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Development and Review of Bookkeeping Exam
Textbooks in Laos

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ラオスにおける簿記検定試験に向けたテキストの制作とその検討

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Introduction

On March 6, 2019, Senshu University, along with the Kawasaki Chamber of Commerce and Industry, signed a “cooperation agreement related to the development and popularization of bookkeeping education in Laos” with the Lao National Chamber of Commerce and Industry and the National University of Laos, beginning the three-year-long “Japan-Laos Project,” whose two objectives were to oversee the development and popularization of bookkeeping education in Laos, and to provide support for the development of accounting human resources in Laos.

The authors, in order to execute this project, visited Laos for six days between September 8 and 13, 2019, with the following three objectives.

The first was to report to interested parties in Laos, the progress we had achieved in creating a bookkeeping exam textbook. In particular, we planned courtesy visits to the Laos Deputy Prime Minister and Minister of Finance, the Minister of Sport and Education, the Lao Chamber of Commerce and Industry, the President of the Laos Chamber of Professional Accountants and Auditors (LCPAA), the Vice President of the National University of Laos, the Deputy President of Laos, and the Japanese Ambassador to Laos.

The second was to confirm the reception to the text we envisioned for the Lao Chamber of Commerce seminars. Until then, the Policy Research Institute and the Finance Bank Ltd. had been giving lectures on the subject, sponsored by the Japanese Chamber of Commerce and Industry (JCCI), but their content only targeted beginner-level bookkeeping. By contrast, this time, the lectures not only included beginner-level bookkeeping, but also the creation of a textbook and lectures on cost-volume-profit (CVP) analysis, to foster an appreciation of how accounting can be useful for business management. Hence, the second goal was to gauge the reception to this text and the contents of the lecture.

The third was to investigate what accounting practices are being implemented in Laos. Last year’s survey (Ito et al., 2019) revealed that large companies apply International Financial Reporting Standards (IFRS), small and medium-sized enterprises (SMEs) are encouraged to use General Accepted Accounting Principles (GAAP), and micro and small companies are completely

unregulated. We visited and interviewed several companies to confirm the actual situation.

In light of the above, the main purpose of this work is to examine the writing of textbooks to prepare for future implementation of the official business skills test in bookkeeping, and to organize the knowledge on accounting obtained by visiting Laos. To that end, Section 1 summarizes the bookkeeping exam as envisioned in Laos. Section 2 discusses the textbook on CVP analysis that was created for the exam. In Section 3, we summarize the questionnaires and assignments for the students who received the lecture on CVP. Section 4 summarizes the contents of the reports given during the courtesy visits and what we learned during the company interviews. Finally, we summarize the findings obtained during this visit to Laos.

1 Envisioning and describing The bookkeeping exam in Laos

The bookkeeping exams conducted by the JCCI are classified into a “beginner” level, and then, in increasing order of difficulty, into level 3, level 2, and level 1. A fact-finding survey in FY2018 (Ito et al., 2019) has already shown that Laos needs bookkeeping knowledge for SMEs and micro-enterprises. Therefore, in envisioning the official business skills test in bookkeeping in Laos (hereinafter, the Laos bookkeeping exam), we conceptualized a level classification slightly different from that of the JCCI, with only three levels (beginner, intermediate, and advanced) as shown in Table 1. Furthermore, the Japanese beginner bookkeeping and beginner cost accounting exams will be reclassified as beginner I and beginner II in the Laos bookkeeping exam. This reclassification does not change the level of difficulty, only the content.

The syllabus for the beginner bookkeeping exam include balance calculations and trial balances under commercial bookkeeping, and CVP analysis and account connection charts under cost accounting. The syllabus for the intermediate bookkeeping exam includes financial statements under commercial bookkeeping and basic product cost accounting under cost accounting. For advanced bookkeeping, the exam covers corporate accounting under commercial bookkeeping and cost accounting for business management under cost accounting.

In the Laos bookkeeping exam, one will have to be tested on both commercial bookkeeping and cost accounting, and need to pass both, to receive a qualification.

Table 1 Classification for the Laos Bookkeeping Exam

Level		Beginner bookkeeping		Intermediate bookkeeping	Advanced bookkeeping
Test/textbook		Beginner I	Beginner II	Intermediate bookkeeping	Advanced bookkeeping
Commercial bookkeeping	Theme	Balance calculation	Trial balance	Financial statements	Corporate accounting
	Contents	Basic concepts Basic cashbook journal (30 minutes)	Interim journal entries Journal Trial balance (30 minutes)	Closing journals Profit and loss statement Balance sheet (80 minutes)	Capital accounting Statement of changes in shareholders' equity (80 minutes)
Cost accounting	Theme	CVP analysis	Account connection chart	Product cost accounting	Cost accounting for business management
	Contents	Profit plan Revenue management (30 minutes)	Cost classification Allocation of manufacturing overhead Product cost accounting (30 minutes)	Product cost accounting Financial statements in the manufacturing industry Journals in the manufacturing industry (40 minutes)	Standard cost accounting Direct cost accounting (40 minutes)
Test time		60 minutes	60 minutes	120 minutes	120 minutes

(Source) Created by the authors

Passing only one of either commercial bookkeeping or cost accounting is not enough to pass the exam. In addition, Beginner bookkeeping exam takers can choose between beginner I or beginner II. Of course, they can also take both at the same time. Similarly, Intermediate bookkeeping accounting and Advanced bookkeeping accounting exam takers must take and pass both commercial bookkeeping and cost accounting.

2 Overview of JCCI cost accounting beginner level and creation of a textbook for the Laos Bookkeeping exam

From FY2018, the JCCI set up a new certification exam for beginners in cost accounting, following the one for commercial bookkeeping. The website of the JCCI states that this exam tests “the knowledge and skills that are indispensable for visualizing and improving productivity,” and is aimed at “accurately grasping the costs, sales, and profits of the company's products and services” in order to address the management issue of improving productivity. The scope and content of the beginner-level cost accounting exam, according to the website of the JCCI (2019), are shown in

Table 2. In addition, a comparison of the contents of three textbooks for this exam, from Nanami Takizawa of the TAC Publishing Development Group (2018), Shikaku no Ohara (2018), and Obata Hiroshi/Hiki Fumiko (2018), is shown in Table 3. The questions in the JCCI beginner-level cost accounting exam form a basic overview of cost accounting. The questions include the topics of planning, controlling profits, and calculating profit and loss for each product or service. Therefore, all three textbooks deal with basic cost concepts, CVP analysis, account connection charts, expense by item calculation, product cost calculation, and income statement creation.

Table 2 Scope and content of beginner cost accounting

1. Basic principles of cost accounting
Understanding the basic knowledge needed for cost accounting.
(1) Cost concepts
● Purpose, activity, resources
● Resource consumption (volume)
(2) Cost calculation
● Costs and revenue
● Department
● Responsibility and responsible individuals
● Products and services
(3) Cost classification
● Material costs, labor costs, expenses
● Direct and indirect costs
(4) Profit and loss calculation
● Manufacturing costs, sale expenses, and general administrative expenses
● Gross profit, operating profit
2. Planning and controlling profit
Understanding how and why profits change.
(1) CVP analysis
● Calculating variable and fixed costs
● Calculating sales
● Calculating contribution profit and operating profit
● Break-even analysis
(2) Differential budget analysis
● Sales budget and actual sales
● Sales variance analysis (sales volume variance and sales price variance)
3. Period profit and loss calculation by product (or service)
Understanding which products (or services) are making profit.
(1) Cost sum
● Calculation of direct expenses (direct charging)
● Calculation of indirect expenses (criteria for cost allocation)
(2) Inventory costs
● Monthly goods-in-process cost accounting
● Monthly product cost accounting
(3) Profit and loss calculation statement by product (or service)
● Sale cost calculation
● Sale expenses and general administrative expenses calculation
● Gross profit and operating profit by product (or service)

Source: Website of the Japan Chamber of Commerce and Industry (2019)

Table 3 Comparison of beginner's textbooks for cost accounting

Text book	Nanami Takizawa, TAC Publishing Development Group (2018)	Shikaku no Ohara (2018)	Hiroshi Obata, Fumiko Hiki (2018)
Contents	Chapter 1: The importance of basic costing in cost accounting What is a cost?	Chapter 1: Let's calculate costs! Why do we calculate costs? What are costs?	Chapter 1: The basic objectives and activities in cost accounting Cost classification Direct and indirect costs Departments and responsible individuals Product cost classification and recording Service cost accounting
	Chapter 2: CVP Analysis Variable and fixed costs Sales break-even analysis Sales to achieve target operating income	Chapter 2: Plan Your Profit! Planning for profit CVP analysis Managing revenue (differential budget analysis)	Chapter 2: CVP Analysis and Differential Budget Analysis of Sales What is CVP analysis? Contribution margin Preventing losses Differential budget analysis for sales
	Chapter 3: Differential budget analysis What is differential budget analysis?		
	Chapter 4: Cost accounting workflow The basic cost accounting workflow	Chapter 3: Let's calculate product costs! Product cost classification Calculation of material costs Calculation of labor costs Calculation of expenses	Chapter 4: Product cost classification and calculation Materials Labor costs Expenses
	Chapter 5: Classification of Material Costs Processing consumed materials Calculation of material costs		
	Chapter 6: Labor Costs Classification of labor costs Calculation of labor costs		
	Chapter 7: Expenses Classification of Expenses Processing consumed expenses	Chapter 4: Let's calculate manufacturing overhead! Incurred manufacturing overhead Allocation of manufacturing overhead	Allocation of manufacturing overhead Goods-in-progress costs
	Chapter 8: Manufacturing overhead Direct manufacturing expenses Allocation of manufacturing overhead		
	Chapter 9: Product cost accounting Finished products costs and monthly goods-in-process cost accounting Sales costs and monthly product cost accounting	Chapter 5: Let's calculate costs by Product! Finished product cost accounting Sale cost calculation	
	Chapter 10: Creating an income statement What is an income statement? Income statement How to solve income statement problems ① How to solve income statement problems ②	Chapter 6: Let's write an income statement! What is an income statement?	Chapter 3: Calculating income Sale cost calculation
	Chapter 11: Basic journals for cost accounting Journals required for cost accounting	Chapter 7: Let's record cost information! Cost information recording	Chapter 5: How Journalizing Works Accounts and journals

(Source) Created by the authors

Since 2017, the Policy Research Institute in Laos, in cooperation with the Kawasaki Chamber of Commerce and Industry, and the Laos Chamber of Commerce (Ito et al., 2019) has been conducting bookkeeping seminars with the aim of increasing interest in bookkeeping. With Senshu University joining the bookkeeping seminar in September 2019, in addition to the JCCI Beginner Commercial Bookkeeping class that was already been taught in Laos, the JCCI Cost Accounting Beginner class, which had also begun to be tested in Japan, would be taught as well. The decision was taken to adopt the content as soon as possible and actually explain some of it through lectures.

However, there was no beginner textbook for cost accounting written in Lao. Therefore, we elected to develop and publish this Beginner Cost Accounting Textbook for beginner bookkeeping in Lao ourselves, with the basic concept of “something that can actually help Laos accountants in bookkeeping for business management.” Before teaching the basic concepts of cost accounting, such as the definition and type of costs, we decided to educate exam takers on what kind of bookkeeping accounting is useful for business management. Therefore, as clarified in Section 1, the content of beginner I cost accounting is centered around CVP analysis, so that it can be useful for business management from the start. Cost classification, allocation of manufacturing overhead, and product costing will be handled at the beginner II level. Thus, in this manner to help beginners unfamiliar with cost accounting to learn easily, we devised a way to divide the JCCI Beginner Cost Accounting into beginner I and beginner II in the Laos bookkeeping exam.

In developing the actual textbook, the authors shared the following three ideals. First, the textbook should be centered around charts. Second, the original language of the textbook should be Lao, the local language, and should be written in as simple terms as possible. Third, it should be possible to use charts from the textbook directly for lectures. We explain these ideals in detail below.

The first idea was to unify the Beginner Cost Accounting textbook in Lao with a chart on every page and an explanation below it. The advantage here is that the charts shown during lectures can be referenced by the students from their own textbooks. It is difficult for beginners to understand business concepts from plain text. With the charts, when the student reviews the content, he or she can read the text and recall the lecture, and improve his or her understanding. Furthermore, even those who do not attend the lectures, but read the text carefully and solve the calculation exercises,

should be able to take the Lao Bookkeeping Exam.

Next, the second idea. Senshu University was established in 1880 so that its four founders could share with their students the knowledge about law and economics that they had obtained while studying in the United States. In other words, rather than allowing students to learn new knowledge in a foreign language, the intention was to contribute to the development of the country by teaching in the students’ native language. We intend to use this constructive spirit in the Laos bookkeeping exam, and we believe that Lao is the best language for Lao people to learn about bookkeeping. At present, only the textbook is in Lao, but we believe that it is necessary, in the future, for the lectures to be conducted in Lao by native Lao people instead of us. Business terms are difficult to understand, but we would like to help beginners understand them by creating a textbook which uses plain language and familiar examples as much as possible.

The third idea is also related to charts. A well-drawn illustration is worth a thousand words. If, before the explanation, students have a visual aid that helps them understand concepts at a glance, the lecturer can act as a tutor who helps them grasp those ideas. We believe that it is important to

Table 4 Textbook Structure of CVP analysis for Beginner I level

Page	Textbook content
1	The upper part shows the management issue with a concrete example, and the lower part shows the learning goals of the textbook.
2	The upper part illustrates the role of management and the PDCA cycle, and the lower part explains them.
3	The upper part illustrates the profit plan and the lower part explains it.
4	The upper part illustrates the relationship between the CVP analysis and the income statement, and the lower part explains it.
5	The upper part illustrates the CVP relationship, and the lower part explains it.
6	The upper part shows the formula for making a breakeven point analysis, and the lower part explains it.
7	The upper part shows the profit chart and the lower part explains it.
8	The upper part shows the formula to calculate the amount of sales needed to reach the target profit, and the lower part explains it.
9	The upper part explains profit management with a chart, and the lower part explains it.
10	The upper part explains differential analysis with a chart, and the lower part explains it.
11	The upper part explains differential sales analysis with a chart, and the lower part explains it.
12	Set quizzes 1 and 2.
13	Set quizzes 3 and 4.

Source: Created by the authors

create charts that can be intuitively understood based on familiar cases, rather than giving lectures with complex language on content that beginners do not know yet.

The CVP analysis textbook for the beginner I level of the Laos bookkeeping exam was prepared as shown in Table 4.

3 Questionnaire after lectures and Results of the questionnaire and improvements for the future

In September 2019, a lecture on CVP analysis was given at the bookkeeping seminar of the Lao Chamber of Commerce and Industry using the textbook we created. This section explains the results of the student survey conducted after the lecture. It also summarizes future improvements for the textbook and lectures.

3.1 Student questionnaire results

At the Bookkeeping Seminar of the Lao Chamber of Commerce and Industry, hosted by the Kawasaki Chamber of Commerce and Industry and the Lao Chamber of Commerce, on September 10, 2019, a 70-minute lecture on CVP analysis was held in Japanese with a Lao interpreter and with the aid of the Lao textbook. In the second half of the lecture, students took the quizzes (application exercises) on CVP analysis at the end of the textbook. Confirming their understanding with the quizzes instead of only listening to the lecture helped the students understand the contents better. After completing the lecture on CVP analysis, the participants were asked to respond to a questionnaire survey. A total of 39 people attended the seminar, and one of them had previously attended a different Laos Chamber of Commerce and Industry seminar. Most were accounting staff at companies and many had brought calculators. Some students were using the calculator on their phones.

The Lao students gave the impression of possessing an excellent attitude towards attending the lecture, and seemed particularly intent in listening to it. For example, when solving a calculation problem during the lecture, some people made the calculation themselves based on by following the textbook. In addition, most people were serious in taking notes. However, maybe because they considered the textbook too valuable, nobody wrote notes directly on it. As the lecture was conducted with the help of an interpreter,

the students, in practice, received only 30 minutes of lecture content. Conversely, they felt that they had enough time to check the textbook while listening to the interpreter.

The questionnaire to the participants asked about the textbook, lectures, and quizzes. The results are shown in Table 5. The questionnaire was designed on a five-point Likert scale, with an answer of “1” meaning “I completely agree” and “5” meaning “I completely disagree”. Therefore, the closer the score is to “1”, the better, and the closer the score is to “5”, the worse.

Table 5 Questionnaire survey results

Question		Average value	Standard deviation	1	2	3	4	5	No answer
①	Are the charts in the textbook easy to understand?	1.62	0.58	13	21	3	1	0	1
②	Is the language used in the textbook easy to understand?	1.52	0.66	18	16	4	1	0	0
③	Is the content of the textbook interesting?	1.62	0.65	18	14	7	0	0	0
④	Is the amount of content in the textbook appropriate?	1.33	0.47	21	14	3	1	0	0
⑤	Was the lecturer’s explanation easy to understand?	1.75	0.77	15	13	8	2	0	1
⑥	Was the lecturer’s explanation interesting?	1.62	0.72	18	15	6	0	0	0
⑦	Was the lecturer’s explanation speed appropriate?	2.05	0.92	12	14	9	2	0	2
⑧	Do you think the test is beneficial?	1.38	0.65	27	10	2	0	0	0
⑨	Does the content of the test match that of the lecture?	1.48	0.66	20	16	3	0	0	0
⑩	Was the test easy?	1.95	0.65	9	22	8	0	0	0

Source: Created by the authors

The first four out of the ten questions in the questionnaire asked about the textbook. With an average value of 1.33 to 1.62, the Lao textbook for beginner I CVP analysis can be interpreted as well written.

The standard deviation is 0.47 to 0.66, indicating that there is almost no variation in the answers. When we look at question ① individually, we see that 13 people answered “1”, 21 people answered “2”, 3 people answered “3”, 1 person answered “4”, and one person did not answer. Other

questions can be interpreted in the same way, so further explanation is omitted.

The same applies to questions ②, ③, and ④. In short, the students had no problems with the textbook.

The three questions from ⑤ to ⑦ asked about the instructor who gave the lecture on CVP analysis. The average was 1.75 for ⑤ and 1.62 for ⑥, but 2.05 for ⑦.

The standard deviation was 0.77 for ⑤, 0.72 for ⑥, and 0.92 for ⑦. Question ⑦, about the lecturer's speed, not only had an average value above 2, but also had a lot of variation among students. In addition to CVP analysis, the lecture also included business management using the plan-do-check-act (PDCA) cycle, new content for the students, which may have been somewhat difficult.

Questions ⑧ through ⑩ were questions about the quizzes that the students solved after class. The average values were 1.38 for ⑧, 1.48 for ⑨, and 1.95 for ⑩. The standard deviation was 0.65 to 0.66, and there was little variation between questions and individuals. The quizzes involving calculations were a little difficult, but, as the results show, not impossible.

3.2 Future improvements

Lectures in Japanese with Lao interpreters are twice as long as lectures in Japanese only, and it was not possible to devote enough time for students to solve calculation problems on their own each time. We found that, when using an interpreter, we needed 90 minutes, instead of 70, for the lecture. Besides this, we will discuss other points that can be improved on, focusing in particular on problems related to accounting terminology and the textbook.

The first point is regarding accounting terminology. "Depreciation" appears to be a difficult term for beginners. When talking about fixed costs, we explained salary and depreciation costs, but we found that depreciation costs should be ignored because they do not relate to other points of explanation of the CVP analysis. "Contribution profits" and "operating profits" may be confused with each other because the differences were not clearly explained. The difference between "the profit from operating activities" and "the profit contributing to operating profit after collecting fixed costs" had to be explained through the income statement.

The second is regarding corrections to be made in the textbook. CVP formulas are an important

part of CVP analysis, but we only wrote about them in the body of the text and not in the chart (lecture slides). When developing the textbooks, it was necessary to simulate what the situation in the lecture hall would be. In addition, in the textbook, CVP charts and fixed and variable costs were combined into a single chart due to space limitations, but the charts appeared small when projected on the screen. As there is a high possibility that in future lectures, smaller screens may have to be utilized, it would probably be better to keep the two charts separate. Furthermore, when showing the income statement, there were places where it was not explicit whether a value was the planned or actual one, and whether it belonged to the present or last term. It is necessary to revise this so that even beginners can understand. Additionally, in profit planning, beginners are more likely to understand terms such as “making a profit” rather than ones such as “returning a positive balance.” Hence, it is necessary to revise the text to include everyday terms to guide the reader to understanding the technical ones. In addition, we had not prepared model answers and explanations for the quizzes, which we should implement to aid students in their review of the material.

In addition to this, it would be ideal for the questionnaire sheet to provide a “any other feedback” field so that students can share thoughts that we had not considered. However, the question of who will later translate the Lao answers into Japanese remains.

4 Courtesy visit and company visit interviews in Laos

Our visit to Laos had three objectives. Our second objective, the seminar and textbook on Beginner Bookkeeping, has been explained above. This section summarizes the first objective, the status report delivered during courtesy visits in Laos, and the third objective, the company interviews. These courtesy visits and company interviews in Laos are elaborated below in chronological order.

(1) Courtesy call to Laos’s Deputy Prime Minister and Minister of Finance of Somdy Somdy Douangd (September 9)

Six people from Senshu University: Kazunori Ito (School of Commerce), Kiyoshi Kunita (Commerce), Atsushi Hishiyama (Commerce), Hironao Iwata (Faculty of Business Administration), Kenichi Matsuki (Managing Director), and Yuta Yazawa (International

Division); two people from the Kawasaki Chamber of Commerce and Industry: Osamitsu Yamada (chairman) and Hiroshi Noguchi (Regional Industry Department, International Business Division); and Teppei Urakami (Keiribank director) participated in the visit to the Deputy Prime Minister and Minister of Finance, Somdy Douangd.

First, we explained the background and current status of the Laos Bookkeeping Project. We reported on the collaboration agreement between Senshu University, the Kawasaki Chamber of Commerce and Industry, the National University of Laos, and the Laos Chamber of Commerce and Industry finalized in March 2019 and the “Research Center for the Promotion of Double-entry Bookkeeping” that would be established in October 2019 in the Socio-intelligence Development Center in Senshu University.

As material to accompany our explanation, we handed out “Case Study on Project Management Based on BSC: Double-entry Bookkeeping Project to Laos” (Ito and Kunida, 2018), “The Current Situation and Issues of the Laos Accounting System and Accounting Education” (Ito et al., 2019), the English translations of these two papers, and the Lao language CVP Analysis textbook used for the accounting seminar (collectively, hereinafter: “Seminar Materials”).

We then reported that, in the future, support for the development of bookkeeping textbooks in Lao and the implementation of bookkeeping examinations in Laos will be led by Senshu University, the Kawasaki Chamber of Commerce and Industry, National University of Laos, the Laos Chamber of Commerce, and the Research Center based on the collaboration agreement through the Laos Bookkeeping Project.

In response to these reports, Somdy, Deputy Prime Minister and Minister of Finance, expressed an understanding of and willingness to cooperate with the project. In particular, with the common recognition that the development of Lao textbooks is necessary to promote double-entry bookkeeping in Laos, the policies of our project were well received. In Laos, only about 10% of small and micro enterprises use accounting books. The Deputy Prime Minister said that he would like this number to increase to about 20%.

(2) Courtesy visit to the Laos Chamber of the Lao Chamber of and Meeting (September 10)

Six people from Senshu University, two members of the Kawasaki Chamber of Commerce and Industry, and three others participated in the courtesy visit to Oudet Oudet Souvannavong (President) and Daovone Daovone Phachanthavong (Vice President) of the Lao National Chamber of Commerce. The meeting was also attended by eight other members of the Lao National Chamber of Commerce and Industry. The Seminar Materials were distributed as explanatory materials.

Senshu University has been promoting the Laos Bookkeeping Project in cooperation with the Lao National Chamber of Commerce and Industry since the 2018 Laos fact-finding survey. We provided updates, such as our visit to the Deputy Prime Minister and Minister of Finance, Somdy, and the “Japan-Laos Project fundraiser” started by Senshu University and the Kawasaki Chamber of Commerce and Industry.

In response, the Lao Chamber of the Lao Chamber of Commerce and Industry and Industry indicated their intent to fully cooperate with the Laos Bookkeeping Project. This included participating as a member on future projects of the Research Center for the Promotion of Double-entry Bookkeeping at Senshu University.

It was confirmed that the Laos bookkeeping exam will be implemented by the Lao National Chamber of Commerce and Industry, with the support and cooperation of Senshu University, the Kawasaki Chamber of Commerce and Industry, and National University of Laos. It was pointed out that coordination and confirmation with relevant ministries and agencies, such as the Laos Ministry of Finance, would be required to implement the exam. the Lao National Chamber of Commerce and Industry stated that they would like to carry out the exam early next year, but this must be considered in combination with the progress in the development of the Lao language textbook for the exam.

In addition, the Lao National Chamber of Commerce and Industry stated that it was necessary to make the Lao textbook more widely available at bookkeeping seminars, workshops, and other educational activities. It was also stated that besides the physical textbook format, other options such as a PDF file could be considered for convenience of use during seminars.

Finally, when examining the actual situation of business management and accounting in Laos,

the Lao Chamber of Commerce and Industry indicated that they would work with member companies to actively cooperate in interviews, etc.

It should be noted that the courtesy visit to the Lao National Chamber of Commerce and Industry was reported by the local English-language newspaper “Vientiane Times” on September 11, 2019, with the related article “Laos, Japan discusses bilateral business cooperation”, taking up 12 whole pages.

(3) Courtesy visit to Vice President Hounghphet Hounghphet Canthavong of the National University of Laos (September 10)

Six people from Senshu University, two members of the Kawasaki Chamber of Commerce and Industry, and two others participated in the courtesy visit to Hounghphet Canthavong, Vice President of the National University of Laos. Professor Xayphone Kongmanila, a visiting professor from the Faculty of Economics and Business Administration at the National University of Laos to the College of Commerce at Senshu University, was also present. The Seminar Materials were distributed as explanatory materials.

First, we expressed our gratitude for the invitation of an overseas visiting professor from National University of Laos, as part of an international exchange with Senshu University, and explained that Professor Xayphone was participating in the Laos Bookkeeping Project. We also requested the cooperation of the visiting professor from the second year of our three-year plan.

We confirmed that in order to make the international exchange partnership between the National University of Laos and Senshu University more substantial and meaningful, we would need to further strengthen our cooperation.

We also reported on the background and current status of the Laos Bookkeeping Project and Professor Ito Kazunori’s special lecture on CVP analysis at the Bookkeeping Seminar, which was one of the motivations behind our visit to Laos.

The accounting course of the Faculty of Economics and Business Administration at the National University of Laos has a capacity of 210 people and had about 4,000 applicants last year. Since this department is an undergraduate department that will grow further in the future, the Laos Bookkeeping Project is expected to provide students with education and qualifications, and to

contribute to the improvement of their skills.

(4) Courtesy visit to the National University of Laos, Faculty of Economics and Business Management, and Meeting (September 10)

Six people from Senshu University, two members of the Kawasaki Chamber of Commerce and Industry, and two others participated in the courtesy visit to Thongpheth Chanthanivong, Vice President of the Faculty of Economics and Business Management at the National University of Laos.

In addition, Phouphet Kyophilavong (Associate Dean), Sengchanh Chanthasene (Associate Dean), Professor Xaphone Kongmanila (scheduled to be invited as visiting professor between FY2019 and FY2021), Professor Visansack Khampenvong (scheduled to be invited as visiting professor in the first semester of FY2020), Professor Fongham Soronamtong (scheduled to be invited as visiting professor in the second semester of FY2020), and Professor Phanphasa Lomchanthala (scheduled to be invited as visiting professor in the second semester of FY2021) from the National University of Laos Faculty of Economics and Business Management also took part in the meeting. The Seminar Materials were distributed as explanatory materials.

First, we reported on the current state of the Laos Bookkeeping Project, and the use of the Lao-language Seminar Materials for the special lecture on CVP analysis which was held for the first time during this Bookkeeping Seminar.

Since the introduction of financial statements (bookkeeping) to small and micro enterprises is being legislated in Laos, The staff of Faculty of Economics and Business Management indicated that the staff would like to collaborate on this project to aid the spread of bookkeeping. The Laos bookkeeping exam will be actively taken by students of the National University of Laos. In addition, even for mid-sized companies from the suburbs, bookkeeping is not always sufficiently performed.

Next, we reported about the establishment of the Research Center for Promotion of Double-entry Bookkeeping and asked for the participation of four teachers who were scheduled to be invited to Senshu University as members of the Research Center. We received positive answers to this. In addition, as the accounting department is still new, and professors come from other

specialties, The staff asked for the cooperation of Senshu University for guidance and training on accounting education.

We asked the staff of Faculty of Economics and Business Management to show us the accounting syllabus for reference, but, as currently only a Lao language version exists, they have arranged for an English-translated version to be sent us at a later date.

(5) Courtesy visit to President Bounlouane Douangneune of the Japan Center of Laos (September 10)

Six people from Senshu University, two members of the Kawasaki Chamber of Commerce and Industry, and two others participated in the courtesy visit to President Bounlouane Douangneune of the Japan Center of Laos.

Japan International Corporation Agency (JICA) Laos Director Yoneyama Yoshiharu was also present. The Seminar Materials were distributed as explanatory materials. First, we spoke about the Lao Bookkeeping Project, and requested cooperation for the project. The Japan Center of Laos does have a “Basic Accounting” MBA program, but it currently uses material created by the professors. The Japan Center of Laos also said that once the Lao language bookkeeping textbook is completed, they will consider using it as one of the textbooks for their courses.

In addition, they said that the MBA program emphasizes holding business plan contests and supporting graduates in launching new businesses. Education with regards to bookkeeping and accounting, a tool for corporate management, seems necessary for such young entrepreneurs.

(6) Courtesy visit to the Japanese Embassy in Laos (September 11)

Six people from Senshu University, two members of the Kawasaki Chamber of Commerce, and two others participated in the courtesy visit to the Japanese Embassy in Laos, and met with Wakatake Keizo, Ambassador Extraordinary and Plenipotentiary of Japan. The Seminar Materials were distributed as explanatory materials.

First, in order to exemplify the history and current status of the Lao Bookkeeping Project, we reported on the four bookkeeping seminars held so far by the Kawasaki Chamber of Commerce and Industry and the Institute of Finance; the survey on accounting education conducted in Laos in 2018

by Senshu University; the cooperation agreement between Senshu University, the Kawasaki Chamber of Commerce and Industry, National University of Laos, and the Laos Chamber of Commerce and Industry; and the current and future efforts of the Research Center for Promotion of Double-entry Bookkeeping of Senshu University.

Ambassador Wakatake welcomed the Laos Bookkeeping Project and indicated his intention to cooperate, acting, if needed, as intermediary with the Laos ministries. He stated that the widespread use of bookkeeping in Laos would contribute to the country's economic development, and that he is looking forward to the publication of the Lao language bookkeeping textbook and the implementation of the Laos bookkeeping exam.

(7) Courtesy visit to Sengdeuane Lachanthaboune, Laos Minister of Sports and Education (September 11).

Six people from Senshu University, two members of the Kawasaki Chamber of Commerce and Industry, and two others participated in the courtesy visit to Sengdeuane Lachanthaboune, Laos Minister of Sports and Education. One of the people responsible for university education was also present on the Laos side. The Seminar Materials were distributed as explanatory materials.

A courtesy call was previously made to Sengdeuane, Minister of Sports and Education, when we visited Laos in 2018. We had then reported that we were preparing the Lao Bookkeeping Project. Therefore, we first reported on the results of the Laos survey in 2018 and explained the current status of the project. The minister expressed his gratitude for last year's survey report and gave his positive evaluation of the project, offering his cooperation. In particular, the creation of a bookkeeping textbook in the Lao language was well received.

Next, we stated that, in the future, we would like to publish the bookkeeping textbook written in collaboration by Senshu University and the National University of Laos. He replied that the publication would not present any problems, but he requested that the text be developed with consideration to the Laos economic and legal environment, especially the rules of the Ministry of Finance.

At present, we are cooperating with faculty members of the Faculty of Economics and Business Management of the National University of Laos, but agricultural but we are thinking that

agricultural bookkeeping is also very important in developing as an agriculturally advanced nation, which is why the minister asked us to also consider creating a bookkeeping textbook in collaboration with the Faculty of Agriculture. He told us that, in the future, should we have any requests related to the important mission of the Laos Bookkeeping Project, we should not hesitate to ask him.

(8) Courtesy Visit to the LCPAA (September 11)

Six people from Senshu University, two members of the Kawasaki Chamber of Commerce and Industry, and two others participated in the courtesy visit to Phirany Phissamay, The Chairperson of the LCPAA. Professor Xayphone Kongmanila was also present as his attendant. The Seminar Materials were distributed as explanatory materials.

A courtesy call had been previously made to Chairman The Chairperson Phirany when we visited Laos in 2018. At that time, we explained the background of the Lao Bookkeeping Project and received data on Lao accounting standards and accounting systems. We handed her “The Current State and Issues of Lao's Accounting System and Accounting Education,” a paper which was written using part of that data, and explained to her the current state of the Laos Bookkeeping Project.

In response to this, it was explained to us that the laws are currently being developed to improve the accounting situation in Laos. With the amendment of these laws, the cash principle will be applied to micro enterprises, the accrual principle will be applied to medium-and small-sized enterprises, and the accounting manuals will be revised accordingly. In addition, The Chairperson Phirany told us that he had high expectations for the Laos Bookkeeping Project, as a new financial statement system is going to be implemented, which will make bookkeeping even more important.

The Chairperson Phirany also explained changes to the CPA program and CPA system. Previously qualified accountants who have completed the CPA seminar will also need to undergo a retraining program. In addition, we were shown one of the textbooks used in the seminar, the Association of Chartered Certified Accountants (ACCA) “Strategic Business Leader: Work-book (see: <https://accajapan.com/basictext/>),” and were able to browse its contents.

The above is a summary of the courtesy visits made during our visit to Laos. We will now

report on the company visits and interviews performed after these courtesy visits. The two companies we visited were Lao Agro-Organic Distillery Inc (LAODI), introduced to us by the Lao Chamber of Commerce and Industry, and EDL–Generation Public Company (EDL), introduced to us by Professor Xayphone Kongmanila.

(9) Company visit and interview to LAODI (September 12)

After a tour of the LAODI factory, four people, namely Ito, Kunita, Hishiyama, and Iwata of Senshu University interviewed CEO Sihattha Rasphone.

First, an overview of LAODI's business.

Company name: LAO AGRO-ORGANIC INDUSTRIES LIMITED (abbreviation: LAODI)

Business: Rum production

Sales revenues: (FY2018) USD 250,000

Capital: USD 500,000 in 2007 (time of establishment), which increased by USD 200,000 in 2015 when transferred to a new company

Partners: Ikuzo Inoue, Sihattha Rasphone

Head Office / Factory: Km 47 National Road South No.13 Naxone Village, Pakgum District, Vientiane Capital, Lao PDR

In the rum industry, where, in general, many products are low-priced, LAODI takes advantage of the Lao terroir and incorporates Japanese brewing technology to produce craft rum, a rare variety that accounts for only about 3% of world rum production, which it mainly manufactures and sells.

The company was jointly established by Japanese and Lao managers. This is one of the responses to the restrictions on foreign investment in Laos. LAODI is considered a small company in Laos.

It has 20 employees, two of whom deal with corporate accounting. These two are concurrently engaged in sales and business affairs, and are not exclusively dedicated to accounting.

In Laos, self-owned land is allowed, and LAODI, in its accounting books, considers its factory land and half of its sugarcane fields as assets. The remainder of the sugarcane fields are rented from the government.

LAODI has adopted a differentiation strategy of producing a high-quality, international-award worthy rum, and is actively investing in the equipment necessary to achieve this. Some respondents stated that the value of machinery for squeezing sugarcane had depreciated and its maintenance cost was accounted for as an expense.

In this regard, as mentioned in the LCPAA courtesy visit above, it is necessary to examine the changes caused by the implementation of the new laws and how they affect bookkeeping, that is, whether or not accounting will have to change to accommodate them.

(10) Company visit and interview with EDL (September 12)

Four people, namely Ito, Kunita, Hishiyama, and Iwata of Senshu University visited the EDL headquarters and interviewed Vahnseng Vannavong, Financial Director, and Khambay Luangxay, Chief Accountant. In addition, Professor Xayphone Kongmanila was also present.

First, we were given an outline of EDL's business.

Company name: EDL-Generation Public Company (abbreviation: EDL) Laos Electric Power Generation Co., Ltd. (a subsidiary of Laos Electric Power Company)

Business: Electricity and gas power generation business (Power generation, transmission, distribution, management of power import / export, hydropower projects)

Capital: 3,474,388,200,000 LAK (as of October 3rd, 2019)

Number of shares outstanding: 868,597,050 shares (as of October 3rd, 2019)

Headquarters: Nongbone Road, Ban Fai, Say-setha District, Vientiane Capital, PO Box 309, Lao PDR

While EDL is the first company to ever be listed on the Laos Stock Exchange (January 11, 2011), governmental intent seems to have been a major motivation behind its listing. The Lao Ministry of Finance owns 100% of the shares of EDL, which in turn holds around 75% of the shares of EDL-Gen, which is its subsidiary. The regulatory authority for electric power is the Ministry of Energy and Mining (MEM). The finance department of EDL-Gen is composed of about 50 people out of a total of around 500 employees, and about three of them hold a CPA certification. Most of the accounting staff has graduated from overseas universities and graduate

schools.

Since the revision of the Accounting Law in 2014, listed companies in Laos have been required to apply IFRS. However, it was confirmed in an interview that this IFRS is not the IFRS issued by the International Accounting Standards Board (IASB), but rather an application of the relevant individual parts of the Lao accounting principles. In other words, in the Laos IFRS, individual items are partially carved out. This is also seen in the application of IFRS in France and the rest of Europe.

In the future, it will be necessary to analyze which individual items are being carved out. However, if such a carve-out is allowed during the transition period of accounting standards and the standard does not move towards a full application of IFRS (pure IFRS) in the future, it may be better to assume that Lao IFRS is being used. In addition, during interviews, some respondents stated that the accounting rules for calculating taxable income and those for disclosing financial statements were basically the same, unlike in some European and American countries.

In addition, the method of presenting financial statements is influenced by the nature of the business of electric power generation, and EDL-Gen's consolidated balance sheet is presented using the fixed arrangement method. At BKN Company Limited, where we conducted a company visit and interview in 2018, the balance sheet was also displayed using the fixed arrangement method. However, Banque Pour Le Commerce Exterieur Lao Public (BCEL), one of the listed companies in Laos, does not adopt the fixed arrangement method. IFRS states that where appropriate for understanding financial position, both liquidity and fixed arrangement can be used without any problem. Hence, in the future, while developing the bookkeeping textbook, it will be necessary to consider the Lao standards for presentation of financial statements.

Summary

This paper summarizes the results of our visit to Laos during this year. As we explained at the beginning, we had three objectives for visiting Laos. The first goal was to report on progress. As detailed in Section 4, we received very positive evaluations of the Laos Bookkeeping Project from the Laos Deputy Prime Minister and Minister of Finance, the Laos Chamber of Commerce and Industry, the Vice President of Laos National University of Laos, the Vice Dean of Faculty of

Economics and Business Administration of Laos National University of Laos, Laos Japan Center, the Ambassador of Japan to Laos, the Laos Minister of Sports and Education, and the Chairman of the LCPAA.

The second objective was to confirm the evaluation of the Lao textbook by seminar participants. As detailed in Section 3, although there were still points to be improved in the textbook, the 10-question survey on the textbook and lecture showed it was positively received by the students.

The third objective was to investigate accounting practices currently being implemented in Laos. As detailed in Section 4, on the last day, we visited two companies, a small one and a large one. It was clear that small companies do not have dedicated accounting staff. In addition, we found out that the large company, which is the first publicly traded company, is using a fixed arrangement method to present its financial statements.

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Attached materials: Raw data results of the student questionnaire (Chart 5)

Question Number	①	②	③	④	⑤	⑥	⑦	⑧	⑨	⑩
1	2	1	2	2	1	2	1	1	1	1
2	1	1	1	1	1	1	1	1	1	2
3	2	1	1	2	3	3	3	2	2	2
4	2	2	3	2	2	2	1	1	2	2
5	3	3	2	3	1	1	3	1	2	1
6	3	2	3	3	3	2	2	2	2	1
7	4	4	3	3	4	1	4	2	2	3
8	1	1	1	2	1	2	2	2	2	1
9	2	1	1	2	2	1	1	1	2	2
10	1	1	2	2	2	2	2	1	1	2
11	2	2	1	1	2	2	1	2	3	3
12	2	2	1	1	1	1	2	1	1	2
13	2	2	1	1	3	2	2	1	2	2
14	2	3	2	1	2	3	2	1	1	2
15	2	2	2	2	4	2		1	1	3
16	1	2	3	1	1	1	2	1	2	2
17	2	2	3	1	3	3	2	2	2	3
18		2	1	4	2	1	3	1	1	2
19	1	1	1	2	1	1	1	1	1	2
20	2	1	1	1	3	1	3	2	1	2
21	2	2	1	1	1	1	1	1	1	1
22	2	2	1	2	2	1	2	1	1	3
23	1	1	1	1	2	1	3	2	1	2
24	1	1	2	1	1	2		3	1	2
25	1	2	2	2		1	2	1	1	2
26	2	3	3	2	3	2	2	1	1	2
27	1	1	2	1	1	1	2	1	2	1
28	2	1	2	1	1	2	1	1	1	2
29	2	2	2	1	2	3	3	1	2	3
30	2	1	1	2	2	1	3	2	3	3
31	2	2	2	2	2	2	3	2	2	2
32	1	1	2	1	1	2	1	1	2	2
33	1	1	2	1	1	1	1	1	1	2
34	1	1	1	1	3	3	3	1	1	1
35	1	1	1	1	1	1	1	1	1	1
36	2	1	1	1	1	1	4	1	1	1
37	2	2	1	1	2	2	2	1	2	2
38	2	2	2	2	2	2	2	1	2	2
39	3	3	3	1	3	3	1	3	3	3