ABSTRACT

SMEs contribute greatly to the economy of Indonesia. However, SMEs have a limitedness in terms of bookkeeping or making of financial statement, whereas it can be one of the obstacles in a capital submission process on bank. Solution to solving this problem is to outsource their accounting function. With a growing trend, accounting outsourcing can be done online through the Online Accounting Services (OAS). This research analyzes the benefits and risks of the using of Online Accounting Services, SMEs reasons in choosing to use the Online Accounting Services, potential problems that will occur as well as the solution, and the related between the using of Online Accounting Services with costs incurred.

This research is a case study in which the data obtained by interview on the provider, Mr. Baradja OAS ("JAO Bapak Baradja") and the user, Sengenge Batik SME ("UKM Batik Sengenge"), Solo. Data is analyzed by descriptive qualitative method.

The results show that the using of Online Accounting Services provides efficiency in terms of cost and time. The risk is these services can be used by clients for personal gain that one day could make a dependency on that goal. The main reason for the using of Online Accounting Services is a financial statement in needed to obtain licenses bank credit. In addition, lacking of contract is the trigger of information asymmetry that leads to conflict of interest if there is opportunistic behavior between OAS and user. Conflict of interest occurs when a provider is not willing to make the "special" financial statements with the special requirements and incentives. Asymmetry information is also related to the concept of bounded rationality. Neither opportunistic behavior nor bounded rationality, both have an impact on the different transactions cost.

Keywords: Small and Medium Enterprises, Online Accounting Services Outsourcing, Information Asymmetry, Conflicts of Interest, Opportunistic Behavior, Bounded Rationality, Transaction Costs