

Prive: Measurement and Validation

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ABSTRACT

Prive, or the practice of withdrawing business resources for personal use, is common among small business actors due to a low understanding of financial management, leading to a lack of separation between personal and business finances. To assess this behavior, a questionnaire was developed specifically focused on prive. The research aimed to evaluate the validity and reliability of this questionnaire, which includes five items: taking money or goods for personal use, the impact of these actions on business capital, and the importance of separating business and personal finances. Conducted between December 2023 and April 2024 on 259 business actors in Ternate City, the study involved content validity reviews by three experts—a professor in accounting, a psychological accounting specialist, and an MSME accounting expert. The content validity test yielded positive results for four of the five items, with validity values of 0.560, 0.534, 0.813, and 0.867, respectively. The reliability test showed a Cronbach's alpha value of 0.655 for these valid items, indicating good internal consistency. Consequently, the questionnaire is deemed valid and reliable for addressing small business behaviors related to prive, offering a tool to improve financial management practices.

KEYWORDS: Financial Management, Prive, Small Business, Validity, Reliability.

1. Introduction

Basically, business owners need capital to run and develop their businesses. For investors and business owners, the withdrawal of capital or prive is not a new concept; however, prive refers to the withdrawal of capital or part of assets by a business owner for personal purposes (Sari, 2013). In this context, the focus is on Micro, Small, and Medium Enterprises (MSMEs). In Indonesia, MSMEs play a vital role in the national economy, contributing 61% to Indonesia's GDP, which amounts to IDR 9,580 trillion in 2023. Additionally, MSMEs constitute 97% of Indonesia's total workforce, or 116 million people. Given their crucial role, understanding the number and growth rate of MSMEs is important. However, MSMEs, especially small business owners, face numerous obstacles and challenges related to fund management (Hernández et al., 2024). Small businesses are typically managed by individuals or entities that are not subsidiaries controlled by, owned by, or part of larger businesses.

Small businesses often encounter problems in managing finances, such as failing to separate activities related to owner's capital from operational activities (Peprah et al., 2016). The Generally Accepted Accounting Principles (PABU) related to the concept of business unity (Economic Entity Concept) state that entities (MSMEs) should be separate from their owners. This means that separating the business owner's personal finances from business activities is essential.

Maelani et al.'s (2024) research indicates that business capital is often used by the owner for personal purposes but is not recorded, which affects the total liabilities of the entity. Small business owners usually only record sales and purchases related to operational activities (Alam et al., 2022). In practice, withdrawals of assets, whether money or goods, are often not recorded or separated from the business entity. This assumption is that such withdrawals will not significantly affect business activities, so they are not recognized as prive. Consequently, owners often do not acknowledge prive as capital withdrawals but rather as personal use.

Prive can be seen as a form of psychological encouragement that leads business owners to believe that personal use of business capital does not need to be recognized or recorded. This differs from Sari's (2013) research, which states that prive must be recognized and recorded as a capital withdrawal from business activities, thus affecting business income. Hoang

and Bui (2023) note that there is a significant difference between business units in applying the concept of business unity, particularly in terms of capital management. Business owners often combine business capital with personal money, and withdrawals for personal gain are not recognized as prive.

On the other hand, if it refers to the psychological reality, the act of taking part of the capital or assets owned by an entity and intended for the personal interests of the small business owner without recording it is a reasonable action to take.

2. Objectives

Research in the prive context is still very limited, so it is very difficult to measure whether prive is considered a form of management that has a bad impact on business actors or can be something good because it is considered capable of helping the daily economy. Therefore, this research only focuses on small businesses because prive records for small businesses are more minimalist, so they are intermittent. For this reason, this research itself aims to make measurements to determine whether prive capital should be recognized and recorded as capital withdrawals for business activities or vice versa so that we can understand the behavior of business owners in managing their business.

3. Scope and Methodology

Research design is a research design that is structured in such a way that it requires researchers to be able to obtain answers to research questions. This research uses a survey design through a questionnaire distributed to each small business owner respondent in Ternate City. The population of this research is all small business owners in Ternate City. This research sample uses a purposive sampling technique, namely taking samples according to certain criteria. The sample criteria in this study were small business owners in Ternate City, totaling 259 respondents. The type of data used is quantitative data. The data source used is primary data, which was obtained directly from the research location, namely through distributing questionnaires using structured questions to collect information from small business owners in Ternate City. The data collection technique uses survey techniques through questionnaires distributed to each respondent who owns small businesses in Ternate City.

Researchers have taken several important steps, namely before and after the questionnaire was distributed. Before distributing the questionnaire to all respondents, an expert consultation was carried out, namely carrying out a re-translation process of the research instrument from Indonesian to English and from English to Indonesian to ensure that there was no change in the meaning of the research instrument. The translation was carried out by involving professional institutions such as linguists from the Faculty of Cultural Sciences, Khairun University.

After the translation results were carried out, they were compared with the original instruments, to ensure that there are no differences in the instruments used. Next, the questionnaire was prepared, adjusted and modified based on a number of research articles related to the prive theme first before the review stage was carried out by experts. This aims to ensure that the questionnaire is truly unbiased and is used for respondents among small business owners in Ternate City. After that, the questionnaire was reviewed first before a pilot test was carried out. The review was carried out by experts (professors in the field of accounting, expert opinions in the field of psychological accounting, and expert opinions in the field of MSME accounting), this must be done to ensure that the questionnaire is truly unbiased in meaning, accurate in language structure so that it can be used for respondents in the small business sector. When this stage was complete, the promotion team was consulted.

After being approved by the promoter team, the questionnaire was tested first before being distributed to respondents, namely a pretest/pilot test was carried out on small business owners with a minimum of 30 respondents. This is of course to test how many questionnaire items are considered valid and reliable before distributing them to a large number of respondents. Questionnaires that have been collected from respondents through a pilot test will be tested again for their level of validity and reliability to further ensure the level of validity and reliability of the questionnaire that has been used. This testing method was carried out by testing the first 30 respondents who collected the questionnaire and the last 30 respondents who collected the questionnaire, using the t-test with a significance level of > 0.05 . Non-response bias testing aims to ensure there are no differences in responding (Armstrong & Overton, 1977).

The use of validity tests was carried out to measure the legitimacy or validity of a questionnaire. A questionnaire can be

declared valid and legitimate if the statements contained in the questionnaire are able to provide information on something that will be measured by the questionnaire (Finley, 2024). Validity testing is carried out with the aim of showing the level of validity and validity of the instruments that will be used in the research. Instrument testing in this research uses validity and reliability tests. Testing the validity of this instrument went through several stages, namely content validity. Content validity is the degree to which a measuring instrument is able to measure the substantial adequacy of the problem to be measured. To ensure the validity of the content in this research questionnaire, literature and references were collected in the form of; Articles, books related to the variables studied in this research.

Second, face validity. Face validity in this research is used to ensure that the instrument has been designed well, follows existing theories and concepts and provisions. Face validity is based on the considerations of experts and scientists. In this research, face validity is related to using indicators, accuracy of language structure, and the appearance of the questionnaire which has been reviewed by experts (professors in the field of accounting, expert opinions in the field of psychological accounting, and expert opinions in the field of MSME accounting), and approved by the lecturers. supervisor (Promoter and Co-promoter).

Construct validity is the final step to ensure that the design of the research instrument is accurate, starting with a pilot test by distributing questionnaires to a large number of small business owners. The validity test in this study used factor analysis with a factor loading value of ≥ 0.5 (Watkins, 2021). In this research, validity testing was carried out using factor analysis. Factor analysis is fulfilled if the Kaiser Meyer-Oikin (KMO-MSA) value. According to Hair et al. (2018), reliability testing is a tool for measuring a questionnaire in the form of an indicator of a variable or construct. A questionnaire can be said to be reliable or reliable if the answers obtained from someone to a statement are stable and consistent or stable over time. The indicator for the reliability test is Crobach Alpha, if the Crobach Alpha value is > 0.60 , it shows that the instrument used is reliable (Imjai et al., 2024).

The prive variable instrument consists of 6 statement items which were verified by 3 expert opinions, namely a professor in the field of accounting, an expert opinion in the field of psychological accounting, and an expert opinion in the field of MSME accounting. The 6th statement item has been excluded because it is considered not included in the prive category, so the statement items that are ready to be tested and used are a total of 5 statement items. Assessment of questionnaire answers uses a 5 Likert scale starting from the highest score with answers Always (5), Often (4), Sometimes (3), Rarely (2), Never (1).

Table 1. Prive Instruments

No	Understanding	Statement Items
1	Prive is a personal withdrawal by the business owner (Sari, 2013).	I often record taking business money for personal needs.
2	Business owners are required to record all forms of goods taken in order to separate operational activities from the owner's personal activities (Izza & Farina, 2021).	I often record taking items from businesses for personal use.
3	Prive is a form of entity, it must be recognized and recorded as a withdrawal of capital from business activities so that it will reduce business income (Sari, 2013).	I am aware that taking business money will reduce business capital.
4	The act of taking goods from a business for personal use but not recording it, this has an impact on the development of the business (Dermawan et al., 2020).	I am aware that taking business goods for personal use will reduce business capital.
5	Business actors must be able to separate their personalities. Income from business income is easy to find out operational profit (Saraa et al., 2020).	I always separate business finances and personal finances.

4. Literature Review

4.1. Entity Theory

Entity theory, also known as the Economic Entity Concept, proposed by Paton, (1963), according to which an organization is regarded as a unit or economic business entity that functions independently, stands on its own, and is in a different position from its owner. The aim of this theory is that there must be recording and accountability in order to separate the company's operational finances from the owner's personal finances (Firmansyah et al., 2020). In accordance with the PABU

related to the concept of Economic Entity Concept which states that separating the business owner's personal finances from business activities is something that must be done in order to maintain the survival of MSMEs (especially small businesses), and there is clarity in their use. capital goods or money used for business operations and the personal activities of the business owner.

According to Saraa et al. (2020), the approach with the concept of business unity is a concept intended for small business owners in reporting financial transactions and their business, educating business owners in recording transactions, and business owners must be able to separate their personalities. The implication of this concept is that the company's business activities become an independent business unit separate from the owner's identity (Mahdi et al., 2021). This means that there is a separation between personal interests and the interests of the entity. Thus, transactions or events that are recorded and accounted for are transactions involving the entity (Jabid et al., 2023). The entity is deemed to act on behalf of its own interests separate from those of the owner.

Research by Cristy et al. (2024) states that entity theory actually has the importance of accounting information for capital owners so they can know and maintain invested capital (capital maintenance) while getting maximum profits. Whether implicit or explicit, in entity theory there is a principal-agent (management) which in mainstream accounting is assumed to be an objective and neutral (value-free) concept, but on the contrary, it is full of capitalist values which are in fact very exploratory. The purpose of accounting is separated from the business owner, therefore all financial records and reports made for a business must be separated. In this concept, a business is seen as an independent business unit, separate from its owner, or in other words, the company is considered as an accounting unit that is separate from its owner or from other business entities.

Apart from that, entity theory aims to regulate the financial cycle of running a business. Because you can avoid problems in managing your own finances. Weaknesses in managing finances will have an impact on difficulties in the future, for example, the act of taking money or goods from a business for personal needs but not recording it, not knowing the profits obtained, or even not knowing developments in the business (Pramono et al., 2023). However, according to several studies, it has been found that it is rare for businesses, especially small businesses, to apply business entity theory. Because according to small business owners, recording and separating them is deemed unnecessary (Firmansyah et al., 2020).

This theory assumes business units as entities have a separate existence from the owner. Business unit's own resources (assets) and must be accountable to owners. Where, the entity must present financial reports to the owner as a form of accountability for the management of the entity to the owner. In addition, it should be noted that some researchers who use entity theory, for instance Jiang and Lee (2023) employ the emotional related entity theory, which modifies the relationship between quarantine and negative affect under quarantine conditions, suggesting that it may be important in controlling negative emotions. but not when interacting with others. The entity theory in question focuses on an individual's view of changes in personal traits and qualities. However, a person's view of himself may be broader than changes in his personal traits and qualities. Jiang and Lee, (2023) suggested that personality entity theory tends to show higher levels of social performance goals. Research by Seo et al. (2022) studied the relationship between personality entity theory and internalization symptoms where the findings were positive and significant.

4.2. Prive

Prive is a personal withdrawal by the owner. All forms of withdrawal by the owner must be recognized as prive. Prive will be recognized by reducing the assets (assets) of MSMEs and also reducing the owner's capital (Sari, 2013). Prive in accounting is a decision taken for the business owner's personal needs that must be reported or recorded. However, often the privileges made by small business owners are not recognized as capital withdrawals, they are only limited to personal use.

Generally, prive are also often referred to as withdrawals. These withdrawals are traditionally carried out on a small business scale, while large companies are included in distribution activities. In addition, privilege should not only apply when the owner withdraws a certain amount of money (either profits or owner's capital) but also applies to every capital item contained in its operational activities. However, often withdrawals made by Small Business owners are only recognized as a reduction in income incurred in business activities. Of course, this is an obstacle to separating capital within

entities, especially in small businesses.

However, in reality, small business owners consider private to be limited to personal use and do not need to keep records relating to their business activities. This is in line with the results of research interviews by Sari (2013) which revealed that most small business owners do not record their finances and business merchandise for personal needs, because they think that the amount spent for personal needs is not much, so business owners do not consider that as private.

4.3. Business Owners (MSMEs)

According to Law No. 20 of 2008 concerning MSMEs (The Audit Board of Indonesia [BPK RI], 2008), specifically, that micro businesses are operating companies that fit the requirements for micro enterprises and are owned by private persons or individual business organizations. Small businesses are operating companies that are run by people or organizations that do not control, own, or belong to subsidiaries of medium-sized or large businesses that satisfy the requirements outlined in this law. In contrast, medium-sized businesses are operating, profit-generating enterprises that operate independently and are managed by people or organizations that are not subsidiaries and that either directly or indirectly control, own, or join forces with large or micro businesses that have an annual gross worth or sales proceeds (Pramono et al., 2022).

MSMEs in general provide enormous potential in developing a country's economy (Sinolungan & Kimbal, 2024). MSMEs are one of the pillars and foundations of the country's economy which can contribute to increasing the income of the lower and middle classes and even Gross Domestic Product (GDP) through optimizing income from the taxation sector (Adiputra et al., 2023). The existence of MSMEs as strategic partners in the country's economic activities can make a contribution, not only as company branches but also as private companies or groups of people. MSMEs are business activities that operate in various business sectors and serve the interests and needs of society directly (Akbar et al., 2022).

According to Peprah et al. (2016), the primary driver of growth and development can be MSMEs. MSMEs have the potential to be large and can play a big part in a nation's growth and development by, for example, reducing poverty among different social groups. MSMEs have a critical and strategic role in the national economy, contributing to economic growth not only in developed but also in developing nations like Indonesia. Government policies are just one of the many obstacles that a big number of MSMEs in Nigeria confront, according to surveys, and these obstacles have an impact on their performance (Bubou et al., 2014). Therefore, MSMEs that do not have government policy support have limited access to improving performance.

Apart from that, MSMEs are also one of the economic activities carried out by the majority of Indonesian people, especially small businesses. The development of small businesses is now becoming a more serious concern in society (Kindström et al., 2024). The problems currently faced by MSMEs are diverse, for example, caused by limited business capital, information technology, markets, and uncertainty about business legality, limited quality of inadequate corporate networks, human resources, and capacity for market penetration, managerial abilities and low understanding of financial management (Handoyo et al., 2024; Kamaliah et al., 2023).

According to research by Gunawan and Safira, (2022), MSMEs must practice sound financial management in order for funds to be allocated to needs and tracked. Financial responsibility is necessary to carry out the money management process in a way that is regarded favorably in order to be able to implement an effective financial management process. People's economic actors, who make up the bulk of business players, have a crucial responsibility to perform the financial management process. Being one of the primary forces behind economic development, MSMEs play a very vital role in the economy.

In this research, the main problem that is the focus of small businesses is related to the inability of business owners to manage funds, resulting in failure in small businesses. Recording and implementing accounting books to produce financial reports is still difficult for small businesses. According to Alam et al. (2022), there is a lot of confusion faced by business owners regarding whether to carry out recording and bookkeeping correctly or not at all, especially small business owners are often confused about determining the profits obtained if financial recording and separation are not carried out. What is even worse is if there is no clarity regarding the money or goods used for business operations and the business owner's personal activities. In fact, sometimes the records made by small business owners are only limited to the number of

purchases and sales that occur in their operational activities. This will result in business owners not knowing the development of their business.

5. Result and Discussion

5.1. Respondents' Characteristics

The characteristics of respondents in this study include gender, age, occupation, business name, type of business, and business income. The characteristics of these respondents can be explained as follows.

Table 2. Classification of Respondents Based on Gender

Gender	Total	Percentage
Men	86	33.2%
Women	173	66.8%
Total	259	100%

Based on the gender characteristics of the respondents in Table 2, it can be seen that there were 86 male respondents with a percentage of 33.2%, while there were 173 female respondents with a percentage of 66.8%. From the data above, it can be seen that the majority of respondents based on the survey results are female respondents.

Table 3. Classification of Respondents by Age

Age	Total	Percentage
21-30	98	37.8%
31-40	78	30.1%
41-50	63	24.3%
51	20	7.7%
Total	259	100%

Based on the age characteristics of respondents in Table 3 above, it shows that there were 98 respondents aged between 21-30 years with a percentage of 37.8%, respondents aged between 31-40 years were 78 people with a percentage of 30.1%, There were 63 respondents aged between 41-50 years with a percentage of 24.3% and 20 respondents aged 51 years with a percentage of 7.7%. This shows that most of the respondents were aged between 21-30 years.

Table 4. Classification of Respondents based on Type of Work

Type of Job	Total	Percentage
Self-Employed	255	98.5%
Prive Employees	2	8%
Student	2	8%
Total	259	100%

Based on the job characteristics of the respondents in Table 4 above, it shows that there are 255 respondents who work as entrepreneurs with a percentage of 98.5%, there are 2 prive employees with a percentage of 8%, and there are 2 students with a percentage of 8%. Based on the job characteristics of respondents, the majority of respondents are self-employed.

Table 5. Classification of Respondents based on Business Type

Type of Business	Total	Percentage
Trade	47	18.1%
Services	44	17.0%
Food Stall	17	6.6%
Coffee Shop	11	4.2%
Food & Beverage	53	20.5%
Groceries	23	8.9%
Water Depot	4	1.5%
Boutique	7	2.7%
Household Furniture	4	1.5%
Fried Seller	2	8%
Cake Seller	2	8%
Accessories	5	1.9%
Beauty & Health	3	1.2%

Type of Business	Total	Percentage
Home Bakery Seller	6	2.3%
Building Materials Seller	3	1.2%
Shredded Fish Seller	2	8%
Sambal Rujak Seller	2	8%
Department Store	2	8%
Fashion/Apparel	10	3.9%
Laundry	2	8%
Bouquet Business	5	1.9%
Counter & Accessories	2	8%
Fuel	1	4%
Vehicle	2	8%
Total	259	100%

In Table 5, 20.5% of the respondents who filled out the questionnaire were food & beverage business types. As many as 18.1% were in the trading business type, while 17.0% were types of business operating in services. Apart from that, basic food businesses account for 8.9%, coffee shops 4.2%, fashion/clothing 3.9%, boutique businesses 2.7%, home bread sellers 2.3%. Respondents with accessories and bouquet businesses were 1.9%. Apart from that, respondents with business types such as water depots and household furniture sellers were 1.5%. Of the respondents who filled out the questionnaire, 1.2% were beauty & health businesses and building materials sales businesses. Meanwhile, the remaining respondents were with laundry, counter & accessories and vehicle types of business at 8%.

Table 6. Classification of Respondents based on Income

Income (Rp)	Total	Percentage
Between 500.000 – 1.000.000	27	10.4%
Between 1.000.000 – 5.000.000	119	45.9%
Between 6.000.000 – 10.000.000	79	30.5%
Between 10.000.000 – 15.000.000	15	5.8%
Between 16.000.000 – 20.000.000	4	1.5%
Between 21.000.000 – 30.000.000	10	3.9%
Between 31.000.000 – 40.000.000	5	1.9%
Total	259	100%

Table 6 shows that the majority with monthly income between 1,000,000 – 5,000,000 are 119 types of business, amounting to 45.9%. The other 79 businesses have monthly income between 6,000,000 – 10,000,000 at 30.5%. Apart from that, there were 27 businesses that had revenues between 500,000 – 1,000,000, amounting to 10.4%. The remaining 15 types of businesses with monthly income between 10,000,000 – 15,000,000 amounted to 5.8%, between 21,000,000 – 30,000,000 as many as 10 types of businesses with a percentage rate of 3.9%. Meanwhile, 5 types of businesses with monthly income of 31,000,000 – 40,000,000 are 1.9%, and monthly income between 16,000,000 – 20,000,000 are 1.5% for 4 types of businesses.

5.2. Research Instrument Test Results

5.2.1 Content Validity

Statement items by asking three expert opinions to assess each questionnaire item and calculate the item-level content validity index (I-CVI) and scale-level content validity index (S-CVI). The fifth and sixth statement items have been excluded because they are considered not included in the prive category, so the statement items that are ready to be tested and used are a total of 4 statement items. According to Jamil et al. (2023) and Siddiqui et al. (2024), the number of expert opinions is 2 to 5 people with a minimum CVI value of 1. Complete I-CVI and S-CVI data are presented in Table 7.

Table 7. Content Validity Test

Item	Expert 1	Expert 2	Expert 3	Expert in Agreement	I-CVI	UA
P1	1	1	1	3	1	1
P2	1	1	1	3	1	1
P3	1	1	1	3	1	1
P4	1	1	1	3	1	1
P5	1	1	1	3	1	1
				S-VI/Ave	0.833	

				S-VI/UA		0.833
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Based on the validity test in Table 7, this research produces an I-CVI score of around 1, with an S-CVI score of 0.833 respectively. The results show that the questionnaire is considered relevant in measuring prive.

Table 8. Results of Stage 1 Factor Analysis

Statement Items	Component	Information
	1	
Prive 1	0.622	Valid
Prive 2	0.568	Valid
Prive 3	0.758	Valid
Prive 4	0.827	Valid
Prive 5	0.290	Invalid

Based on the extraction results in the form of a component matrix in Table 8, the order of statement items with the highest order is prive 4 with a value of 0.827, prive 3 with a value of 0.758, prive 1 with a value of 0.622, prive 2 with a value of 0.568, and the lowest order is prive 5 with value of 0.290. This value does not meet the requirements, so it can be concluded that the statement items that can be used to explain factors are prive 3, prive 4, prive 1, and prive 2. Apart from that, the one that cannot be used to explain factors is prive 5.

Table 9. Results of Stage 2 Factor Analysis

Statement Items	Component	Information
	1	
Prive 1	0.560	Valid
Prive 2	0.534	Valid
Prive 3	0.813	Valid
Prive 4	0.867	Valid

From the extraction results in the form of a component matrix in Table 9, it can be seen that the highest order of statement items is prive 4 with a value of 0.867, prive 3 with a value of 0.813, prive 1 with a value of 0.560, and prive 2 with a value of 0.534. Thus it can be concluded that these statement items can be used to explain factors.

Table 10. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.584
Bartlett's Test of Sphericity	Approx. Chi Square	230.073
	Df	6
	Sig	0.000

The results of the KMO and validity test with Confirmatory Factor Analysis (CFA) using 259 respondents are shown in Table 10. Based on the table above, the results of the KMO Bartlett's Test of Specificity are $0.584 > 0.50$ with a significant value of 0.000, it can be concluded that the factor analysis test can be continued with this research questionnaire instrument.

4.2.2 Reliability Test

Table 11. Reliability Test

Cronbach's Alpha	N of Items
0.655	4

The data reliability test was carried out using Cronbach's Alpha, where an instrument is said to be reliable if it has a reliability coefficient value > 0.60 . Table 11 shows the results of Cronbach's Alpha reliability test of 0.655 which is greater than 0.60 so that all prive statement items are said to be reliable.

6. Findings

The objective of this study is to demonstrate the validity and reliability of behavioral assessments conducted on small business owners, who frequently do not distinguish between their personal and corporate financial resources. The prive

questionnaire is used to see whether all forms of collection for the business owner's personal needs are recorded or not. Based on the validity test, this research produced an I-CVI score of around 1, with an S-CVI score of 0.83 on the prive questionnaire respectively. The findings indicate that the questionnaire is thought to be useful for gauging prive.

Recording and implementing accounting books to produce financial reports is still difficult for small businesses. However, in reality, when a business owner takes the assets they own, whether in physical form or money, they are often recorded and separated from the business entity they own. So that if there is a withdrawal of capital by the business owner, the business owner recognizes it as prive. Prive must be recognized as a withdrawal of capital from business activities so that it will reduce the amount of capital and assets of the company. This is consistent with studies conducted by Sari (2013) which indicate that prive as a form of entity must be recognized and recorded as a withdrawal of capital from business activities so that it will reduce business income. The research results of several researchers say that financial accounting is still comparatively poor and has numerous flaws in Indonesian MSMEs. These weaknesses are due to the low level of education of SMEs, lack of understanding of accounting, and the absence of regulations that require MSME businesses to prepare financial reports. Recording financial reports can provide enormous benefits for the development of MSMEs, including small business actors who can more easily find out how their business is developing because recording financial reports offer details regarding the state of finances, performance in the money department, and changes in capital of the MSMEs. By recording financial reports for MSMEs, it will help MSMEs in making decisions regarding their business in the future. The information contained in recording financial reports will make MSME operational activities more structured so that they can run better and more efficiently.

The habit of using business merchandise for personal needs must also be shifted to the habit of paying for goods, whatever they are, that will be used for personal needs. The behavior of separating the profits of business activities from the personal needs of the owner also requires a large commitment from the MSME owners themselves. The unitary business concept says that a business exists apart from its owner because, for the sake of recording transactions, the two must be regarded as distinct entities. The concept of business unity must be applied to every type of business in order to keep everyone working in the business's finances honest. Making sure the company's financial reports accurately depict its success is the goal.

The habit of using business merchandise for personal needs must also be shifted to the habit of paying for goods, whatever they are, that will be used for personal needs. The behavior of separating the profits of business activities from the personal needs of the owner also requires a large commitment from the MSME owners themselves. The unitary business concept states that a business exists independently of its owner, this is because the two must be treated as separate entities when recording transactions. The concept of business unity must be applied to every type of business in order to maintain financial integrity for those involved in the business. The aim is to ensure the business's financial reports reflect the performance of the business.

7. Limitations and Research Gaps

Research in the prive context is still very limited, this is the first measuring instrument to measure whether prive is considered a form of management that has a bad impact on business actors or can be something good because it is considered capable of helping the daily economy. In general, this research is useful for separating personal and business financial records. This makes it easier for business owners to measure the financial health of their business.

Therefore, this research only focuses on small businesses because prive records for small businesses are more minimalist, so they are intermittent. From the results of this research, the prive questionnaire was considered valid and reliable. The survey selection in this research is only limited to small businesses. Therefore, it is still very possible to develop this research, both in terms of informants, MSME criteria, and research methods. Researchers hope that the development of this research can be carried out in an effort to develop science.

8. Conclusion

Based on the purpose of the study is to create a measurement instrument for private. The results of the study revealed a total of six statement items submitted and considered to be able to measure private itself. After going through expert verification, one statement item had to be removed because it was considered inaccurate in measuring private and one more

question item was also removed after being considered not meeting the required loading factor. For that, a total of only four statement items were considered to be able to measure private after passing the validity and reliability testing stages and could be used in research. For future research, private can be retested for small business categories that have not been tested in this study such as fish, vegetable and spice commodity trading businesses.

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