ABSTRACT

Lola (2017011012)

RISK ANALYSIS OF DECREASE IN MSME FINANCIAL PERFORMANCE (CASE STUDY AT UD ASOKA PAINT)

Financial performance is one of the determinants of the success of a business, every business wants optimal financial performance, as well as Micro, Small and Medium Enterprises (MSMEs). However, they experience several obstacles that pose risks and can lead to a decline in their financial performance. This research was conducted to find a solution to the decline in financial performance at UD Asoka Paint. The purpose of this research is to obtain empirical test results regarding the risks that can reduce the financial performance of MSMEs. Qualitative approach methods and data collection techniques in the form of interviews were conducted to obtain primary data and analysis of financial documents to complement secondary data.

The results of this observation indicate that UD Asoka Paint has several risks that can lead to a decline in its financial performance. The owner has not carried out comprehensive financial records in accordance with generally accepted accounting standards for MSMEs. Accounting and tax knowledge for UD Asoka managers is the best solution. In the future, this research needs to be complemented with community service activities that are beneficial to UD Asoka, in the form of financial training, then analyzing the results after the training.

*Keywords**:** MSMEs, Constraints, Risks, Financial Records, Financial Performance*