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**LE THI MINH TRI**

**PERFECTING MANAGEMENT ACCOUNTING WITH  
PERFORMANCE EVALUATION AT LISTED OIL AND GAS  
ENTERPRISE IN VIETNAM**

*Major* : Accounting

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**SUMMARY OF THE DOTAL THESIS OF ECONOMICS**

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**The thesis will be defended at the Academy-level  
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and the Academy of Finance Library**

## INTRODUCTION

### **1. The urgency of the subject**

In the context of the complicated situation of the Covid-19 epidemic in many countries around the world since the beginning of the year, causing many global manufacturing industries to fall into a difficult situation, transportation activities have stalled, the world oil price fell sharply for a long time, putting Vietnam's oil and gas industry in front of unprecedented challenges in the history of development.

Performance evaluation occupies an important position in the production and business activities of enterprises. It is an effective management tool that businesses have used for a long time. Performance evaluation helps businesses self-assess and evaluate the implementation of economic and financial targets, how far are the results achieved, thereby offering solutions to make the most of the world. enterprise strength.

In the process of running the business, the managers must exchange and update accounting information. The managers after making a complete and reasonable plan, the organization implementing the plan requires checking and evaluating its implementation. The commonly used method is to compare the planned or estimated data with the implementation data, thereby identifying the deviations between the achieved results and the set goals. To do this, managers need to be provided with performance reports, which act as a feedback step to help them identify issues that need to be adjusted. Furthermore, to evaluate the performance of the remaining managers. requires accounting information to be complete, timely and accurate to well perform its administrative functions and activities. Thus, management accounting has a leading role and governs all business activities of enterprises. Based on the information provided by the management accountant, the managers make appropriate business decisions in the short and long term to ensure the existence and sustainable development of enterprises in the market economy.

In fact, at listed oil and gas enterprises in Vietnam, management accounting for management in general and performance evaluation in particular still has many shortcomings that need to be improved. First of all, the awareness of managers about the role of management accounting as well as the relationship between management accounting and performance evaluation is

not satisfied, management accounting is still overlooked. On the other hand, the system of indicators used to evaluate the operational efficiency provided by the management accountant does not accurately reflect the actual performance of the unit. Besides, the method used to evaluate the performance a mainly simple comparison. Stemming from the above reasons, the author has chosen the topic "*Perfecting management accounting with performance evaluation at listed oil and gas enterprise in Vietnam*" for his doctoral thesis.

## **2. Overview of related research topics**

It can be said that domestic and international studies have confirmed the importance of management accounting and evaluated the operational efficiency and role of management accounting in providing information to business managers. The study of the relationship between management accounting and performance evaluation is growing day by day, has been, and will be in-depth for each specific industry. However, the published studies have not had any in-depth research on management accounting with the evaluation of performance at listed oil and gas enterprises in Vietnam, while The oil and gas industry is a growing industry that needs management accounting to provide necessary information for the management of production and business activities of enterprises. There has not been any research that solves the relationship of management accounting with the evaluation of performance in a comprehensive way so that the most practical solutions can be given. blank that the author will focus on perfecting.

## **3. Objectives of the study**

- *General objective*: Proposing appropriate solutions to improve management accounting with the evaluation of operational efficiency at listed oil and gas enterprises in Vietnam.

- *Detail goal*:

+ Identify the relationship between management accounting and the evaluation of business performance

+ Analyze and evaluate the current status of the relationship between management accounting and performance evaluation at listed oil and gas enterprises in Vietnam

+ Specify the basis for proposing solutions to improve management accounting with the evaluation of performance at listed oil and gas enterprises in Vietnam.

#### **4. Research question of the thesis**

General question: What are the appropriate solutions to improve management accounting with performance evaluation at listed oil and gas enterprises in Vietnam?

From there, the thesis must answer the following specific questions:

- What are the manifestations of the relationship between management accounting and performance evaluation?

- What is the current status of the relationship between management accounting and performance evaluation at listed oil and gas enterprises in Vietnam today?

- On what basis is the proposal of solutions to improve management accounting with the evaluation of performance at listed oil and gas enterprises in Vietnam made?

#### **5. Object and scope of research**

- *Research subjects:*

Research on the relationship between management accounting and performance evaluation at listed oil and gas enterprises in Vietnam

- *Research scope:*

- + In terms of content: The thesis studies issues related to the theoretical basis of the relationship between management accounting and the evaluation of business performance. Through research to assess the current situation of the relationship between management accounting and the evaluation of performance at listed oil and gas enterprises in Vietnam, orientation, requirements and solutions for improvement. on management accounting with the evaluation of performance at listed oil and gas enterprises in Vietnam.

- + In terms of space: The thesis focuses on studying oil and gas businesses listed in Vietnam.

- + In terms of time: Research from 2017 to 2021.

#### **6. Research method of the topic**

Based on the method of dialectical materialism, historical materialism, to have scientifically grounded analysis and evaluation. The topic uses research methods: Synthetic method; Comparative method; Analytical methods... Besides, the thesis applies a descriptive using SPSS to assess the current status of the relationship between management accounting and performance evaluation in listed oil and gas enterprises. listed in Vietnam.

## **7. New contributions of the thesis**

Theoretical, The thesis outlines the theoretical basis of the relationship between management accounting and the evaluation of performance in enterprises and is particularly interested in the assessment of content: management accounting with the evaluation of the efficiency of using inputs management accounting with the evaluation of cost-effectiveness management accounting with the evaluation of business results, management accounting with the evaluation of efficiency debt use, management accounting with the evaluation of financial investment performance, management accounting with the evaluation of profitability, management accounting with the evaluation of social performance. The theoretical part is the foundation for a good approach to the selected survey unit.

In practice, The thesis explores and studies the history of formation, organization of business management apparatus and decentralization of financial management, characteristics of accounting apparatus, characteristics of oil and gas business activities. affects the relationship between management accounting and the evaluation of management accounting performance of listed oil and gas enterprises in Vietnam. The thesis properly assesses the current situation of the relationship between management accounting and the performance evaluation of 23 listed oil and gas enterprises in Vietnam. Assess the advantages and limitations of management accounting with the evaluation of performance in listed oil and gas enterprises in Vietnam. The thesis has presented the orientations, requirements and solutions to improve management accounting with the evaluation of performance in listed oil and gas enterprises in Vietnam. These solutions can be applied depending on the characteristics of production and business activities of enterprises.

## **8. Structure of the topic**

In addition to the introduction, conclusion, table of contents, list of tables, figures, appendices and list of references, the thesis is structured into 3 chapters:

*Chapter 1:* Theoretical basis of management accounting with an evaluation of performance in enterprises.

*Chapter 2:* Current status of management accounting with the evaluation of performance at listed oil and gas enterprises in Vietnam.

*Chapter 3:* Principles and solutions to perfect management accounting with performance evaluation at listed oil and gas enterprises in Vietnam.

## **Chapter 1**

# **THEORETICAL BASIS OF MANAGEMENT ACCOUNTING WITH ASSESSMENT OF OPERATION EFFICIENCY IN ENTERPRISES**

### **1.1. OVERVIEW OF MANAGEMENT ACCOUNTING IN THE BUSINESS**

#### **1.1.1. Management accounting and its role**

“Management accounting is an integral part of the accounting system, which is set up to provide information to help managers in the enterprise management and control the organization's activities to achieve the common goals of the enterprise promptly the most effective”.

Today's management accountants have the following specific roles: Provide necessary information to help business managers as a basis for planning, organizing and operating, checking and monitoring the implementation of objectives. estimate; It is an effective tool to support managers in determining the direction and controlling the entire operation of the enterprise; Motivate managers and employees to achieve the goals of the enterprise; Calculating and measuring the effectiveness of activities, units, managers and employees in the enterprise; Compare the competitiveness of enterprises in the market, ensure the long-term competitiveness of enterprises in the industry; Planning and controlling the process of implementing the plan to create sustainable development for the business.

#### **1.1.2. Functions of management accounting**

For management accounting to affirm its role in management and administration, management accounting must perform well the functions of planning, organizing, implementing, checking and evaluating the implementation of plans and making decisions. With the management function in the enterprise, the management process is carried out according to the following steps:

- Provide information for the planning process
- Provide information for the implementation process
- Provide information for the inspection and evaluation process
- Provide information for the decision-making process

#### **1.1.3. Fundamentals of management accounting**

- If considering the content of the information provided by the management accounting, it is possible to generalize the management accounting of enterprises including: Accounting for production and business factors

(including fixed assets, labor, wages); Management accounting of costs and product prices; Management accounting of revenue and business results; Management accounting on financial investment activities; Management accounting of other activities of the enterprise.

- If considering the process of management accounting to the management function, management accounting includes the following stages: Formalizing the goals of the enterprise into economic indicators; Preparation of general and detailed estimates; Collect and provide information on the results of the implementation of the objectives; Prepare management accounting reports.

## **1.2. OPERATION EFFICIENCY AND ASSESSMENT OF OPERATIONAL EFFICIENCY IN THE BUSINESS**

### **1.2.1. Operational efficiency**

From the nature of operational efficiency and the above analysis and evaluation, according to the author: "Operating efficiency is an economic category expressed through a system of specific economic indicators built based on economic indicators. based on the relationship between outputs and inputs, thereby reflecting the level of use of resources of the enterprise and business activities so that the waste of resources and resources is the lowest with the benefit of the enterprise. yield is highest in terms of a harmonious combination between economic efficiency and social efficiency".

### **1.2.2. Evaluating performance**

Performance evaluation is a comparison between the costs spent and the useful results obtained to achieve that result. Useful outcomes can be understood to include social efficiency and economic efficiency.

Or performance evaluation is also understood as the measurement of the performance of an enterprise through a system of economic and financial indicators. Research by Hult et al. (2008) has shown that there are 3 criteria to measure operational efficiency, which are business performance measurement, financial performance measurement, and aggregate efficiency measurement.

### **1.2.3. Indicators of performance evaluation**

To accurately assess, and have a scientific basis for, the performance of an enterprise, it is necessary to build a complete system of indicators that both reflect the basic elements of the business process. To ensure the above requirements, usually use the following criteria:

Performance = Outputs/Resource (cost) input



### **1.3. RELATIONSHIP BETWEEN MANAGEMENT ACCOUNTING AND OPERATION EFFICIENCY ASSESSMENT IN THE ENTERPRISE**

#### **1.3.1. The relationship between management accounting and the evaluation of the effectiveness of using input factors**

Input factors include: raw materials, input goods; fixed asset elements; labor factors Supply of inputs is the first important activity of production and business activities. When evaluating the efficiency of using these factors, it is necessary to focus on assessing the characteristics of each group of input materials and goods; fixed assets; labor.

Elements of raw materials and goods: include main raw materials, auxiliary materials, fuels,... serving the production process of products or goods for commercial enterprises. If enterprises do well in the supply and storage of raw materials, it will create favorable conditions for the production process to be carried out continuously, contributing to improving business results and efficiency. On the contrary, if the process of purchasing and storing is not good, it will affect the production and consumption process, causing a waste of resources of the enterprise.

Elements of fixed assets: Fixed assets (fixed assets) are the main labor materials of great value and long-term use in the enterprise, in accordance with current accounting standards. receive fixed assets. Therefore, how to use fixed assets to exploit the full capacity of fixed assets invested in to improve profits is a matter of concern for all management levels in the enterprise. Management accounting provides information and advice to managers about the investment process, fixed assets to be invested, information about the status of operation; use, new and old condition, fixed assets to be used or used. ineffective to come up with a plan for liquidation and sale.

Labor factor: Assessing the efficiency of used for rational and effective use of labor, saving labor, while ensuring the lowest costs and the highest income of employees. that is the ultimate goal of managers in a competitive and developed market mechanism. To provide information for managers to evaluate performance, management accounting needs to provide the following information: information on the number of employees, labor structure (gender, age, professional qualifications), labor productivity, working time (working days, working hours).

#### **1.3.2. The relationship between management accounting and cost effectiveness assessment**

- Direct material cost factor: Direct material cost includes: cost of main materials, cost of auxiliary materials, cost of fuel... directly involved in the

production of products of the company. enterprise. This is a cost that usually accounts for a large proportion of the cost of manufactured products. Therefore, evaluating the efficiency of using direct material costs aims to identify the factors that directly affect the cost of raw materials, untapped potentials, economical or wasteful use, high or low efficiency to reduce direct material costs and lower product costs.

- Factor of direct labor costs: Direct labor costs of enterprises include: main salaries, supplementary amounts, deductions according to salary according to the prescribed rate, etc. of workers directly engaged in production and business.

To evaluate the effectiveness of direct labor costs, managers need information on wage costs and the number of employees. Management accounting provides information on the average number of planned and actual employees, actual salary costs, and planned salary costs. At the same time, management accounting uses the comparison method between the actual and the planned number of employees in each department, the average salary of each department.

- Elements of selling and administrative expenses: Selling expenses are expenses incurred to serve the consumption of products, goods and services of enterprises. Selling expenses include many factors such as: Cost of sales staff, materials and tools for sales, costs of external services, costs of advertising, marketing, product warranty...

Evaluating the effectiveness of using selling and administrative expenses to use them effectively, economically, and to the right audience, avoiding wasteful costs to help improve business efficiency. To provide information for managers to evaluate the effectiveness of cost use, management accounting provides targets and compares the actual and planned costs of wages paid to sales staff, management staff. ; materials and tools for sales and business management; outsourced service costs, advertising and marketing costs, product warranties, fixed asset depreciation expenses.

### **1.3.3. The relationship between management accounting and business performance evaluation**

The Business results of an enterprise, also known as net profit from business activities of an enterprise, is the difference between outputs and inputs of production and business activities. Business administrators need accountants to provide full information on profit and loss results (profit before tax, profit after tax), information on costs (cost of goods sold, administrative expenses of

the business), selling expenses) of each line of business, each type of product, each service... To satisfy these requirements, it is necessary to organize management accounting of business results. Based on the above information, management accounting compares the actual and the planned revenue, profit and loss results (profit before tax, profit after tax), cost of goods sold, and administrative expenses, cost of sales of each type of product, each service to evaluate operational efficiency.

#### **1.3.4. The relationship between management accounting and the evaluation of debt efficiency**

To improve the efficiency of using receivables, enterprises must take measures to speed up the collection of receivables (the number of debt collection increases, the time for debt collection decreases). To achieve the above goal, management accounting needs to provide information to help managers quickly recover debts. By basing on the actual debt collection of each enterprise compared to the payment term (compared to the previous year, the previous period, compared to competitors). In accounts' payable, payable to suppliers is often important to the solvency and reputation of a business. The purpose of assessing the efficiency of using liabilities is to improve the efficiency of capital use of the enterprise. To achieve this goal, management accounting needs to provide information on the structure of liabilities, information on suppliers, types of debt by term, payment term and quality of debt, and reputation of the enterprise. compared to suppliers...

#### **1.3.5. The relationship between management accounting and the evaluation of financial investment performance**

To managers to evaluate investment performance, management accounting provides the following information: investments (detailed by object, term, investment nature); dividends, profits are distributed in proportion to the investments. The evaluation is usually conducted by comparing the actual and planned results of the stock investment (comparing with other enterprises in the same industry, the financial indicators are publicized on the stock market to see the results). real business performance of enterprises), real estate investment results (compare the value of each type of real estate between this period with the previous period or the implementation period against the planning period so that scale and growth rate, thereby seeing the influence of factors on the scale and efficiency of real estate investment), capital contribution investment results (based on investment price and distributed profit), other investment results (loan object, loan term...).

### **1.3.6. The relationship between management accounting and profitability assessment**

Profitability represents the ability to make a profit from input resources, input or output costs reflect the production results of the business. The of a business reflects the ability of the enterprise to use the available resources to achieve the highest results in the business. Evaluating profitability aims to use resources effectively to improve work productivity and speed up the asset turnover of the enterprise. To assess profitability, management accounting provides information related to gross profit margin, net profit margin of each division, product, region, and market; the ratio of selling expenses, administrative expenses to revenue.

### **1.3.7. The relationship between management accounting and social performance assessment**

Social efficiency is a category that reflects the level of use of production resources to achieve certain social goals. The social goals are usually job creation, infrastructure construction, improvement of social welfare, the of living and cultural and spiritual life for workers, assurance and improvement of people's health. labor, improve working conditions, ensure environmental sanitation,... The determination of the level of contribution to society can be based on the level of job creation for workers (based on the total amount of labor). salary, number of employees employed, labor productivity and average income of employees); the level of contributions to the state budget (paid taxes, fees, and items that pay the most taxes to the state budget); contribution to society in terms of community and local development funds.

## **1.4. EXPERIENCE APPLICATION OF MANAGEMENT ACCOUNTING WITH ASSESSMENT OF OPERATION EFFICIENCY OF SOME COUNTRIES IN THE WORLD**

### **1.4.1. Experience in applying management accounting to the performance evaluation of US**

### **1.4.2. Experience in applying management accounting to the performance evaluation of France**

### **1.4.3. Experience in applying management accounting to the performance evaluation of Japan**

### **1.4.4. Lessons on applying management accounting to the evaluation of performance in Vietnamese enterprises**

## **CONCLUSION CHAPTER 1**

In this chapter, the author presents the content of management accounting, operational efficiency and performance evaluation, the relationship between management accounting and performance evaluation. Management accounting plays the leading role and controls all production and business activities of enterprises. The information that management accounting provides helps business managers make appropriate business decisions. Evaluating operational efficiency is an important content in analyzing business performance, helping information users have an overview and complete overview of the business's operational capacity, profitability and potential. have been.

### **Chapter 2**

## **THE STATUS OF MANAGEMENT ACCOUNTING WITH ASSESSMENT OPERATION EFFICIENCY AT LISTED OIL AND GAS BUSINESS ENTERPRISE IN VIETNAM**

### **2.1. OVERVIEW OF LISTED OIL AND GAS BUSINESS ENTERPRISE IN VIETNAM**

#### **2.1.1. History of formation and development**

Vietnam's oil and gas industry is dominated by the Vietnam National Oil and Gas Group (PetroVietnam), under the supervision of the Ministry of Industry and Trade, in both management and operation in this industry. All domestic oil and gas production is carried out by PetroVietnam's upstream subsidiaries, the Vietnam Gas Exploration and Production Corporation (PVEP) or through joint ventures (JV) and distribution contracts. product division (PSC), in which the national oil company holds at least 20% of the shares. PetroVietnam's production and business activities include: Oil and gas prospecting and exploration, Oil extraction, Refining, petrochemical and other biological products production, and Exploitation and gas supply.

Thus, as of December 31, 2020, there are more than 25 oil and gas enterprises listed on Vietnam's stock market. However, among these 25 companies, some companies have just been listed as of May 2019 such as DMC - Northern Petrochemicals Joint Stock Company (PCN), so information about the This is not enough for the period from 2014 to 2018 or there are companies that have been listed for a long time, but their financial situation and business results are abnormal, so the author did not select the research sample.

Therefore, with the selection of listed oil and gas businesses, ensuring consistency in listing time and full information on the financial situation in the period from 2016 to 2020, the author chooses 23 enterprises.

### **2.1.2. Organizational characteristics of the business operation management apparatus and the decentralization of financial management**

The impact of decentralization of financial and operational management on the performance of listed oil and gas businesses in Vietnam is as follows:

- First: The survey shows that the decentralization of operation management in enterprises is to control activities according to functions, not to define decentralization of decision-making related to operations and finance.

- Second: The above decentralization feature shows that the decentralization of operation management includes decentralization of asset management, capital resources, and management of operational aspects according to the functions of each separate department.

- Third: Decentralization of financial management is the subject of financial management at enterprises and affiliated units.

- Fourth: The decentralization of financial management in large-scale enterprises follows a model of both centralization and dispersion, but the organization of the management apparatus operates according to online functions, so the process of decentralization of management Operational management is not compatible with financial management.

- Fifth: The financial management in enterprises is mainly carried out by the accounting department and mainly performs the function of recording and reporting financial accounting; enterprises that have not yet decentralized management of separate financial accounting and management accounting to serve their own internal management.

### **2.1.3. Features of the organization of the accounting apparatus**

The survey results of 23 listed oil and gas companies in Vietnam show that 84% of enterprises organize their accounting apparatus in a centralized and decentralized manner, the remaining 16% of enterprises organize their accounting apparatus. centralized math.

- The model used mainly in enterprises is the centralized and distributed accounting system organization model, which is suitable for medium and large sized companies with a wide range of activities. The Vietnam National Petroleum Group, the Vietnam Oil and Gas Power Corporation, the PetroVietnam Transportation Joint Stock Corporation, etc., choose the form of

both concentration and dispersion. Besides focusing on accounting work at the company's financial accounting department, at branches and subsidiaries; The accounting work is independently accounted for, and then consolidated and reported with the parent company. The diagram of the centralized and distributed accounting apparatus is shown in (diagrams 1.1, 1.2, 1.3).

- Organizational form of accounting books: A summary of accounting reports and surveys at 23 listed oil and gas enterprises in Vietnam shows that, depending on the size, characteristics and needs of each individual's accounting information. where oil and gas businesses listed in Vietnam use different forms of accounting book organization.

- The accounting book system of listed oil and gas enterprises in Vietnam complies with the provisions of Circular 200/2014/Circular - Ministry of Finance issued on December 22, 2014. Accordingly, the types of accounting numbers that oil and gas businesses listed in Vietnam are allowed to use according to the guidance of the issued circular.

Managers are not satisfied with the information provided by management accounting, and also through fact-finding, the author found that the information provided by management accounting in the survey units is mainly in the form of numbers without analysis and evaluation. Therefore, it does not bring much meaning in the process of using it for the performance of administrative functions, but mainly for the preparation of financial statements.

#### **2.1.4. Characteristics of oil and gas business activities that affect the relationship between management accounting and the evaluation of the performance of management accountants.**

Vietnam's oil and gas industry, dominated by the Vietnam Oil and Gas Group (PetroVietnam - PVN) and supervised by the Ministry of Industry and Trade, plays an important role in the Vietnamese economy thanks to its significant contribution to GDP and the budget. state (average 20%). With crude oil reserves at 4.4 billion barrels, Vietnam ranks third in the Asia Pacific region and provides about 0.6% of global demand.

- Characteristics of industry structure and business field
- + Petroleum and gas processing enterprises
- + Petroleum and gas distribution enterprises
- Characteristics of business items
- Characteristics of market size and market share
- Characteristics of material - technical facilities

## **2.2. REALITY OF RELATIONSHIP BETWEEN MANAGEMENT ACCOUNTING AND OPERATION EFFICIENCY ASSESSMENT AT LISTED OIL AND GAS BUSINESS ENTERPRISE IN VIETNAM**

### **2.2.1. The current status of the relationship between management accounting and the evaluation of the effectiveness of using input factors**

- For the material element

The analysis results show that the need for management accounting information provided to evaluate the efficiency of using raw materials and goods is assessed with an average value of 3.59, showing the need for information of the company. Management accounting provides at a high level. When studying the level of information responsiveness of management accounting for managers to evaluate performance, it shows that descriptive statistics about the level of information responsiveness of management accounting serve business managers. The industry evaluates the efficiency of using raw materials and goods at an average level with an average value of 3.3.

- For the fixed asset element

Summarizing the statistical results of assessing the need for management accounting information provided to evaluate the efficiency of using fixed assets, labor factors are assessed with the average value of 4.06 and 4.11 respectively. The demand for information provided by management accounting is high.

- For the labor factor

Synthesizing the statistical results of assessing the need for management accounting information provided to evaluate the effectiveness of using labor factors, the average value is 4.15, showing the need for management accounting information to be provided by the employees. managers at a high level.

### **2.2.2. The current status of the relationship between management accounting and the evaluation of cost effectiveness**

- Factor of direct material cost, direct labor cost, manufacturing overhead

Synthesize statistical results to assess the need for management accounting information provided to evaluate the effectiveness of cost factors such as direct material costs, direct labor costs, and general production costs. with the corresponding mean values of 3.72, 4.06, 3.53 respectively, showing that the demand for management accounting information provided by managers is high. Synthesize statistical results to assess the response level of management accounting information provided to evaluate the effectiveness of using cost factors such as direct material costs, direct labor costs, and general production costs. evaluated with the corresponding average value of 3.53, 4.06, 3.42,



showing that the level of information responsiveness of management accounting for managers is high.

- For the element of selling expenses, administrative expenses

Summarizing the results of statistical analysis of the need for management accounting information provided to managers to evaluate the effectiveness of using selling and administrative expenses, which are assessed at an average level. Synthesize the results of statistical analysis on the level of information responsiveness of management accounting for managers to evaluate the effectiveness of using the cost of selling and administrative expenses, which are assessed at an average level with The mean value is 3.19.

### **2.2.3. The current status of the relationship between management accounting and the evaluation of business results**

Synthesize the results of statistical analysis of the need for management accounting information to provide managers with a high level of performance evaluation with an average value of 4.08. Synthesize the results of statistical analysis on the level of response to information provided by management accounting for managers to evaluate the performance results at an average level with an average value of 3.38. The results of in-depth interviews and research on related reports of surveyed enterprises show that most of the enterprise's reports provide information on profit and loss results in the form of profit before tax and profit. after tax. The determination of business results of the enterprise is merely to assess the status of completing the annual plan set out by the company. From there, as a basis for the direction of the board of directors, not according to the usual rule, decisions are based on the profits that business activities bring.

### **2.2.4. The current status of the relationship between management accounting and the evaluation of debt efficiency**

Synthesize the results of statistical analysis of the need for management accounting information to provide managers to evaluate the efficiency of debt use at an average level with an average value of 3.41. Synthesize the results of statistical analysis of the response level of information provided by management accounting to managers to evaluate the efficiency of debt use at an average level with an average value of 2.92. Research results show that the management accounting department in most of the surveyed enterprises has not provided information on debts, creditors, debtors, payment terms, and debt quality. Some units provide general information on the number of days of turnover of receivables and payables, but the data is general for the whole

enterprise, not specific about receivables, payables, creditors, etc. Who is the debtor, when to pay, whether there is bad debt or not. Therefore, it is difficult for managers to assess the quality of debts to make appropriate business decisions.

#### **2.2.5. The current status of the relationship between management accounting and the evaluation of financial investment performance**

Synthesize the results of statistical analysis of the need for management accounting information to provide managers with a high level of financial investment performance with an average value of 3.81. Summarizing the results of statistical analysis, the level of response to information about financial investment activities provided by management accounting is at an average level with an average value of 3.27. According to the survey results on financial investment activities provided by management accountants at listed oil and gas businesses in Vietnam, most of the information about investments in subsidiaries and associates is only provide an overview of the amount of investment shown over the years (Appendix 9), in addition, some enterprises have provided detailed data on charter capital, parent company ownership, voting rights, business results of subsidiaries and associates (Appendix 10), information on stock investment activities shown in the securities investment report (Appendix 11) and the table of provisions for devaluation. securities of the Petroleum Materials Joint Stock Company (Appendix 12).

#### **2.2.6. The current status of the relationship between management accounting and profitability assessment**

Synthesize the results of statistical analysis of the need for management accounting information to provide managers with a high level of profitability with an average value of 4.17. Synthesize the results of statistical analysis of the response level of information provided by management accounting to managers to evaluate profitability at an average level with an average value of 2.78.

#### **2.2.7. The current status of the relationship between governance and the assessment of social performance**

Synthesize the results of statistical analysis of the demand for management accounting information provided to managers to evaluate social effectiveness at a high level with an average value of 4.06. Synthesize the results of statistical analysis of the response level of information provided by management accounting to managers to assess social effectiveness at a high level with an average value of 3,803. Through research on information on social efficiency provided by management accounting at listed oil and gas enterprises in Vietnam, most information about the income of employees, contribution to

the State budget. through payable taxes, environmental protection funds are shown in annual reports and financial statements of enterprises.

### **2.3. ASSESSMENT OF THE STATUS OF THE RELATIONSHIP BETWEEN MANAGEMENT ACCOUNTING AND SOCIAL EFFICIENCY ASSESSMENT AT LISTED OIL AND GAS BUSINESS ENTERPRISE IN VIETNAM**

#### **2.3.1. Result**

- About management accounting with the evaluation of the effectiveness of input factors
  - About management accounting with cost effectiveness assessment
  - About management accounting with the evaluation of business results
  - About management accounting with the evaluation of financial investment performance
  - Regarding management accounting with the evaluation of the effectiveness of debt use activities
    - About management accounting with the assessment of profitability
    - On governance with the assessment of social performance.

#### **2.3.2. Limitations and causes of restrictions**

- About management accounting with the evaluation of the efficiency of using input factors

Through the survey process, the author found that the reporting system on the input factors of management accounting in listed oil and gas enterprises in Vietnam mainly serves for financial accounting, information reporting. Management accounting reports on inputs have not been updated regularly with all changes inside and outside the enterprise, decisions of business leaders are not based much on management accounting reports. Most of the information that management accounting provides is information (information on prices and costs of raw materials procurement; information on types and quantities of purchased materials; information on timeliness in raw material procurement; materials; information on the synchronization in raw material procurement; information on the volume and price of raw materials used; information on time, maximum and minimum reserve of raw materials; information on reasonable loss in transportation and storage; information on the structure of fixed assets; information on the number of fixed assets, the of fixed assets; information on quantity and basis labor structure) in the form of an overview of

the whole enterprise without details for each department, each product, etc. The comparison between the actual number and the planned number has not been conducted, causing difficulties for enterprise managers when conducting an assessment. performance cost.

- About management accounting with cost effectiveness assessment

Through the survey of listed oil and gas businesses in Vietnam about management accounting information provided for cost-effectiveness assessment, the author found that most of the information on raw material costs Direct costs, direct labor costs, manufacturing overheads, selling expenses, and general and administrative expenses are provided as an overview of the whole enterprise without details for each department, each product, goods..., as well as not providing information to compare between actual and planned to help managers use performance evaluation.

- About management accounting with the evaluation of business results

Through a survey at listed oil and gas businesses in Vietnam on management accounting with the evaluation of business results, it was found that the enterprises have not analyzed and evaluated the consumption revenue targets, net profit on consumption, gross profit on consumption. The new reports are general, not detailed for each part, product, goods sold, new information provided at the present, have not compared between reality and plan.

- About management accounting with the evaluation of debt efficiency

Through analyzing and evaluating the efficiency of debt use at listed oil businesses in Vietnam, it was found that most of the enterprises did not provide information about creditors, debt customers, types of debt according to period. term, payment term, debt each quality. At the same time, the units have not prepared management reports such as reports on debt use. In addition, management accounting reports are not actively prepared on a regular and continuous basis, so they do not meet the requirements of providing timely information to suppliers.

- About management accounting with the evaluation of financial investment performance

Through analyzing and evaluating the information provided by management accounting to evaluate the effectiveness of financial investment activities at listed oil and gas businesses in Vietnam, the author found that most management accounting has not provided operational information.

detailed financial investment activities for each investment an, term, investment nature, for comparison between actual and planned financial investment activities, making it difficult for managers to view consider investments with high profits to continue investing or supplementing investment capital, investments that do not achieve desired profits or losses to make provision, stop investing, cut losses.

- About management accounting with the assessment of profitability

Through the survey, the oil and gas trading enterprises listed in Vietnam about the management accounting information provided to evaluate the profitability found that the management accounting information provided was in a general, not detailed form, comparing between actual economy and plan of each department, region, market, item.

- On governance with the assessment of social performance

Social effectiveness is important content when assessing the positive impact of businesses. However, information about the contribution to society about community and local development funds has not been fully and timely provided by the international accounting system, causing difficulties for managers ineffective management and supervision of society.

- Subjective reasons
- Objective reasons

## **CONCLUSION CHAPTER 2**

In this chapter, the thesis conducts an overview study of listed oil and gas enterprises in Vietnam to determine the extent of influence on the current situation of management accounting with the evaluation of performance at enterprises. listed oil and gas in Vietnam. The chapter has reflected the reality of the characteristics of oil and gas business that affect the evaluation of the performance of management accounting, the status of the relationship between management accounting and the evaluation of the performance of the enterprises. Oil and gas business listed in Vietnam. From there, making an assessment of the achievements, limitations and causes of limitations in the relationship between management accounting and the evaluation of performance at listed oil and gas enterprises in Vietnam. Vietnam. Chapter 2 of the thesis has achieved the objectives set out initially.

## Chapter 3

### **PRINCIPLES AND SOLUTIONS TO PERFECT MANAGEMENT ACCOUNTING WITH ASSESSMENT OF OPERATION EFFICIENCY AT LISTED OIL AND GAS BUSINESS ENTERPRISE IN VIETNAM**

#### **3.1. DEVELOPMENT ORIENTATION AND PRINCIPLES FOR PERFECTING MANAGEMENT ACCOUNTING WITH ASSESSMENT OF OPERATION EFFICIENCY AT LISTED OIL AND GAS BUSINESS ENTERPRISE IN VIETNAM**

##### **3.1.1. Development orientation of listed oil and gas enterprises in Vietnam**

In particular, the development orientation of the oil and gas trading system is agreed as follows:

*Firstly*, ensure that oil and gas business activities comply with the market mechanism under the management of the State.

*Second*, oil refineries meet at least 70% of domestic demand; ensure that the strategic petroleum reserve reaches at least 90 days of net import; capable of importing liquefied natural gas (LNG) about 8 billion m<sup>3</sup> in 2030 and about 15 billion m<sup>3</sup> in 2045.

*Third*, ensure the leading role of the State economy in the field of oil and gas business, through "building a synchronized, competitive, transparent energy market, diversifying ownership forms and methods business practices", "encourage and create all favorable conditions for all economic sectors, especially the private sector, to participate in energy development".

*Fourthly*, the development of the petroleum product trading network must be associated with social security tasks, maintaining political-economic stability and ensuring national security and defense.

##### **3.1.2. Principles of perfecting management accounting with the evaluation of performance in listed oil and gas enterprises in Vietnam**

- Principle of compliance
- Matching principle
- Principles of saving and efficiency

#### **3.2. SOLUTION TO PERFECT MANAGEMENT ACCOUNTING WITH ASSESSMENT OF OPERATION EFFICIENCY AT LISTED OIL AND GAS BUSINESS ENTERPRISE IN VIETNAM**

##### **3.2.1. Perfecting management accounting with an effective assessment of input factors**

- Material element

To ensure that the production and business activities of enterprises take place continuously, regularly and on time, the ability to supply, use and store raw materials and materials plays a very important role. To facilitate the

assessment of operational efficiency, management accounting provides reports on material fluctuations. This report is prepared showing the production demand, purchase demand, demand sale and use of products and goods in the period in terms of quantity and value. The above figures compared with the plan to determine how fluctuations, determine the amount of ending inventory. After determining the targets of the report, make assessments and measures to overcome the specific situation to prevent enterprises from having too much reserve, which causes capital stagnation or too little inventory compared to other countries. with demand, making goods scarce.

Reports on the use of labor by enterprises are prepared from many different angles. It is possible to make a report on the use of labor, the number of employees, the working time... or the report on the use of labor for each division, each production workshop or the entire enterprise.

### **3.2.2. Perfecting management accounting with cost effectiveness assessment**

- Direct materials cost performance report

- + Purpose of the report: for this report, it will help managers check and evaluate the situation of using direct materials according to 2 factors of price and quantity.

- + Content to be completed: The report needs to reflect all information related to the cost of raw materials used in the period in the production of products such as: The unit price of a unit of raw materials shown on both actual value and norm value, the total cost of materials between norm and performance, as well as determine the extent of difference between norm and actual.

- Direct labor cost performance report

- + Purpose of completion: To help managers control implementation costs more specifically.

- + Complete content: for this report, the company needs to research and complete according to a new report form that fully reflects necessary information such as: production output, labor time and unit salary price. From there, determine the total direct labor cost in the period. ensure the accuracy, the information provided in a more detailed and specific way.

- General production cost performance report

- + Fixed manufacturing overheads report: Provides business managers with information related to the total fixed manufacturing overhead costs.

+ Report on variable manufacturing overhead: Reflecting the actual implementation of variable costs compared to the plan, thereby determining the level of volatility as well as the total cost fluctuation of the whole enterprise.

### **3.2.3. Perfecting management accounting with business results assessment**

To provide information for managers to evaluate business results, management accounting provides analysis reports on business results of enterprises. This is the report that management accountants most often used to analyze between periods, between different departments in the same enterprise about the revenue, costs and profits of the business achieved in a period.. The income statement will provide data on revenue, expenses and profit by each segment or business field performed in the period, possibly maybe by month, quarter or year of the enterprise. To make a statement of business results, it is necessary to base on the data made in the sales detail book, the detailed book tracking all kinds of expenses made in the period.

### **3.2.4. Perfecting management accounting with the evaluation of debt efficiency**

The report on the situation of payables is prepared to clarify the debts to clarify the causes of the backlog of the payables, to find measures to promote the debt payment process on time, contributing to making the business situation healthy. The report on receivables is prepared to identify the debts of the customers, avoiding the situation where other businesses occupy capital that will affect the efficiency of capital use of the enterprise.

### **3.2.5. Perfecting management accounting with the evaluation of financial investment performance**

The content of the income analysis report on investments includes Divided profit (loss) of joint venture investments (Total profit, incurred estimate, incurred in the reporting period) and profit from investment securities (Total, In which stocks, Bonds) corresponding to the value column will be presented including estimated value, realized value and difference. From there, it is possible to evaluate the effectiveness of investment activities and point out the reasons for not achieving the plan or the reasons for achieving the plan. Through the report, the manager can decide whether to continue investing or withdrawing from the portfolio. The part that goes into analysis and



interpretation depending on the characteristics and nature of the report will be calculated and presented differently.

### **3.2.6. Perfecting management accounting with profitability assessment**

Profitability assessment reports help managers assess whether the business is profitable or not? Is the profit enough to meet the business requirements? Should you reinvest part of your income to grow your business? When excluding that investment, is the remaining profit enough to meet the demand? 3.3.7. Improve governance with social performance assessment It can be said that socio-economic efficiency reflects the level of use of social production resources (capital, labor, technology, etc.) to achieve certain socio-economic goals; considered from the perspective of macroeconomic management of the entire economy.

### **3.2.7. Perfecting management accounting with social performance assessment**

It can be said that socio-economic efficiency reflects the level of use of social production resources (capital, labor, technology, etc.) to achieve certain socio-economic goals. ; considered from the perspective of macroeconomic management of the entire economy.

## **3.3. CONDITIONS FOR IMPLEMENTATION OF SOLUTIONS TO PERFECT MANAGEMENT ACCOUNTING WITH ASSESSMENT OF OPERATION EFFICIENCY AT LISTED OIL AND GAS BUSINESS ENTERPRISE IN VIETNAM**

### **3.3.1. On the statesite**

#### **3.3.2. To the Vietnam Oil and Gas Association**

*Firstly*, improve the operational capacity of the Association.

*Second*, participate in policymaking and social criticism.

*Third*, improve the professional qualifications and quality of production and business activities for members.

#### **3.3.3. On the side of listed oil and gas companies**

*Firstly*, about the need for management accounting information with the evaluation of performance.

*Second*, about process improvement, production and business techniques.

*Third*, about human resource management.

### **CONCLUSION CHAPTER 3**

In this chapter, the thesis has proposed solutions to complete the shortcomings in the current situation of management accounting with the evaluation of performance at listed oil and gas enterprises in Vietnam. The solutions proposed by the author are consistent with the development goals of Vietnam's oil and gas industry and the development orientation of listed oil and gas businesses in Vietnam. The complete solutions proposed by the author based on the basic contents of Management Accounting with the evaluation of performance include: Management accounting with the evaluation of the efficiency of using inputs, management accounting with the evaluation of cost effectiveness, management accounting with the evaluation of business results, management accounting with the evaluation of the efficiency of debt use, management accounting with the evaluation of financial investment performance, management accounting with the assessment of profitability, management accounting with the assessment of social performance.

### **CONCLUSIONS**

Oil and gas is a business that has a huge impact on the economic, political and social aspects. Therefore, management accounting with the evaluation of the performance of the oil and gas industry is not only the top concern of enterprises but also the concern of state management agencies, banks, organizations. Financial institutions, investors... Management accounting with performance evaluation is an important measure to analyze and evaluate the performance of listed oil and gas businesses in Vietnam. Male. However, the oil and gas industry is greatly affected by factors such as the world economy and Vietnam, institutions and policies, human resources, investment capital... Therefore, the selection of indicators A complete and comprehensive assessment is very difficult. Therefore, the author finds that the study of "Improving management accounting with the evaluation of performance at listed oil and gas enterprises in Vietnam" is a meaningful topic both in theory and in theory. theory and practice.

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