bangladesh Limited*. Global Journals Inc. (USA). Vol. 15 Issue 1
- Afzalurrahman (1995). *Muhammad Sebagai Seorang Pedagang (Terjemahan Depag)*, Jakarta: Yayasan Suama Bhumi.
- Almunawwaroh, M., Vero Deswanto, & Karlina, E. (2022). *Green Accounting: Akuntansi dan Lingkungan*. Media Sains Indonesia. <https://books.google.co.id/books?id=EN9EAAAQBAJ>
- Al-Qur'an dan Terjemahannya. Khadim al Haramain asy syarifain.
- Deegan, Craig. 2004. *Financial Accounting Theory*. Australia: McGraw-Hill

- Eliza, A., & Ramdani, R. F. (2020). Perbandingan Historical Cost dan Current Cost sebagai Dasar Penilaian Zakat Perbankan Syariah. *Jurnal Akuntansi Dan Keuangan Islam*, 8(1), 55–70. <https://doi.org/10.35836/jakis.v8i1.126>
- FASB (1978). *Objectives of Financial Reporting by Business Organizations, "Statement of Financial Accounting Concept No. 1*. Stamford, Conn: FASB.
- FASB (1980). *Qualitative Characteristics of Accounting Information, " Statement of Financial Accounting Concept No.2*. Stamford, Conn: FASB.
- FASB (1984). *Recognition and Measurement in Financial Statements of Business Enterprises, Statement of Financial Accounting Concept No.5*. Stamford, Conn: FASB.
- Ghozali dan Chariri. 2007. Teori Akuntansi. Semarang: Badan Penerbit Undip.
- Gonzalez, C. C., & Pena-Vinces, J. (2022). *A Framework for a Green Accounting System-Exploratory Study in a Developing Country Context, Colombia. Environment, Development and Sustainability, 1*. <https://doi.org/10.1007/s10668-022-02445-w>
- Muhammad Akhyar Adnan (1997). Konsep dan Praktik Dalam Bank Islam, Studi Kasus Bank Islam Malaysia Berhad dan Bank Muamalat Indonesia. Konferensi Riset Akuntansi dan Bisnis: Universitas Gadjah Mada: PPA
- Nasution, M. S. A. (2022). Filsafat Hukum Islam dan Maqashid Syariah: Edisi Kedua. Prenada Media. <https://books.google.co.id/books?id=cxm6EAAAQBAJ>
- Sayid Sabiq (1990). Fikih Sunnah. Bandung: PTAlma'arif.
- Sofyan Safri Harahap (1997). Akuntansi Islam. Jakarta: Bumi Aksara.
- Tazkiya, Hasina. & Rifqi Muhammad. (2023). *Analisis Sharia Governance & Struktur Modal Terhadap Tingkat Kepatuhan Syariah Berdasarkan Standar AAOIFI*. *Kajian Bisnis Sekolah Tinggi Ilmu Ekonomi Widya Wiwaha*, 31(1), 33-50.
- Tazkiya, Hasina, and Sulastiningsih Sulastiningsih. 2020. *Pengaruh Growth Opportunity, Financial Distress, Ceo Retirement Terhadap Konservatisme Akuntansi*. *Kajian Bisnis STIE Widya Wiwaha* 28(1): 13–34.
- Yusuf Qardhawi (1997). Norma Ekonomi Islam. Jakarta: Gema Insani Press.
- (1994). Fatwa-fatwa Mutakhir. Jakarta: Yayasan Al Hamidiy.
- Velayutham, S. (2014). *Conventional Accounting vs Islamic Accounting: The Debate Revisited*. *Journal of Islamic Accounting and Business Research*, 5(2), 126–141. <https://doi.org/10.1108/JIABR-05-2012-0026>

[CURRENT](#)[ARCHIVES](#)[EDITORIAL TEAM](#)[CONTACT](#)[ABOUT](#)[LOGIN](#)[Q SEARCH](#)[HOME](#) / [Editorial Team](#)

## Editorial Team

### Editorial Board

Dr. Ir. Muh. Awal Satrio Nugroho, M.M.

Dr. Priyastiji, M.Si., Ak., CA.

Drs. Achmad Tjahjono, M.M., Akt

Nita Fitriana., S.Pd., MM

Agung Slamet Prasetyo, ST.,MM

Ika Rahmawati, SE.,MM.

### Executive Committee Member

Drs. Muhammad Subkhan, MM.

Drs. Zulkifli, MM.

Suhartono, SE.,M.Si.

### Make a Submission

#### INFORMATION

[For Readers](#)[For Authors](#)[For Librarians](#)

#### EDITORIAL POLICIES

[Publication Ethic](#)[Editorial Team](#)[Reviewer](#)[Focus and Scope](#)[Author Guidelines](#)[Peer Review Process](#)

Beta Asteria, SE.,MM.,M.Ec.Dev.

Dra. Sulastiningsih, M.Si.

Khoirunnisa Cahya Firdarini,S.E.,M.Si

Dila Damayanti, SE.,MM.

## Reviewer

Prof. Dr. Abdul Halim, M.B.A., Ak., CA.

Dr. Yudi Sutarso, SE., M.Si.

Dr. Syeh Assery ,SE, MM

Dr. Mudasetia Hamid, M.M., Ak.

Dr. Ir. Meidi Syaflan., M.P

## Publication and Content Editor:

Arif Suwarjono

isty Murdiani

Publication Frequency

---

Publication fee

---

Plagiarism Checker

---

Copyright Notice

---

Open Access Policy

---

Ethical Statement

---

Publisher

---

## ARTICLE TEMPLATE

---



## ISSN

---

eISSN 2986-0490



## TOOLS

---

zotero

INDEXING LIST

---



Support By

---



VISITORS

---



**Prosiding Seminar Nasional dan Call Paper STIE Widya  
Wiwaha**

Jl. Lowanu Sorosutan UH VI / 20, Sorosutan, Kota Yogyakarta, DIY  
55162  
Email:semnas@stieww.ac.id

Platform &  
workflow by  
OJS / PKP



[Prosiding STIE WW is licensed under a Creative Commons Attribution 4.0 International License](#)

