



**THE INFLUENCE OF ACCOUNTING KNOWLEDGE, INTERNAL
CONTROL, AND FINANCIAL LITERACY ON THE FINANCIAL
PERFORMANCE OF BOARDING HOUSES
(STUDY ON BOARDING HOUSE OWNERS IN BENGKALIS DISTRICT)**

Meri Marfina¹

Politeknik Negeri Bengkalis, Bengkalis, Indonesia

merimarpina@gmail.com

Rosmida²

Politeknik Negeri Bengkalis, Bengkalis, Indonesia

rosmida@polbeng.ac.id

Abstract

This study is driven by the significance of effective financial management in boarding houses, so boarding house owners need to have adequate where accounting knowledge, internal control systems, and financial literacy to improve their financial performance. This study aims to examine the effect of accounting Knowledge, Internal Control, and Financial Literacy on the financial performance of boarding houses in Bengkalis District. The research method a quantitative research design, with data obtained using structured questionnaires distributed to 68 owners or kost managers, and the analysis was carried out using descriptive statistical analysis, instrument validity and reliability assessments, classical assumption evaluations, and multiple linear regressions through SPSS, The findings of this study indicate that simultaneously the three independent variables jointly exerted a statistically significant influence on Financial Performance, with a significance level below 28.598 and a $p < 0.001$ and an Adjusted R^2 of 0.553. Partially, Internal Control ($\beta = 0.164$; $p < 0.001$) and Financial Literacy ($\beta = 0.542$; $p < 0.001$) had demonstrated a positive and statistically meaningful impact, whereas Accounting Knowledge did not show a significant effect ($\beta = -0.134$; $p = 0.108$). These findings show that the application of internal control mechanisms and financial literacy has a stronger role in improving financial performance than just accounting knowledge that is not applied optimally. This study recommends increasing internal control training, financial literacy, and practical bookkeeping assistance for boarding house owners to strengthen business performance.



Keywords: Accounting Knowledge, Internal Control, Financial Literacy, Financial Performance, Boarding House Business, Boarding House Owners, SPSS, Multiple Linear Regression

INTRODUCTION

The service sector makes an important contribution to driving Indonesia's economic growth, covering various fields such as transportation, tourism, education, and accommodation. One form of service business that has developed significantly in the education area is the boarding house business. The boarding house business not only serves as temporary housing for the immigrant community but has also become a productive asset that has the potential to provide great profits when managed professionally. The increasing demand for housing has made cost efforts a promising economic opportunity for the community.

Bengkalis District is one of the areas that has experienced rapid growth in the boarding house, supported by the existence of three major universities, namely the Bengkalis State Polytechnic with a total of 3,546 students, the Bengkalis State Islamic Institute with a total of 2,436 students, and the Bengkalis State Sharia Institute with a total of around 712 students. The large number of students makes the need for stable boarding rooms even increases every year. This condition encourages many people to open boarding houses, especially around the campus area. However, this business development has not been fully followed by good financial and asset management from the boarding house owners.

Most boarding house owners in Bengkalis still manage their businesses simply without adequate financial records. Many of them do not compile profit and loss reports, do not record cash flows, and even only rely on memory in monitoring income and expenses. These unsystematic management practices make it difficult for owners to measure profits, plan renovations, and determine business development strategies. As a result, revenue potential is often not optimal due to the lack of financial data that can serve as a foundation for managerial decision-making.

Financial literacy is an important factor that can answer these problems. Financial literacy includes the capacity to understand and financial resources in order to attain both short-term and long-term financial objectives. According to the latest data from the Financial Services Authority (2025), the financial literacy level of the Indonesian people is at 66.46%, but the gap in financial literacy



between urban and rural areas is still quite high — including in Bengkalis Regency. According to the findings of research conducted by Yulaiha and friends (2025), businesses with high financial literacy tend to have better financial performance because they are able to make plans, manage risks, and make optimal use of financing opportunities.

In addition to financial literacy, accounting knowledge also serves a significant role in improving the financial performance of boarding houses. Accounting knowledge helps boarding house owners understand the principles of transaction recording, account classification, preparation of simple financial statements, and profit and loss analysis. Research by Setiawan and friends (2024) confirms that a good understanding of accounting exerts a beneficial influence on the performance of small businesses, because accurate financial statements provide a real picture of business conditions. However, many boarding house owners in Bengkalis do not come from an accounting background, so they have difficulty implementing correct and consistent financial records.

Lack of accounting knowledge causes boarding house owners to be unable to separate personal and business finances, make cost calculation errors, and do not have financial data when needed. The limitation of such records hinders the planning of the development of boarding facilities and the application of funding from formal financial institutions. In the long term, these conditions can reduce profitability and business sustainability. Therefore, basic accounting skills are an important need in the management of an increasingly competitive boarding house.

Another factor that is no less important in improving the financial performance of boarding businesses is internal control. Internal controls protect assets, ensure accurate recording, and improve operational efficiency. Based on research by Ulorlo (2025), good internal controls have a significant impact on financial performance through asset protection and reduction of fraud risk. In the context of boarding houses, weak control systems often cause losses such as loss of assets, inaccurate rental records, and misuse of operational funds.

The lack of research that specifically discusses the boarding house business as a property-based service sector adds to the urgency of this study. Most of the previous research still focused on MSMEs or general trade, even though boarding businesses have unique characteristics in terms of assets, revenue streams, and operational risks. Therefore, this study was undertaken to analyze the impact of Accounting Knowledge, Internal Control, and Financial Literacy on the financial performance of boarding house owners in Bengkalis. This study is expected to



make a practical contribution for boarding house business owners in improving the professionalism of business management and enriching the applied accounting literature in the micro property services sector. The aims of this research include:

1. Analyzing the effect of accounting knowledge on the financial performance of boarding houses in Bengkalis district.
2. Analyzing the impact of internal control on the financial performance of boarding houses in Bengkalis sub-district.
3. Analyzing the effect of financial literacy on the financial performance of boarding houses in Bengkalis sub-district.
4. To analyze the combined effect of these three variables simultaneously on the Financial Performance of Boarding Houses in Bengkalis District.

LITERATURE REVIEW

Agency Theory

Agency Theory describe the interaction between principals and agents in the administration of economic resources, of control, accountability, and transparency are needed to prevent conflicts of interest. In the boarding house business, boarding house owners as principals need supervision mechanisms such as accounting knowledge, internal control, and financial literacy so that financial management runs honestly and effectively. Previous research supports the relevance of this theory, such as the findings of Sari and Wulandari (2022) that accounting knowledge increases transparency, Wahyuni (2021) that internal control prevents fraud, and Gunawan and Fatimah (2020) that disciplined bookkeeping reduces internal financial conflicts. This theory is an important basis in understanding how accounting and supervision mechanisms can improve the quality of management and financial performance of boarding houses.

Accounting Knowledge

Accounting knowledge It is the ability of individuals to understand and apply the basic principles of accounting, from recording, classification, summary to the analysis and interpretation of financial information to support economic decision-making. This knowledge allows business actors to read financial conditions objectively through accurate and standard financial statements. Ismaulina (2024) emphasized that accounting knowledge includes an in-depth understanding of the financial reporting process, while the AICPA emphasizes the importance of accounting standards and the quality of financial information as the foundation of management in assessing the financial performance and position of an entity.



In practice, accounting knowledge has a strategic role for business actors, because it helps to improve operational efficiency, prepare proper financial statements, and fulfill administrative obligations such as taxation. Santoro and Usai (2018) show that good accounting knowledge management can improve economic performance and company innovation. But in reality, many business actors still have low accounting knowledge, so financial statements are often not used optimally in decision-making. Research by Handayani (2020) and Johan and Akbar (2025) found that this limitation causes business actors to only do simple recording and are less able to manage financial conditions as a whole.

Internal Control

Internal control is a systematic mechanism influenced by both personnel and IT systems **that** supports organizations in achieving specific objectives goals through asset protection, improved reliability of accounting information, and operational efficiency. This framework encompasses organizational structures, operational methods, and procedures designed to prevent errors, fraud, and malpractice, while ensuring compliance with management policies (Safitri, 2013). Sunanti et al. (2022) emphasized that internal control not only protects physical assets, but also ensures information accuracy and operational compliance. The objectives of internal control include maintaining assets, ensuring the accuracy of accounting data, increasing efficiency, and ensuring compliance with management policies (Mulyadi, 2014; Tmbooks, 2015).

According to COSO (2013), internal control is composed of five main key components, which include; a control environment that reflects ethical commitments and organizational structure; risk assessments aimed at recognizing and evaluating potential risks that may obstruct the attainment of organizational goals; control activities, that include separation of duties, transaction authorization, and physical control of assets; information and communications that ensure the availability of relevant data for decision-making; as well as monitoring activities o evaluate how effectively the control system operates on an ongoing basis. The combination of these five elements ensures that the organization is able to operate effectively, efficiently, and accountably in accomplishing predetermined objectives.

Financial Literacy

Financial literacy denotes a person's ability to understand manage, and make decisions related to finance effectively. This literacy includes an understanding of income, expenses, savings, investments, and risk management that helps individuals or business actors achieve their financial goals. According



to Hanasri et al. (2023), financial literacy consists of knowledge, skills, and beliefs that affect a person's behavior in making the right financial decisions. Research by Yulaiha et al. (2025) emphasizes that business actors with high financial literacy are able to manage cash flow, separate personal and business finances, and make strategic decisions that have a positive impact on business sustainability. This is in line with the view of Lusardi and Mitchell (2014) who stated that people possessing strong financial literacy skills are better able to avoid financial problems and manage their finances effectively.

Factors that affect financial literacy include sociodemographic characteristics, family background, and friendly environment. Sociodemographics such as age, education, and employment can determine a person's level of understanding of financial concepts, as found by Setiawan and Andriani (2022). Family background also plays a big role, as financial values and habits are often formed from childhood through parental parenting (Gudmunson & Danes, 2011). In addition, friend groups also influence financial behavior, where individuals tend to follow the financial habits of their social environment (Shim et al., 2010). Financial literacy indicators include basic understanding of personal finances, budgeting, credit and debt handling, as well as savings and investments, along with risk management (Nababan & Sadalia, 2012), which overall constitute an important foundation for individuals to manage their finances responsibly.

Financial Performance

Financial performance represents a description of a business's ability to manage its financial resources in order predetermined goals. According to Harahap (2007) and Jumingan (2006), financial performance reflects the effectiveness of a company in managing revenue, costs, assets, debts, and the ability to generate stable profits. Financial performance appraisals also include profitability, liquidity, and solvency analysis, which helps business owners understand their financial condition thoroughly. Financial performance measurement is important because it shows the success of the business in generating profits, maintaining liquidity, and meeting financial obligations. In addition, external factors such as economic conditions, competition, and government policies also affect financial performance (Brigham & Ehrhardt, 2014), so financial management must be carried out comprehensively and adaptively.

To assess financial performance in a more measurable manner, several indicators are used, such as operating profit, cash flow, complete financial statements, funding policy, availability of cash funds, accuracy of paying off



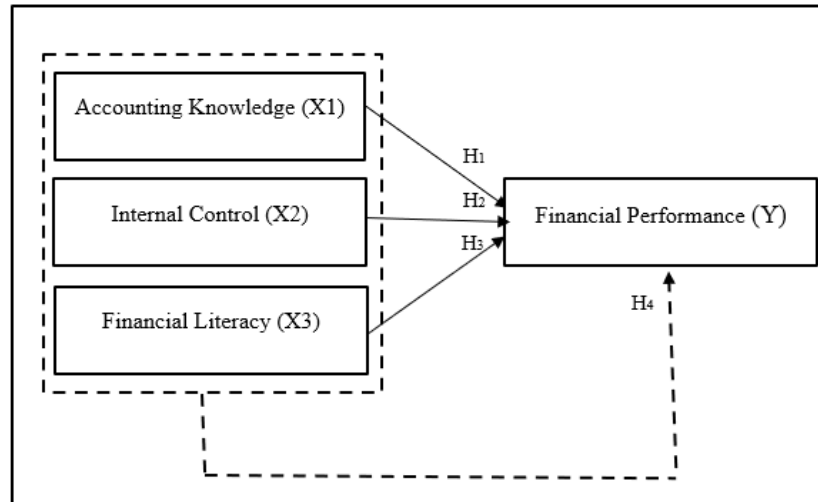
liabilities, efficiency of inventory management, and separation of personal and business finances (Pangastuti, 2023; Widyastuti, 2024; Ariningrum, 2021). Operating profit reflects the difference between revenue and expenses, while cash flow indicates a firm's capacity to fulfill its short-term financial commitments. A complete financial statement shows the accountability and managerial ability of the business owner, while the funding policy describes the ability to choose the right source of capital. Other indicators such as cash availability, debt repayment accuracy, and inventory efficiency indicate whether the business is running healthily and efficiently. All of these indicators are the basis for assessing whether businesses, including boarding houses, have good and sustainable financial conditions.

Boarding House

According to Hasan (2017), boarding houses are a form of rental housing in the form of rooms provided by the homeowner to other individuals (usually students, workers, or foreigners) to live in for a certain period of time. Boarding houses generally have limited facilities such as beds, closets, and bathrooms (can be private or shared), and are subject to monthly or annual rent fees according to the agreement between the owner and tenant. Boarding houses are a more affordable alternative to renting a house or apartment in full. According to Yuliani (2020), boarding houses are also seen as a form of micro business in the property and rental sector, which has significant economic potential, especially in urban areas or near campuses and industrial areas. Boarding house owners not only provide housing, but also play a role in maintaining the comfort, security, and cleanliness of the boarding house environment so that it is attractive to tenants. Therefore, boarding house business management requires bookkeeping, financial supervision, and good service to maintain resident loyalty.

Framework

Based on the review of relevant literature previous research and with reference to the research background, problem formulation, and study objectives, for this reason, the author formulates the framework of thought in Figure 1 below:

**Figure 1.****Conceptual Framework**

Source: Processed Data (2025)

RESEARCH METHOD

This research is quantitative research with an associative approach that approach to examine the relationships between Accounting Knowledge, Internal Control, and Financial Literacy and their effects on the financial performance of boarding house businesses. The research was carried out in Bengkalis District, especially on boarding house owners and managers in the area around education centers and community settlements. This location was chosen because of the high growth of boarding houses in the area, especially due to the increasing need for housing for students and immigrant communities. The entire research process, from the preparation of the instrument, the distribution of questionnaires to data analysis using SPSS, was carried out within the time span of preparing the thesis in order to obtain accurate and relevant data to the research objectives.

The study population comprises all proprietors and administrators of boarding houses domiciled in Bengkalis District. This population includes boarding house owners with various numbers of rooms and management scales, both in public residential areas and those located around the university area. The sampling procedure applied in this research employs use non-probability approach using the purposive sampling technique, in which respondents are selected according to specific criteria that are relevant to the purpose of the research, namely the owner or manager of a boarding house who is actively running a business and willing to fill out a research questionnaire. The number of targeted samples was 100 people, but the questionnaire that came back and



could be processed was 68 respondents, so that the final sample utilized in this study consisted of 68 boarding house business owners in Bengkalis District.

The method of data collection employed in this study uses a structured (questionnaire) administered to boarding house business owners. The questionnaire was compiled using the five-level Likert scale, spanning ranging from strongly disagree to strongly agree. Each variable has several indicators that are measured through a closed statement in a questionnaire. The use of questionnaires allows researchers to measure respondents' perceptions systematically and consistently. In addition, this technique is effectively used because the number of respondents is large and spread across several locations in the sub-district.

The analytical technique applied in this research employs. employs multiple linear regression analysis. In this study, this multiple linear regression analysis which aims to identify the effect of bookkeeping practices, accounting knowledge, and internal control on the financial performance of boarding houses. The selection of this method is based on the purpose of the research which wants to see the simultaneous and partial effect of each predictor on the outcome variable. This research adopts a quantitative approach, approach, so that all data is processed numerically and analyzed through the SPSS (Statistical Package for the Social Sciences) software.

RESULTS AND DISCUSSION

Data Quality Test

Data quality testing is a crucial step in research that uses questionnaires as a data collection instrument. The goal is to confirm that the collected data are accurate and dependable, and reliable, so that the results of the research can be trusted and generalized. In the context of questionnaires, data quality tests involve two main aspects two primary components: validity assessment and reliability assessment.

Data Validity Test

Validity Test

Table 2.
Validity Test Results

Variable	Indicator	r-Value	r-Table	Significance	α	Description
Accounting Knowledge (X1)	X1.1	0,870	0,2387	0,001	0,05	Valid
	X1,2	0,918	0,2387	0,001	0,05	Valid
	X1.3	0,898	0,2387	0,001	0,05	Valid
	X1.4	0,918	0,2387	0,001	0,05	Valid



Variable	Indicator	r-Value	r-Table	Significance	α	Description
Internal Control (X2)	X2.1	0,755	0,2387	0,001	0,05	Valid
	X2.2	0,814	0,2387	0,001	0,05	Valid
	X2.3	0,849	0,2387	0,001	0,05	Valid
	X2.4	0,810	0,2387	0,001	0,05	Valid
	X2.5	0,884	0,2387	0,001	0,05	Valid
	X2.6	0,853	0,2387	0,001	0,05	Valid
	X2.7	0,894	0,2387	0,001	0,05	Valid
	X2.8	0,881	0,2387	0,001	0,05	Valid
	X2.9	0,877	0,2387	0,001	0,05	Valid
	X2.10	0,753	0,2387	0,001	0,05	Valid
Financial Literacy (X3)	X3.1	0,898	0,2387	0,001	0,05	Valid
	X3.2	0,918	0,2387	0,001	0,05	Valid
	X3.3	0,840	0,2387	0,001	0,05	Valid
	X3.4	0,752	0,2387	0,001	0,05	Valid
	X3.5	0,810	0,2387	0,001	0,05	Valid
	X3.6	0,772	0,2387	0,001	0,05	Valid
Financial Performance (Y)	Y.1	0,813	0,2387	0,001	0,05	Valid
	Y.2	0,877	0,2387	0,001	0,05	Valid
	Y.3	0,839	0,2387	0,001	0,05	Valid
	Y.4	0,863	0,2387	0,001	0,05	Valid
	Y.5	0,861	0,2387	0,001	0,05	Valid

Source: SPSS Processed Data (2025)

The findings of the validity assessment show that all measurement items in the research variables of Accounting Knowledge, Internal Control, Financial Literacy, and Financial Performance are declared valid. This is demonstrated by the comparison between the calculated r-value and the critical r-table value, of the table > r calculation of 0.230, indicating that all items are appropriate for further data analysis and further data processing.

Reliability Test

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Standard Variable	Description
Accounting Knowledge (X1)	0.921	0.60	Reliable
Internal Control (X2)	0.952	0.60	Reliable
Financial Literacy (X3)	0.888	0.60	Reliable
Financial Performance of Boarding Houses (Y)	0.902	0.60	Reliable

Source: SPSS Processed Data (2025)

The findings of the reliability analysis revealed that all variables surpassed the minimum criterion of 0.70, making the research instrument reliable. This



implies that all measurement items demonstrate consistency are consistent in measuring the variables being studied.

Classical Assumption

Normality Test

Table 4.
Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		68
Normal Parameters, ^b	Red	0.0000000
	Std. Deviation	1.72220797
Most Extreme Differences	Absolute	.076
	Positive	.060
	Negative	-.076
Test Statistic		.076
Asymp. Sig. (2-tailed)		200d

Source: SPSS Processed Data (2025)

Drawing on the findings from the normality assessment conducted using the Kolmogorov–Smirnov One-Sample test, it was found that the Asymp value. Sig (2-tailed) value is 0.200, which exceeds the predetermined significance level of of 0.05. In accordance with the data collection criteria, it is considered to be distributed normally when the significance value exceeds 0.05. These results indicate that the residuals of the regression model follow a normal distribution.



Multicollinearity Test

Table 5. Multicollinearity Test Results

Coefficients			
Models		Collinearity Statistics	
		Tolerance	VIVID
1	Accounting Knowledge (X1)	0,832	1,201
	Internal Control (X2)	0,714	1,401
	Financial Literacy (X3)	0,695	1,438
a. Dependent Variable: Y			

Source: SPSS Processed Data (2025)

The outcomes of the multicollinearity assessment results indicate that all independent predictors – Accounting Knowledge (X1), Internal Control (X2), and Financial Literacy (X3)—exhibit tolerance values of 0.832, 0.714, and 0.695, respectively, all of which exceed the acceptable threshold of 0.10. In addition, the Variance Inflation Factor (VIF) values remain relatively low, at 1.201, 1.401, and 1.438, respectively, which are substantially below the critical limit of 10. Therefore, it can be concluded that the regression model is free from multicollinearity issues, indicating that each independent variable provides a distinct contribution and is appropriate for inclusion in further regression analysis.

Heteroscedasticity Test

Table 6. Heteroscedasticity Test Results

Coefficients						
Models		Unstandardized Coefficients		Standardized Coefficients	t	Sig
		B	Std. Error	Beta		
1	(Constant)	2.737	1.357		2.017	0.048
	Accounting Knowledge (X1)	0.014	0.050	0.037	0.276	0.783
	Internal Control (X2)	-0.033	0.026	-0.181	-1.244	0.218
	Financial Literacy (X3)	-0.006	0.059	-0.016	-0.111	0.912
a. Dependent Variable: ABS_RES						

Source: SPSS Processed Data (2025)

The findings from the heteroscedasticity assessment using the Glejser method showed that the independent variables Accounting Knowledge (X1),



Internal Control (X2), and Financial Literacy (X3) each had significance values of 0.783; 0.218; and 0.912, all of which were above 0.05. These findings confirm that there is no significant absence of a significant relationship among the independent variables and the absolute residual values, so the regression model is declared free of heteroscedasticity. and the model variance is homogeneous, and the model meets the homoscedasticity assumption, of homogeneity, so that the results of regression estimates can be interpreted accurately and reliably.

Multiple Linear Regression Analysis

Table 7
Multiple Linear Regression Test Results

Table with 7 columns: Models, Unstandardized Coefficients (B, Std. Error), Standardized Coefficients (Beta), t, and Sig. Rows include Constant, Accounting Knowledge (X1), Internal Control (X2), and Financial Literacy (X3).

Source: Processed data (2025)

Drawing from the linear regression equation above, multiple linear regression analysis is as follows:

Constant (a = 2.104)

A positive constant value indicates that when all independent variables are considered to be zero, Financial Performance is at a base value of 2.104. This means that without the influence of Accounting Knowledge, Internal Control, and Financial Literacy, Financial Performance is still at a positive level.

Accounting Knowledge (X1)

The regression coefficient of X1 was valued at -0.134 with a p-value of 0.108 (> 0.05). These results show that Accounting Knowledge has a negative yet statistically insignificant effect on Financial Performance. Thus, the improvement of Accounting Knowledge do not produce a meaningful effect on variations in Financial Performance.

Internal Control (x2)

The regression coefficient of X2 was 0.164 with a p-value of 0.001 (< 0.05). These results indicate that Internal Control exerts a positive and statistically



significant impact on Financial outcomes. This means that the better internal control that is applied, the greater the Financial results produced.

Financial Literacy (X1)

The regression coefficient of X3 was 0.542 accompanied by a p-value of 0.001 (< 0.05). This variable exerts a positive and statistically significant effect and is the most dominant variable in improving Financial Performance. Increasing financial literacy has proven to make the biggest contribution to improving the Financial Performance of Boarding Houses.

Hypothesis Test

Hypothesis testing is a procedure used to make a decision, i.e. whether to accept or reject the hypothesis.

Partial Significance Test (Statistical Test t)

Table 8.

t-Test Results Based on Coefficient Significance

Variable	Sig(p)	Value	Criteria
Accounting Knowledge (X1)	108	0,05	H1 Rejected
Internal Control (X2)	0,01	0,05	H2 Accepted
Financial Literacy (X3)	0,01	0,05	H3 Accepted

Source: SPSS Processed Data (2025)

It is known that the calculated t-value Tcount with Ttable at a significance level of 5% with the following equation:

$$\begin{aligned}
 T \text{ Table} &= n - k; \alpha \\
 &= 68 - 3 - 1 : 0.05 \\
 &= 64 ; 0,05 \\
 &= 1,997
 \end{aligned}$$

Remarks

n = Represents the number of samples

k = Number of independent variables

I = Constant

The results of the t-test, based on the calculated t-values (Thcal) and the critical t-values (Ttable), are presented in Table 4.7:

Table 9.

t-Test Results Based on the Calculated t-Values

Variable	T Value	T Table value	Criteria
Accounting Knowledge (X1)	-1.631	1,997	Rejected
Internal Control (X2)	3.796	1,997	Accepted
Financial Literacy (X3)	5.643	1,997	Accepted

Source: Processed data (2025)



Simultaneous Significant Test (Statistical Test F)

Table 10.

Simultaneous Significance Test Results (F-Test)

ANOVA						
Models		Sum of Squares	df	Mean Square	F	Sig
1	Regression	266.396	3	88.799	28.598	<.001b
	Residual	198.722	64	3.105		
	Total	465.188	67			

a. Dependent Variable: Y

b. Predictors: (Constant), X3, X1, X2

Source: Processed data (2025)

The findings from the F-statistical analysis yielded an F-statistic of 28,598 accompanied by a p-value $o < 0.001$, which falls below the significance threshold of 0.05. This indicates that the regression model employed in this study is statistically significant and meets the criteria of goodness of fit. Thus, Therefore, it may be concluded that the independent variables Accounting Knowledge (X1), Internal Control (X2), and Financial Literacy (X3) collectively exert a significant influence on Financial Performance (Y) in boarding house business owners in Bengkalis.

Determination Coefficient Test (Adjusted R2)

Table 11.

Determination Coefficient Test Results (Adjusted R2)

Model Summary				
Models	R	R Square	Adjusted R Square	Std. Error of the Estimated
1	.757a	.573	.553	1.762
a. Predictors: (Constant), X3,X1,X2				
b. Dependent Variable: Y				

Source: Processed data (2025)

The findings from the determination coefficient analysis indicated that the Adjusted R² value was 0.553, suggesting that Accounting Knowledge, Internal Control, and Financial Literacy could account for 55.3% of the variation in Financial Performance in boarding house business owners in Bengkalis. Thus, the regression model is considered quite good in describing the relationship between variables. At the same time, the remaining 44.7% can be attributed to factors not included in the model, such as competitive conditions, demand levels, quality of facilities, and marketing strategies. An R-value of 0.757 also confirms the



existence of a strong association between the independent and dependent variables.

Accounting Knowledge of the Financial Performance of Boarding Houses in Bengkalis District.

The findings of the partial indicated that Accounting Knowledge (X1) did not exhibit a no significant influence on the financial outcomes of the Boarding House Business, as shown by the a significance value of 0.108, which is greater than 0.05, and a calculated t-value of -1.631, less than the critical t of 1.997. Thus, the first hypothesis is rejected.

This finding indicates that although some boarding house owners have a basic understanding of accounting, this knowledge has not been applied consistently in business management. Financial management of boarding houses in Bengkalis is generally still simple, such as manual recording without following standard accounting procedures, so that accounting knowledge is not able to make a real contribution to improving the efficiency and quality of financial decision-making.

These findings are consistent with Putri and Nasution (2020), Safitri (2021), and Rahmah (2022) who both found that accounting **knowledge** lacks a significant influence on the performance of MSMEs when it is not implemented in the recording and preparation of financial statements systematically. Thus, accounting knowledge will only yield a positive effect if applied in a structured manner in business financial management.

The Impact of Internal Control on the Financial Performance of Boarding Houses in Bengkalis District

The findings from the t-test indicated that the Internal Control (X2) exhibited a significance value of 0.01 less than 0.05 and a computed t-statistic of 3.796 exceeding the t-value of 1.997. These results demonstrate that Internal Control exerts a positive and statistically significant impact on the Financial Performance of the Boarding House Business. Thus, the better the internal control framework implemented, the better the financial results of the business. In the boarding house business, internal control is an important factor to maintain administrative order, ensure that rental income is recorded correctly, and prevent errors or leakage of funds.

Good internal control includes clear transaction recording, periodic cash checks, monitoring of boarding house assets, recording rent payment schedules, and separation of personal and business finances. Boarding house owners who implement this control system are able to avoid late rent payments, loss of assets, or errors in financial records. In addition, internal control helps business owners



have accurate proof of transactions so that it facilitates the financial evaluation process for each period. With good supervision, boarding houses can operate more efficiently and avoid operational risks.

These findings are consistent with the research of Rahman & Lestari (2021) which shows that internal controls play a role in improving the accuracy of financial statements, preventing irregularities, and improving the operational stability of small businesses. The outcomes of this research strengthen the view that internal control is one of the most dominant factors in determining the financial performance of boarding houses, especially for businesses that involve regular cash flow and sustainable use of assets.

The Impact of Financial Literacy on the Financial Outcomes Boarding Houses in Bengkalis District

The findings of the partial indicated that Financial Literacy (X3) exhibited a significance level of 0.01 along with a t-statistic of 5.643 exceeding was value of 1.997. Thus, Financial Literacy demonstrates a positive and statistically significant effect on Financial Performance. This indicates that boarding house owners who have a higher level of financial literacy are more capable of overseeing their business resources in a planned, orderly, and efficient manner.

Financial literacy helps boarding house owners manage cash flow, create budgets, control operational costs, separate personal and business finances, and manage rental income appropriately. They are also better prepared to face financial risks by preparing reserve funds for facility repairs or other urgent needs. Additionally, financial literacy allows them to set rational and competitive rental rates based on demand levels, operating costs, and market conditions.

These findings correspond with the study conducted by Erin et al. (2025) which states that financial literacy has a crucial role in enhancing improving the performance of small businesses. Yulaiha research (2025) also found that financial literacy helps business actors maintain financial stability, avoid fund mismanagement, and optimize income. Thus, financial literacy is a variable that greatly determines the success of the boarding house business in Bengkalis District.

The Impact of Accounting Knowledge, Internal Control, and Financial Literacy on the Financial Outcomes of Boarding Houses in Bengkalis District

According to the F-test results, the calculated F value was obtained at 28.598, which exceeds the critical F of the table of 2.74. In addition, the p-value of 0.000, being less than 0.05, indicates that the three independent predictors together exert a significant influence on the financial outcomes of the Boarding



House Business. This indicates that the regression model used in this study is feasible and able to explain significant variations in financial performance.

These findings demonstrate that although Accounting Knowledge lacks a partial impact, it simultaneously still contributes to supporting the business management model. Accounting knowledge continues to serve as a basic foundation that strengthens the implementation of internal control and financial literacy. When these three variables are combined in a single model, their influence on financial performance becomes stronger and more comprehensive.

Internal control and financial literacy are the dominant factors, while accounting knowledge plays a supporting variable. The combination of the three results in a more directed, structured, and efficient business management system. The findings of this study correspond with the research conducted by Sari & Gunawan (2022) indicating that these three jointly exert a significant influence on the performance of small businesses. Thus, the present study model is able to explain the determinants influencing the success of the boarding house business in Bengkalis District as a whole.

CONCLUSION

Drawing from the findings of this study, on the influence of Accounting Knowledge, Internal Control, and Financial Literacy on the financial outcomes of boarding house businesses in Bengkalis Regency, it can be concluded that Accounting Knowledge exerts no significant influence on financial performance, which shows that the understanding of accounting owned by boarding house owners has not been implemented consistently in the practice of recording and financial management so that it is not able to encourage improvement business performance. On the other hand, Internal Control has been demonstrated to exert a significant and favorable impact, which confirms that the existence of supervision procedures, separation of personal and business finances, and orderly recording of transactions are important factors in maintaining operational effectiveness and stability of financial performance. Financial Literacy emerges as the key and most influential and significant variable for enhancing financial results, because the ability to manage cash flow, prepare budgets, control expenses, and make the right financial decisions has proven to be the main foundation in building more stable and sustainable business performance. Simultaneously, these three variables have proven to be significant in influencing financial performance, so this research model can be said to be able



to comprehensively explain the financial management mechanism in boarding houses in Bengkalis.

The findings from this research have both conceptual and applied implications. Theoretically, these findings strengthen Conceptually concept of *knowledge behavior gap* in the accounting knowledge variable and affirm the position of financial literacy as the main determinant in financial behavior as described in modern financial literacy theory. From a practical perspective, the results of the study give an idea that boarding house business owners need to strengthen the internal control system and improve financial literacy skills in order to be able to run their businesses more effectively and accountably. This finding also has implications for local governments, institutions, and training providers, namely the need for more applicative mentoring programs related to financial management, cash management, and the preparation of simple reports that are easy for boarding house owners to implement. Furthermore, this study contributes to the advancement of MSME accounting literature by adding empirical evidence on factors that affect financial performance in the boarding house business sector, as well as becoming an important reference for business owners in improving financial management practices and internal control systems.

Based on the results obtained, this study recommends that boarding house owners optimize the application of accounting knowledge through more orderly transaction recording, cash flow preparation, and regular evaluation of simple reports. Business owners also need to strengthen elements of internal control, such as separating personal and business finances, increasing transaction supervision, and implementing systematic proof of payment. Efforts to improve financial literacy are also highly recommended through training or education that focuses on budget management, cash management, long-term planning, and proper financial decision-making. For local governments and MSME support institutions, this study suggests the development of a comprehensive and continuous training program so that boarding house owners can increase their financial management capacity. For future studies, it is suggested to add additional variables such as marketing strategies, service quality, or business competition conditions in order to be able to describe financial performance more broadly and deeply, and use qualitative approaches or *mixed methods* to gain a richer contextual understanding of financial management behavior in boarding houses.



REFERENCES

- Aicpa *Professional Standards, as of June, 1, 2008*. 2008. Aicpa.
- Apriani, Baiq Ika, Ida Ayu Nursanty, and Sofiati Wardah. 2025. "Pengaruh Tingkat Pendidikan, Pengetahuan Akuntansi, Pelatihan Akuntansi, Dan Lama Usaha Terhadap Penggunaan Informasi Akuntansi Pada UMKM Di Kota Mataram." *Kompeten: Jurnal Ilmiah Ekonomi Dan Bisnis* 4 (3): 1354–63. <https://doi.org/10.57141/kompeten.v4i3.223>.
- Ariningrum, T. 2021. *Likuiditas Dan Profitabilitas Sebagai Indikator Kinerja UMKM*. 6 (3): 77–85.
- Ehrhardt, Michael C., and Eugene F. Brigham, eds. 2014. *Financial Management: Theory & Practice*. 14th Edition. South-Western Cengage Learning.
- Gitman, Lawrence J., and Chad J. Zutter. 2012. *Principles of Managerial Finance*. 13th ed. Pearson Prentice Hall.
- Harahap, Sofyan Syafri. 2007. *Analisa kritis atas laporan keuangan*. Cet. 3. RajaGrafindo Persada.
- Isbahi, M. B., Zuana, M. M. M. ., & Mariana, E. R. . (2022). The Technology Strategy in Website Communication Media in Improving Business Activities. *Majapahit Journal of Islamic Finance and Management*, 1(2), 126–138. <https://doi.org/10.31538/mjifm.v1i2.17>
- Isbahi, M. B., Zuana, M. M. M., & Toha, M. (2024). The Multi-Social Relation of the Cattle Industry in the Plaosan Subdistrict Animal Market of Magetan Regency. *Malacca: Journal of Management and Business Development* , 1(1), 31–46. <https://doi.org/10.69965/malacca.v1i1.51>
- Jumingan. 2006. *Analisis Laporan Keuangan*. Bumi Aksara.
- Pangastuti, D. 2023. *Analisis Kinerja Keuangan UMKM Berdasarkan Indikator Profitabilitas*. 7 (2): 101–10.
- Santoro, G. and Usai, A. 2018. *Knowledge Management and Innovation Performance in SMEs*. 22 (7): 1557–72.
- Toha, M., Zuana, M. M. M., & Isbahi, M. B. (2024). Acculturation of Mataraman Local Wisdom with Islamic Values: Implications for Social and Economic Development. *Danadyaksa: Post Modern Economy Journal*, 2(1), 33–47. <https://doi.org/10.69965/danadyaksa.v2i1.143>
- Widyastuti, F. 2024. *Pengaruh Literasi Keuangan Terhadap Kinerja UMKM Di Indonesia*. 11 (1): 33–44.
- Zamroni, M. A., Toha, M., Zuana, M. M. M., & Baiqun Isbahi, M. (2023). Exploring Zakat Distribution Via Blockchain in Indonesia Perspective of Masalah Mursalah Wahbah Zuhaili. *Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE)*, 6(3), 3544-3555. <https://doi.org/10.31538/ijse.v7i3.5821>