

The Influence of Digital Payment, Use of Accounting Information and Financial Literacy on MSME Income in Bukittinggi City

Zahra Nur Fadhilah

Bachelor of Accounting Student Institut Teknologi Dan Bisnis Haji Agus Salim Bukittinggi
zahrnirfadhilah769@gmail.com

M. Shama Putra

Bachelor of Accounting Student Institut Teknologi Dan Bisnis Haji Agus Salim Bukittinggi
shamaputra@gmail.com

Anne Putri*

Institut Teknologi Dan Bisnis Haji Agus Salim Bukittinggi
Corresponding author: anne_kop10@yahoo.com

Abstract

This research aims to determine the influence of Digital Payment, Use of Accounting Information and Financial Literacy on MSME Income in Bukittinggi City. The type of data in this research is primary data by distributing questionnaires to MSMEs in Bukittinggi City. The sampling technique used purposive sampling, the number of MSME actors sampled was 90 people. The analysis technique uses tests with the help of SmartPLS software version 4. Based on the hypothesis testing that has been described based on the research results, it shows that: (1) Digital Payment has a positive and significant effect on MSME income, (2) The use of Accounting Information has a positive and significant effect on MSME income, (3) Financial Literacy has a positive and significant effect on MSME income.

Keywords: Digital Payment, Use of Accounting Information, Financial Literacy, Income MSME

1. Introduction

Micro, Small and Medium Enterprises (MSMEs) in Indonesia are able to become the focus of the country's economic development. MSMEs can reduce problems related to inequality in society, namely income. In running their business, MSMEs can expand jobs, help the community in providing services, and have a role in increasing people's income so that they can boost the economy in Indonesia.

Empowering MSMEs is able to boost the economy in Indonesia. With the empowerment of MSMEs, the economy in Indonesia grows and economic development can run well. The development of MSMEs is by building businesses that are developing, conducive and can literate the community about entrepreneurship so that later it can increase people's income. With income, it is important to improve people's welfare, especially in terms of the economy in the community. In obtaining business income, income is obtained in the form of nominal money so that this can be used to measure sales results and business profits in accordance with what has been previously designed (Safrianti, 2020).

In Bukittinggi City, micro, small and medium enterprises are increasing every year. In 2020 there were 917 business units, in 2021 there were 962 business units, and in 2022 there was an increase of 13,243 MSME units. Given the great potential it has, the responsibility for empowering MSMEs can be the main task of the government.

The efforts made by the government in empowering micro, small and medium enterprises are contained in Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises. Where the government can provide various assistance such as simplifying business licensing, loan rate waivers and business incentives. Digital

payment has an important role in mobilizing MSMEs and can be the main task of the government in Bukittinggi City. With digital payments, MSMEs can increase payment accessibility for their customers, reduce cash-related security risks, and increase efficiency in transaction management.

The development of information technology invites all people to switch to using digital media as a support for activities and reduce the transmission of the Covid-19 virus. The use of digital media must be considered again by MSME actors in operating their businesses. One of the digital developments that has recently come from the fintech (financial technology) industry. The offers provided are in the form of financial products that can make it easier for users such as e-money, e-wallets, mobile banking, and Digital Banks and Digital Payments. The use of digital payment can be done by making a payment transaction of at least Rp. 10,000. The existence of Fintech itself makes it easier for users to make transactions without the use of cash (Venia, 2021). This can be seen from the data on the volume of digital payment transactions in West Sumatra Province. A brief survey conducted regarding the use of digital payments, the researcher asked 22 consumptive behaviors who had used digital payments. From the results obtained, behaviors often use QRIS for payments rather than paper money.

Based on the data above, it strengthens the information that public attention to digital payment as a digital payment system is increasing. In 2022, the volume of transactions using digital payments increased significantly from the previous year due to Covid-19. To find out how to reduce covid-19, the use of digital payment has great benefits. However, many MSMEs in Bukittinggi have not implemented digital payment as a means of payment. Thus, digital literacy is indispensable during the covid-19 pandemic (Rosa, 2022). In addition, in the increasingly modern business world, digital payments such as QRIS payments through mobile applications are increasingly popular. This helps small and medium businesses (MSMEs) become more efficient and grow bigger. So, it is important to know how information technology can help MSMEs make good use of digital payments.

However, in this case, many MSME actors do not understand the use of accounting information. So that MSME actors cannot make detailed business reports. They only make their financial reports simply which are only concerned with business profits and losses. They do not think about the short-term or long-term strategy of their business. In fact, according to Arya and Maria (2016) accounting information can be the basis for business decision-making that is useful in planning, managing and evaluating businesses.

Based on the results of preliminary research, interviews with several MSME actors in Bukittinggi City, it is known that many MSME actors do not understand the basic concepts of the management economy such as budgeting, cash planning and debt management. As a result, they have difficulty managing cash flow and making smart financial decisions. With accounting information, all business activities can be managed properly, so that it has a very important influence in achieving increasing business income, including MSMEs. If business people and businesses lack knowledge in bookkeeping, it automatically hinders them from carrying out financial bookkeeping activities. Accounting information in the form of financial records can be used by MSME owners to find out exactly how much income they receive, how much operating costs should be incurred and how much should still be left. Efforts to utilize the use of accounting information require a basic understanding of MSME actors about financial management. Financial Literacy is a skill and understanding that is needed to apply basic financial concepts in their business activities.

The understanding of financial management when establishing a business must be thought about and carried out by the business owner optimally. An understanding of financial literacy must be possessed to improve business development to be even better. Various processes in increasing awareness of knowledge, and people's ability to manage finances are the meaning of financial literacy itself. If the level of financial literacy of MSME owners is low, it will have a negative impact on their business financial behavior.

One of the MSMEs in West Sumatra Province, especially in Bukittinggi City, is an area with the highest economic growth. Bukittinggi is one of the tourist cities that has the icon of Jam Gadang and is located in a strategic location with cool weather. This city is one of the main destination cities for immigrants if they visit

West Sumatra. With the potential of the region, there is a lot of industrial growth in Bukittinggi City. One of them is MSMEs engaged in the culinary sector. Meanwhile, MSME actors in Bukittinggi on average do not implement much financial management and business risk management and still lack the use of digital payments properly. Although the government has supported payments through digital payments for MSME actors. The low level of use of accounting information and financial literacy can make the income obtained undirected and income reduced (Raphaella Ade Siallagan, detik North Sumatra).

According to the Regulation of the Financial Services Authority (POJK) Number 76/PJOK.07/2016 states that financial literacy is knowledge, skills and beliefs that affect attitudes and behaviors to improve the quality of decision-making and financial management in order to achieve welfare (Sabila & Wijayangka, 2019). Research that has been carried out by (Nurvenia & Abdullah, 2021) concluded that digital payments and financial management simultaneously have a significant and positive influence on small business income. Meanwhile, according to (Cassie & Hastuti, 2021) it is stated that financial literacy is able to affect the income of MSMEs, while financial technology has no effect on the income of MSMEs.

Based on the background of the problem above, the author is interested in conducting research on "The Influence of Digital Payment, Use of Accounting Information, Financial Literacy on MSME Income in Bukittinggi City"

2. Literature Review

Law No. 20 of 2008 which regulates micro, small, and medium enterprises (MSMEs), it states that:

1. Micro businesses are productive businesses owned by individuals or individual business entities that meet the criteria for Micro Businesses as stipulated in the Law.
2. Small Businesses are independent productive economic businesses, carried out by individuals or business entities that are not subsidiaries or branches of companies owned, controlled, or are part of either directly or indirectly of Medium Enterprises or Large Enterprises that meet the criteria for Small Enterprises as referred to in the Law.
3. Medium enterprises are independent productive economic businesses, carried out by individuals or business entities that are not subsidiaries or branches of companies owned by Small Enterprises or Large Enterprises with the amount of net assets or annual sales as stipulated by the Law.2. 1. Putri Aulia (2022) "The Effect of Understanding Financial Literacy and Ease of Digital Payment on the Financial Performance of MSMEs in Makassar City" The results of this study show that purely and simultaneously the variables of financial literacy and the convenience of digital payment have an effect on the performance of MSMEs in the city of Makassar.

Previous research used in this study is:

1. Ni Cening Putri Eka Ayu (2021) "The Effect of Financial Literacy, the Use of Accounting Information and Business Capital on the Sustainability of MSMEs in Buleleng District" The results of this study show that: (1) financial literacy has a positive and significant effect on the sustainability of MSMEs in Buleleng District, (2) the use of accounting information has a positive and significant effect on the sustainability of MSMEs in Buleleng District, and (3) business capital has a positive and significant effect on the sustainability of MSMEs in Buleleng District. the sustainability of MSMEs in Buleleng District.
2. Khairul Amri (2023) "The Influence of Accounting Knowledge, Use of Accounting Information, Capital, Innovation and Education Level on MSME Performance" The results of this study show that (1) accounting knowledge has a positive effect on the performance of MSMEs, (2) the use of accounting information has a positive effect on the performance of MSMEs, (3) capital has a negative effect on the performance of MSMEs, (4) innovation has a positive effect on the performance of MSMEs and (5) the level of education has a positive effect on the performance of MSMEs MSMEs.
3. Fitri Wahyuni Wulan Dari (2022) "The Influence of Business Capital, the Use of Accounting Information, and Financial Literacy on Success in Kualasimpang City" The results of this research show that capital expenditure, the use of accounting information, and financial literacy have a positive effect on the success of MSMEs in Kualasimpang City."

4. Azizah Zafira (2021) "The Influence of Capital, Digital Economy and Education Level on MSME Business Income in Tangerang City." The results of this study show that capital, digital economy and education level simultaneously have a significant influence on business income in Tangerang City"
5. Ni Kadek Sinarwati (2022) "Financial Behavior and Actual Use Digital Payment on Business Income of the MSME Sector in Bali" From the discussion of data analysis, it shows that consumer behavior that tends to take advantage of digital payment systems has a negative and significant effect on the income of the MSME sector in Bali"
6. Putri Maulia (2021) "The Impact of the Use of QRIS in Increasing the Income of MSMEs in Medan City" The results of this study show that the use of the QRIS registration system has a significant effect on increasing MSME income in Medan City."
7. Hasna, Indarti, Titasari (2022) "The Influence of E-Commers and Digital Payment on the Income of MSMEs in the Special Region of Yogyakarta" The results of this study show that e-commerce and digital payment have a positive and significant effect on the income of MSMEs in the Special Region of Yogyakarta.
8. Ainun Mardiah Lubis (2021) "The Effect of Financial Literacy, Fintech Peer To Peer Lending and Payment Gateway on the Financial Performance of MSMEs in Medan City" The results of this study show that financial literacy, fintech per to peer and payment gateway have a significant effect on the financial performance of MSMEs in Medan City."

This study uses the following conceptual framework

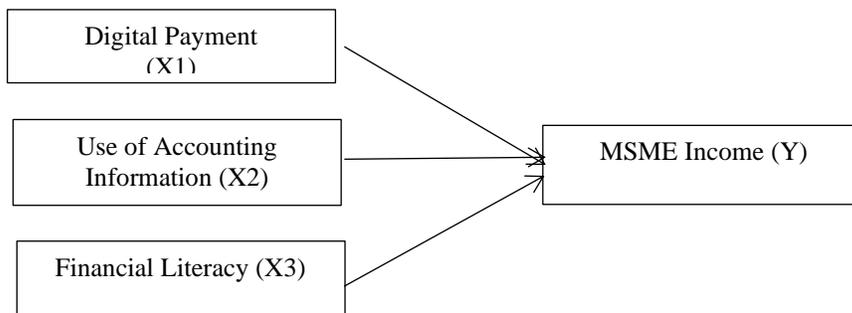


Figure 1 Conceptual Framework

3. Methods

This type of research is a quantitative research. According to Martono (2011) quantitative research utilizes and collects data in the form of numbers, which are then processed, analyzed, and evaluated to provide scientific information. Where this study aims to analyze the causal relationship used to explain the effects of independent variables, namely digital payment, the use of accounting information, and financial literacy on the dependent variable, namely income

The population in this study was culinary MSMEs spread across the Bukittinggi City area. Sampling in this study used the Purposive sampling technique with the following criteria.

1. MSMEs domiciled in Bukittinggi City.
2. MSMEs that have pioneered their business for more than 2 years.
3. Currently or have used technology-based payment facilities.

Based on the number of indicators used, namely 18 multiplied by 5, the number of samples used is 90 (Imam Ghozali 2018).

Table 1 Operational Definition of Variables

No.	Variable and Definition	Indicators	Scale
1.	Digital Payment (X1) Digital Payment is a digital payment made electronically without using cash (Hasna Indarti Titasari, 2022)	1. Perception Ease of Use Perception of Usefulness Perception Credibility 2. Social influence 3. User intensity	likert
2.	The use of accounting information (X2) The use of accounting information is the use of accounting information originating from accounting records in decision making in MSME activities (Fitri Wahyuni Wulan Dari, 2022)	1. Standard knowledge in recording simple financial reports in MSMEs 2. Can understand the benefits and manage finances effectively 3. Ability to analyze MSME financial performance 4. Strategies in dealing with risks 5. Attitudes in making decisions	likert
3.	Financial Literacy (X3) The ability of MSME actors to understand and manage the funds they have to develop MSMEs and be able to overcome financial problems in their businesses and make decisions for future welfare (Fitri Wahyuni Wulan Dari, 2022)	1. Standard knowledge in recording simple financial reports in MSMEs 2. Can understand the benefits and manage finances effectively 3. Ability to analyze MSME financial performance 4. Strategies in dealing with risks 5. Attitude in making decisions.	likert
4.	Income MSME (Y) Income is the amount of assets at the beginning of the period plus the total results obtained in a period (Ana Lailatul Fitroh, 2022)	1. Income received per month 2. Source of income 3. Improving standard of living	likert

Source: Previous Research

The data analysis technique used in the study is the SEM (Structural Equation Modeling) PLS (Partial Least Square) analysis technique. Using SEM PLS 3 software for hypothesis testing

4. Data Collection

4.1. Overview of the Research Location

Of the 90 questionnaires distributed, 90 sheets were returned, meaning the percentage of questionnaire return rate was 100%. Thus, the number of questionnaires that could be processed was 90 questionnaires. Data were collected by distributing questionnaires sent directly by researchers to UMKM owners in Bukittinggi City. In addition to being deposited, the questionnaires were also submitted to respondents directly. This was done to clarify the contents of the questionnaire and to take some evidence to attach.

4.2. Respondent Identification

Data on respondents by gender can be seen in the following table:

Table 2. Data Collection Results

No	Gender	Frekuensi	Percentage
1	Man	34	38%
2	Woman	56	62,2%
	Total	90	100%

Source : 2024 primary data processing results

Based on table 2 of respondents by gender, it shows that of the 90 respondents, as many as 34 people or 38% are male, while 56 people or 62% are female. In general, the respondents in this study are dominated by female respondents.

The age of the respondents in this study can be seen based on the following table 3:

Table 3. Respondents by Age

No	Age	Frekuensi	Persentase
1	24 - 29 Years Old	63	70 %
2	30 - 35 Years Old	6	6,7%
3	36- 41 Years Old	7	7,8 %
4	>42 Years Old	14	15,6%
Total		90	100 %

Source : primary data processing results, 2024

From the table above, it can be seen that the most respondents are those aged 24-29 years who amount to 63 people or 70%. The age of over 42 years occupies the second highest position, namely 14 people or 15%. For the age of 36-41 years there are as many as 7 people or 8%. And the last one aged 30-35 years there were 6 people or 7%. So it can be concluded that most of the participants in this study are still 24-29 years old or 70%.

Data on respondents based on education can be seen in the following table 5:

Table 4. Respondents Based on Education Level

No	Education Level	Frekuensi	Percentage
1	SD	3	3,3 %
2	SMP	4	4,4 %
3	SMA	58	64,4 %
4	S1	25	27,8%
Total		60	100 %

Source : primary data processing results, 2024

From table 4 respondents based on education, it shows that out of 90 respondents, as many as 3 respondents or 3.3% are respondents with elementary education status, 4 respondents or 4.4% are respondents with junior high school education status, 58 respondents or 64.4% are respondents with high school education status, 25 respondents or 27.8% are respondents with S1 level education status.

Data on the criteria based on the length of business can be seen in 6 below:

Table 5. Characteristics of Criteria Based on Length of Business

No	Length of Business	Number of Respondents	Percentage
1	< 2 Tahun	53	58,9 %
2	3- 5 Tahun	36	40 %
3	< 5 Tahun	1	1,1 %
Total		90	100 %

Source : primary data processing results, 2024

From Table 5 Criteria based on Business Duration, it shows that out of 90 respondents, as many as 53 respondents or 58.9% are criteria with a business duration of > 2 years, 36 respondents or 40% are criteria with a business duration of 3-5 years, 1 respondent or 1.1% is a criteria for business duration < 5 years.

Data on asset-based criteria can be seen in the following table 4.5:

Table 6 Characteristics of Criteria Based on Turnover

No	Aset	Number of Respondents	Percentage
1	< Rp 50.000.000	62	68,9%
2	50.000.000 – 500.000.000	24	26,7%
3	> 500.000.000	4	4,4%
Total		90	100%

Source : 2024 primary data processing results

From the table of 6 criteria based on Assets, it shows that out of 90 respondents, 62 respondents or 68.9% are Criteria with assets <50,000,000, 24 respondents or 26.7% are criteria with assets of 50,000,000-500,000,000, and 4 respondents or 4.4% are criteria with assets >500,000,000.

4.3. Variable Descriptive Analysis

In this respondent achievement level (TCR), the data and answers given by respondents to the questionnaire will be interpreted to 90 respondents in Bukittinggi City MSME actors. The descriptive data of this study results are described based on the variables in this study, namely Variable Y is Income, Variable X1 Digital Payment, Variable X2 is the Use of Accounting Information, and Variable X3 is Financial Literacy.

The Descriptive Results of the income variable there are 5 question items presented in the following table:

Table 7 Respondents' Achievement Levels on Income Variables

(Y)	Score					N	Average	TCR (%)	Information
	SS	S	N	TS	STS				
1	0	8	78	136	130	90	3.9	78.2	Good
2	1	14	51	180	100	90	3.9	76.8	Good
3	2	18	126	128	50	90	4.3	92.4	Verry Good
4	1	18	63	172	80	90	3.7	74.2	Good
5	1	10	63	132	150	90	4.0	79.1	Good
TOTAL								400.7	
AVERAGE								80.14	Good

Source : 2024 Data Processing Results

Based on table 7, it can be obtained that the Income Variable Respondent Achievement rate is 80.14% well. It can be concluded from the table above that there is a statement indicator with the highest score of 92.4%, namely since implementing QRIS, MSME income has increased. Meanwhile, the lowest score of 74.2% is due to the fact that the products produced by MSMEs have not been able to increase their income.

The Descriptive Results of the Digital Payment System variable have 5 statement items presented in the following table:

Table 8 Respondents' Achievement Levels on Digital Payment Variables

(X1)	Score					N	Average	TCR (%)	Information
	SS	S	N	TS	STS				
1	2	14	84	132	100	90	3.7	73.8	Good
2	3	10	69	124	140	90	3.8	76.9	Good
3	6	14	84	132	80	90	3.5	70.2	Good
4	2	16	105	112	85	90	3.5	71.1	Good
5	3	12	126	116	50	90	3.4	68.2	Good
TOTAL								360.2	
AVERAGE								72.04	Good

Source: 2024 Data Processing Results

Based on table 8, it can be obtained that the achievement level of respondents for the Digital Payment Variable is 72.04% with the Good criterion. It can be concluded from the table above that there is a statement indicator with the highest score of 76.9% because MSMEs understand well how to use QRIS. Meanwhile, the lowest score was 68.2% where income has increased since using QRIS.

Descriptive Variables for the Use of Accounting Information

Table 9 Respondents' Achievement Levels on Variables in the Use of Accounting Information

(X2)	Score					N	Average	TCR (%)	Information
	SS	S	N	TS	STS				
1	1	8	69	164	105	90	3.8	77.1	Good
2	2	6	72	180	80	90	3.8	75.6	Good
3	2	12	51	152	135	90	4.0	78.2	Good
4	2	4	45	156	160	90	4.1	81.6	Good
5	1	10	57	144	145	90	4.0	79.3	Good
TOTAL								391.8	
AVERAGE								78.36	Good

Source: 2024 Data Processing Results

Based on table 9, it can be obtained that the Achievement Level of Respondents for the Variable Use of Accounting Information is 78.36% with the Good criterion. It can be concluded from the table above that there is a statement indicator with the highest score of 81.6% because by using accounting information, MSMEs can find out their sales every day. While the lowest score of 75.6% is with the use of accounting information, MSMEs can find out the raw materials used every day.

Descriptive Financial Literacy Variables

Table 10 Respondents' Achievement Levels on Financial Literacy Variables

(X3)	Skor					N	Average	TCR (%)	Information
	SS	S	N	TS	STS				
1	1	12	81	148	95	90	3.7	74.9	Good
2	2	14	69	140	115	90	3.8	75.6	Good
3	2	12	69	164	90	90	3.7	74.8	Good
4	1	8	75	148	115	90	3.8	77.1	Good
5	0	8	78	136	130	90	3.9	78.2	Good
TOTAL								380.7	
AVERAGE								76.14	Good

Source: 2024 Data Processing Results

Based on table 10, it can be obtained that the level of Financial Literacy is 76.14% with the Good criterion. It can be concluded from the table above that there is a question indicator with the highest score of 78.2%, namely with the financial literacy of MSMEs being able to prepare a monthly budget. Meanwhile, the lowest score was 77.8% where MSMEs were not able to understand how to manage finances effectively.

5. Results and Discussion

Before measurement, it is necessary to test the feasibility of the data by measuring the validity and reliability of variables. The outer model test was carried out to assess the validity and reliability of the model. The results of the validity and reliability test are explained as follows:

1. Convergent Validity

The validity of convergence is indicated by the correlation between indicators and latent variables. Proof of convergent validity can be achieved in two ways, namely through the achievement of criteria and through model comparison tests. In this study, the validity of convergence is proven through the achievement of criteria. In the SEM-PLS approach, a measurement has met the convergent validity if it meets the requirements, namely having a loading factor of at least 0.5.

Table 11 Results Loading Faktor

Matrik	Digital Payment (X1)	Use of Accounting Information (X2)	Financial Literacy (x3)	Income (Y)
DP1	0.817			
DP2	0.790			
DP3	0.742			
DP4	0.739			
DP5	0.767			
PIA1		0.891		
PIA2		0.871		
PIA3		0.860		
PIA4		0.757		
PIA5		0.860		
LF1			0.807	
LF2			0.870	
LF3			0.865	
LF4			0.853	
LF5			0.840	
P1				0.778
P2				0.735
P3				0.726
P4				0.751
P5				0.783

Source: Data Processing Results 2024

Based on table 11 and the trajectory chart above, it can be concluded that all indicators have a loading factor greater than 0.5. This result shows that all indicators have good convergent validity. Thus, the test is valid in measuring each of its latent variables.

2 Test Discriminan Validity

Discriminant validity test is conducted to determine the difference in validity value of a variable compared to other variables. In discriminant validity testing, it can be seen using the AVE Crossloading and latent correlation test output. The following are the results of the discriminant validity test output:

Average Extracted Variance (AVE)

Table 12 Résultats des tests Discriminan Validity dengan Nilai AVE

Matrix	Cronbach's Alpha	Rho_a	Composite Reliability	Average Variance Extracted (AVE)
Digital Payment (x1)	0.832	0.849	0.880	0.595
Use of Accounting Information (x2)	0.902	0.909	0.928	0.721
Literasi Finansial (X3)	0.902	0.908	0.927	0.718
Income (Y)	0.813	0.823	0.869	0.570

Source: 2024 Data Processing Results

One way to measure the validity of discrimination is to look at the AVE (Average Extracted Variance) value. If the AVE value must be greater than 0.50, it means that all latent variables have good discriminatory validity. If the AVE value is below 0.5, it means that all latent variables do not have good discriminatory validity or the variables are invalid. Based on the results of the study, it is known that the AVE value of each variable in this study is greater than 0.50 which means that all latent variables in this study have good discriminatory validity.

Cross Loading

The cross loading of each indicator should be higher for each latent variable measured compared to the

indicator for the other latent variables. The output results are shown in the table below. The correlation of each indicator with its variables has a higher value compared to the correlation of the indicator from each variable has a good level of discriminant validity.

Table 13 Discriminant Validity Value with Cross Loading

Matrix	Digital Payment (X1)	Use of Accounting Information (X2)	Financial Literacy (x3)	Income (Y)
DP1	0.817	0.596	0.693	0.701
DP2	0.790	0.512	0.564	0.537
DP3	0.742	0.422	0.462	0.502
DP4	0.739	0.500	0.431	0.405
DP5	0.767	0.538	0.577	0.536
PIA1	0.641	0.891	0.763	0.751
PIA2	0.575	0.871	0.730	0.719
PIA3	0.623	0.860	0.725	0.692
PIA4	0.412	0.757	0.497	0.590
PIA5	0.577	0.860	0.693	0.640
LF1	0.593	0.638	0.807	0.584
LF2	0.642	0.669	0.870	0.648
LF3	0.596	0.695	0.865	0.649
LF4	0.600	0.724	0.853	0.644
LF5	0.630	0.696	0.840	0.778
P1	0.630	0.696	0.840	0.778
P2	0.480	0.598	0.513	0.735
P3	0.565	0.459	0.520	0.726
P4	0.440	0.582	0.454	0.751
P5	0.549	0.655	0.557	0.783

Source: 2024 Data Processing Results

According to table 13 above, it shows that the cross loading value of each indicator has a value greater than the cross loading value of other latent variables with the criterion of having a value above 0.50. It can be said that all of these research instruments are valid in a discriminatory manner.

Latent Variabel Correlation

The discriminatory validity test is used to determine the difference in the validity value of a variable compared to other variables. One way to measure the validity of discrimination is to compare the square root of the average variance extracted (AVE) obtained by taking the root of the correlation between the variables. If the square of the average variance extracted (AVE) value of the latent variable is greater than 0.7 and greater than the correlation nlai with all other latent variables, it can be considered to have good discriminatory validity. To show the square root of the average variance extracted (AVE) of the latent variable, it is shown in the Fornell-Larcker Criterion column below:

Table 14 Results of Discriminant Validity Test with Fornell-Larcker Criterion

Matrix	Digital Payment (X1)	Use of Accounting Information (X2)	Financial Literacy (X3)	Income (Y)
Digital Payment (x1)	0.772			
Use of Accounting Information (X2)	0.671	0.849		
Financial Literacy (x3)	0.724	0.809	0.847	

Income (Y)	0.713	0.802	0.786	0.755
------------	-------	-------	-------	-------

Source: 2024 Data Processing Results

Based on table 14 above, the square value of AVE for digital payment is 0.772. This value is greater than the correlation value between digital payments and other variables. The square root value of AVE in the income variable is 0.755. Thus the square root value of AVE is smaller than the correlation value between variables and other variables. This means that all latent variables in this study have good discriminatory validity.

3 Composite Reliability

A group of indicators that measure a variable has good composite reliability if the composite reliability is > 0.7, although this is not an absolute standard. The results of composite reliability are presented in the following table: A group of indicators that measure a variable has good composite reliability if the composite reliability is > 0.7, although this is not an absolute standard. The results of composite reliability are presented in the following table:

Table 15 Nilai Composite Reliability dan Cronbach's Alpha

<i>Matrix</i>	<i>Cronbach's Alpha</i>	<i>Rho_a</i>	<i>Composite Reliability</i>	<i>Average Variance Extracted (AVE)</i>
Digital Payment (x1)	0.832	0.849	0.880	0.595
Use of Accounting Information (X2)	0.902	0.909	0.928	0.721
Financial Literacy (x3)	0.902	0.908	0.927	0.718
Income (Y)	0.813	0.823	0.869	0.570

Source: 2024 Data Processing Results

The table above shows that the composite reliability value of all latent variables is between 0.928-0.570 which means that the overall composite reliability value is greater than 0.7. These results show that all latent variables have good composite reliability.

Structural Model Test (Inner Model)

The inner model is a structural model for predicting causal relationships between latent variables. The inner model is measured using the R-square latent variable with the same interpretation as the Q-square predictive relevance regression for the structural model, which measures how well the model generates the observed values as well as the estimation of its parameters. A Q-square value of > 0 indicates that the model has predictive relevance, whereas a Q-square value of < 0 means that the model has a lower predictive relevance. According to Hairi et al (2014), a Q-square value of 0.35 means that the model is considered strong, 0.15 means that the model is rated moderate, and 0.02 means that the model is considered weak. The structural model is evaluated using R-square for dependent constructs, path coefficient values or t-values for the real level in hypothesis testing. The higher the R-square value, the better the prediction model of the proposed research model. The inner model is intended for relationships between latent constructs.

Table 16 R2 Value Test Results

<i>Matrix</i>	<i>R Square</i>	<i>R Square Adjustive</i>
Income (Y)	0.722	0.712

Source: 2024 Data Processing Results

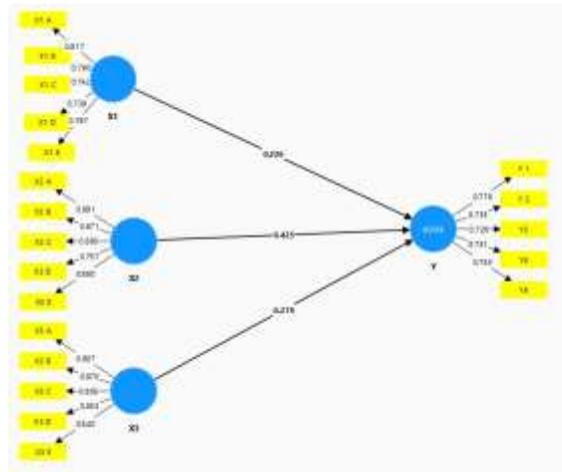
Based on the results of data processing, the R2 value listed in the output above can be explained by the income variables explained by the variables of digital payment, the use of accounting information, and financial literacy of 0.722 or 72.2 percent. The remaining 27.8% is explained by other variables outside the model.

5.2 Hypothesis test

This hypothesis test is a causality analysis carried out to determine the relationship between variables. Causality analysis can be used to determine the influence that exists between exogenous variables and endogenous

variables if the value of 1 statistically > t table and the value of P-value < alpha 0.05. The results of the hypothesis test are shown in the figure and table below.

Path Diagram



Sources of processed data in 2024

Figure 2 path diagram

Table 17 Patch Coefficient Model Test Results

Matrix	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Digital Payment (X1) -> Income (Y)	0.226	0.244	0.094	2.410	0.016
Use of Accounting Information (X2) -> Income (Y)	0.425	0.413	0.111	3.842	0.000
Financial Literacy (X3) -> Income (Y)	0.279	0.278	0.096	2.912	0.004

Source: 2024 Data Processing Results

Based on the table above, it can be explained that:

1. The sample mean value is 0.244, so digital payment has a positive effect on income. Every increase in digital payment of about 0.244 will be more effective in the income of MSMEs in Bukittinggi City. The statistical T value of 2,410 is greater than the T table (1.96) and the p-value is 0.023 < alpha 0.05, then H1 is accepted, meaning that digital payment has a positive relationship and has a significant influence on the income of MSMEs in Bukittinggi City.
2. The sample mean value is 0.413, so the use of accounting information has a positive effect on income. Every time the use of accounting information of MSME actors increases, the more effective the income of MSME actors in Bukittinggi City. The T value of 3,842 is greater than the T table (1.96) and the p-value is 0.020 < alpha 0.05, then H2 is accepted, meaning that it has a positive relationship and has a significant effect on the income of MSMEs in Bukittinggi City.
3. The sample mean value is 0.278, so financial literacy has a positive effect on income. The greater the financial literacy of MSME actors, the more effective the income of MSMEs in Bukittinggi City. The statistical T-value of 2.912 is greater than the table (1.96) and the p-value is 0.054 > alpha 0.5. These results mean that business scale has a positive relationship and has a significant effect on the income of MSMEs in Bukittinggi City.

5.3. Results and Discussion

The Influence of Digital Payment on MSME Income

Based on the results of the analysis above, it is clear that digital payment has a positive and significant effect

on the income of MSMEs in Bukittinggi City, because the significant value or alpha level set is smaller, namely 0.016 so that the hypothesis proposed can be accepted. This means that MSME actors in Bukittinggi City already understand the basics of digital payment, so the increase in digital payment will have a good impact on MSME income. This is in line with research conducted by sihaloho et al, (2020) which stated that the application of digital payment in this context is QRIS, as business actors want to be able to keep up with the development of technology and information so that later they can facilitate activities to make it easier to do business. The existence of QRIS also supports transactions for traders so that there is an increase in income every day in Medan City MSMEs.

The Effect of the Use of Accounting Information on MSME Income

Based on the results of the analysis above, it can be seen that the Use of Accounting Information is in the good category. The second hypothesis states that the use of Accounting Information has a positive and significant effect on the income of MSMEs in Bukittinggi City. The research is in line with research conducted by Murniati (2023) which found that the use of accounting information systems in MSMEs in West Sumatra has a positive influence on business income

The Effect of Financial Literacy on MSME Income

Based on the results of the analysis above, Financial Literacy is in the good category according to the respondents. The third hypothesis states that Financial Literacy has a positive and significant effect on MSME Income. Thus, Financial Literacy affects MSME Income in Bukittinggi City. This research is in line with the results of the Butar (2021) research showing that financial literacy has a positive relationship and has a significant influence on the sustainability of MSME businesses.

6. Conclusion

Based on the results of the analysis above conducted on the influence of digital payments, the use of accounting information and financial literacy on MSME income. From all the tests conducted, the following conclusions can be drawn:

- a. Digital Payment has a positive and significant effect on MSME income in Bukittinggi City.
- b. Use of Accounting Information has a positive and significant effect on MSME Income in Bukittinggi City.
- c. Financial Literacy variable has a positive and significant effect on MSME Income in Bukittinggi City.

Bibliography

- <https://www.bps.go.id/indicator/170/440/1/jumlah-perusahaan-menurut-provinsi.html>
- Arya Bee Grand Christian Dan Maria Rio Rita. 2016. Peran Penggunaan Informasi Akuntansi Dalam Pengambilan Keputusan Untuk Menunjang Keberhasilan Usaha. Fakultas Ekonomika Dan Bisnis Universitas Kristen Satya Wacana. Jurnal. EBBANK Vol. 7, No. 2
- Arodi. Taufik. 2017. Pengaruh Literasi Keuangan Terhadap Kinerja dan Tingkat Pengembalian Kredit UMKM Makana dan Minuman Malang, Jawa timur. Skripsi. Universitas Brawijaya
- Firdarini, Khoirunnisa Cahya. 2019. Pengaruh Pengalaman Usaha Dan Penggunaan Informasi Akuntansi Pelaku Usaha Mikro Kecil Menengah Terhadap Keberhasilan Usaha. Jurnal riset manajemen Vol.6, No,1
- Fitri Wahyuni Wulan Dari, Dewi Rosa Indah dan Nasrul Kahfi Lubis (2022), Pengaruh Modal Usaha, Penggunaan Informasi Akuntansi, Dan Literasi Finansial Terhadap Keberhasilan UMKM di Kota Kualasimpang, Jurnal Mahasiswa Akuntansi Samudra, Vol. 3 No. 3
- Munif, Ahmad. 2018. Pengaruh Penggunaan Informasi Akuntansi, Pelatihan Akuntansi Dan Modal Terhadap Keberhasilan Usaha Kecil dan Menengah (Study Empris Pada Usaha Kecil Menengah Di kabupaten Temanggung). Skripsi. Universitas Muhammadiyah Megelang
- Otoritas Jasa Keuangan. 2013. Stategi Nasional Literasi Keuangan Indonesia. 8 Oktober 2017
- Otoritas jasa keuangan. (2016). Survei Nasional Literasi dan Inklusi Keuangan 2016. 8 Oktober 2017
- Pinasti, M, 2007. Pengaruh Penyelenggaraan dan Penggunaan Informasi Akuntansi Terhadap Persepsi Pengusaha Kecil Atas Informasi Akuntansi : Suatu Riset Experiment, Jurnal Riset Akuntansi Indonesia. Vol.10 (3)
- Undang – Undang Nomor 20 Tahun 2008 Tentang Usaha Mikro, Kecil Dan Menengah
- Cassie, A. H., & Hastuti, S. (2021). Pengaruh Literasi Keuangan dan Financial Technology Terhadap Laba UMKM

- (Studi Empiris UMKM Di Kota Surabaya). 5 No.2(2808–6988)
- Gahagho, Y., Rotinsulu, O. T., & Mandej, D. (2021). Pengaruh Literasi Keuangan Sikap Keuangan dan Sumber Pendapatan Terhadap Perilaku Pengelolaan Keuangan Mahasiswa Falkutas Ekonomi dan Bisnis UNSRAT dengan Niat sebagai Variabel Intervening. *Jurnal EMBA*, 543–555.
- Lestari, P. A. (2020). Pengaruh Sistem Informasi Dan Pemanfaatan E-Commerce Terhadap Kinerja Usaha Kecil Menengah (Ukm) Di Kota Makassar. Skripsi Universitas Muhammadiyah Makassar
- Mizan, M., Sholeh, D., Muhammad, S., Ismail, H., & Nurul, S. (2021). Implementasi Sistem Pembayaran Quick Response Indonesia Standard dalam Pendekatan Asset-Baset Community Development (ABCD) Bagi Perkembangan UMKM Desa Kondangsari Kecamatan Beber Kabupaten Cirebon. 3, 108–116
- Ni Cening Putri Eka Ayu and Gst. Ayu Ketut Rencana Sari Dewi (2021) Pengaruh Literasi Keuangan Penggunaan Informasi Akuntansi dan Modal Usaha Terhadap Keberlanjutan UMKM di Kecamatan Buleleng, Vokasi *Jurnal Riset Akuntansi*, Vol. 10. No. 2
- Rustanto, A. E., & Kartini, I. (2019). Efektivitas Pembayaran Non Tunai Pada Umkm Daerah Aliran Sungai Citarum. *Jurnal Lentera Bisnis*, 8(2), 1.ss