

MINISTRY OF EDUCATION AND TRAINING
DUY TAN UNIVERSITY

**RESEARCH ON THE FACTORS AFFECTING THE APPLIED
PERCEPTION OF FAIR VALUE THAT AFFECTS THE APPLICABILITY
OF FAIR VALUE IN ACCOUNTING IN CONSTRUCTION BUSINESSES IN
HO CHI MINH CITY**

Major: Accounting
Reference number: 9340301

SUMMARY OF DOCTORAL THESIS IN ACCOUNTING

Da Nang, 2023

THE THESIS WAS COMPLETED AT
DUY TAN UNIVERSITY

Scientific Advisors:

- 1. ASSOC.PROF. DR. PHAN THANH HAI**
- 2. DR. HO VAN NHAN**

Reviewer 1:

Reviewer 2:

Reviewer 3:

The thesis is defended at the university-level thesis evaluation council meeting at Duy Tan University at _____, 2023.

The thesis can be found at:

- **Vietnam National Library**
- **Center for Information and Documentation of Duy Tan University**

INTRODUCTION

1. Necessity of the thesis

The term fair value has appeared and been published for a long time, but it is still seriously studied and discussed in determining the value of assets and liabilities in accounting, especially in countries with less developed market economy. Fair value reflects market prices and records market changes, provides early signals of inflation and overcoming cost constraints. Therefore, fair value is a valuation method that has notable advantages over other valuation techniques, making financial information more relevant to the different needs of users in the free market economic conditions (Bassam Kazmouz, 2010).

In Vietnam, historical cost is a basic principle in accounting, while the role of fair value has been debated for more than 10 years, the limitations of fair value and the difference between it and the accounting policies, new accounting standards are addressed. Therefore, fair value is only applied at the time of initial recognition in Vietnam of assets and liabilities, which creates a major barrier for Vietnam as it moves towards applying IFRS. To accelerate economic integration, Vietnam needs to issue a standard for applying fair value because it is used to measure and re-evaluate assets and liabilities after initial recognition. Since 2001, the Ministry of Finance (BTC) has issued 26 accounting standards based on international accounting standards with adjustments when applied in Vietnam; however, the development of and this application is incomplete and does not really meet the actual requirements in Vietnam. Currently, Vietnam is gradually re-preparing accounting standards to integrate with international accounting, in which the main problem is to provide a

specific roadmap for applying IFRS and fair value is determined as follows: a major challenge in the adoption of IFRS in Vietnam. The Ministry of Finance has issued the Decision 345/2020/QĐ-BTC on the roadmap for applying IFRS in general and fair value in particular in the accounting field, in order to be applicable in Vietnam, it is essential to have the awareness and participation of the leading agencies in the industry, the support of businesses across the country to be able to build a legal framework for the application of fair value in the most effective manner.

In reality, in business and manufacturing industries, construction and installation industry is the value chain of the industry which always accounts for a large proportion in the economy, with just one project and it has an impact on all economic sectors in the region around it. It can be said that the value chain of the construction industry always consists of 3 main factors, including: Input factors, Construction process and Construction market. Specifically: *Input factors*: The cost of a normal construction project, the cost of raw materials accounts for a very large proportion in the structure of the whole project, followed by the cost of labor, the cost of construction machinery and general management costs of the work; *Implementation process*: Basically, a normal construction process will have the main stages, including: Design consultancy, project planning, bidding, construction of rough and finished parts, equipment installation; *Industry market*: The construction industry is greatly affected and influenced by the housing and real estate market. The main factors affecting this market include: (1) demographics (such as age structure, income, population growth rate and urbanization rate), (2) interest rates, economic health (GDP growth rate, unemployment rate, inflation and

consumer confidence), (3) incentive policies from the government and (4) FDI capital invested in the country.

In Ho Chi Minh City, recent years have witnessed the change in the urban area with iconic buildings (Phu My Hung, Landmark 81, Thu Thiem Tunnel, Highways, etc.) and stable growth. According to the Ho Chi Minh City Statistics Office (2020), the City's economy has grown fairly and stably over the years, making the largest contribution to the overall economic development of the country, with the total budget revenue of VND 371,384 billion, accounting for 91.51 % of the planned estimate, of which the revenue from industry and construction is VND 334,142 billion. In 2021, the total budget revenue is VND 381,532 billion, accounting for 104.56% of the planned estimate, of which the revenue from the industry and construction sector is VND 290,837 billion, which is less than that of 2020. In 2021, the world is hit by the pandemic, so the reduction in revenue in this field is only temporary. According to the Ho Chi Minh City Statistics Office (2021), the business results of construction businesses in Ho Chi Minh City in the period of 2015-2021 have a quite high and stable growth rate of revenue of these construction businesses, especially in the period of 2017-2019, the growth rate is over 20% per year. The growth rate of asset scale in this period is also quite impressive, specifically in 2016 total assets increased at a very high rate of 66.1%, during 2017-2018 there was a relatively regular increase from 42.31% to 44.22%, in the year 2019 with 35.02%, in 2020 with the rate of 27.97%, in 2021 the rate of increase is still high, but compared to previous years, this rate has plunged. In the period of 2020-2021 due to the pandemic, the demand for construction products is limited, leading to a decrease in business results and assets of these businesses. However, in general, construction businesses belong to the

industrial production industry, the field that generates great labor productivity, it has a pervasive socio-economic influence, because its products create practical value for society. It can be seen that, as a key industry for economic development and growth, the construction industry depends on factors such as urbanization speed, FDI capital, lending interest rates and inflation. Therefore, as manufacturing businesses, construction businesses have a great influence in the economy in Ho Chi Minh City in particular and the whole country in general. In Ho Chi Minh City, there are typical construction businesses such as: Coteccons, Hoa Binh, Hung Thinh, An Phong, Phat Dat, Construction Corporation No. 1, Tecco Corporation, Corporation 319, Phuc Hung Holdings, UDIC Corporation, Fecon, Delta, etc. these are large-scale and influential businesses in the society and economy in Ho Chi Minh City. Therefore, to be able to have access to foreign capital on a larger scale, or participate in bidding for international bidding packages, construction businesses need to be transparent about their finances, financial statements need to apply IFRS, especially for the assets (tangible, financial) which need to be assessed at fair value in order to respond properly to its nature and investors.

In recent years, the assets that are real estate, machinery and equipment, factories built and installed by these construction businesses have developed rapidly, having great influence on all fields. In the economic sector in society, products are made with great costs, long-term investment can recover capital and are affected by many factors from the internal and external environment. Therefore, it is necessary to recognize these assets at their fair value to reflect the true value of the product. For businesses in general or construction businesses in particular in Vietnam, the support for the application of fair value in accounting will be based

on the perception and consideration of benefits and costs when applying, as well as recognizing knowledge about the trend of international accounting convergence with the world. This perception in Vietnamese businesses may not be compatible with the conclusions drawn from studies in the world, especially in particular construction businesses like in Vietnam today. The perception of the application of fair value in accounting is what it is and how it affects them are issues that need to be looked into, in order to find solutions to promote its application in construction businesses in Vietnam in general and in Ho Chi Minh City in particular.

From the above analysis, the author of the thesis has conducted a study of "*Research on the factors affecting the perception of applying fair value that have impacts on the ability to apply fair value in accounting in construction businesses in Ho Chi Minh City*" to find out how cognitive factors affect the ability to apply fair value in accounting in construction businesses, as well as to determine the level of influence of each influencing factor. Therefrom, the author of the thesis will make recommendations and suggestions to the regulatory authorities, organizations of professional associations of accountants, and related businesses to carry out the work according to the appropriate roadmap in order to promote the application of fair value in accounting in construction businesses, aiming towards the complete integration of international accounting.

2. Research objectives and questions

❖ Overall objective:

Firstly, the overall objective of the thesis is to study to determine the factors that affect the perception of applying fair value, thereby affecting the ability to apply fair value in accounting in construction

businesses in Ho Chi Minh City.

❖ ***Specific Objectives:***

Firstly, identify and measure the impact of factors affecting the perception of applying fair value on the ability to apply fair value in accounting in construction businesses in Ho Chi Minh City.

Secondly, study the relationship and impact of the perception of applying fair value on the ability to apply fair value in accounting in construction businesses in Ho Chi Minh City.

❖ ***Research questions:***

Question 1: What factors affect the perception of applying fair value and the level of their impacts on the perception of fair value of construction businesses in Ho Chi Minh City?

Question 2: How does the perception of applying fair value affect the ability to apply fair value in the accounting in construction businesses in Ho Chi Minh City?

3. Subjects and scope of research

❖ ***Subjects of research:*** The research subject of the thesis is fair value, the factors affecting the perception of fair value and the ability to apply fair value in accounting in construction businesses.

❖ ***Scope of research:***

- *Space:* The thesis focuses on construction businesses listed on the Ho Chi Minh Stock Exchange, unlisted public construction businesses and construction businesses that satisfy the conditions for legal capital (VND 50 billion or more) and employees (100 employees or more) with business registration and operating in Ho Chi Minh City.

- *Scope of interviewees and survey time:* The author surveyed business owners and/or senior managers in construction businesses, chief accountants and/or chief financial officers in construction businesses,

accountants and internal auditors. Because they are deeply knowledgeable and directly involved in the actual process of management, operation and policy implementation in the businesses. The thesis conducts a pilot survey for a period of 3 months, from July 2021 to the end of September 2021 and an official survey from October 2021 to April 2022 using the tool of questionnaires.

- *Content*: The main content of the research of the thesis is to evaluate the influence of factors and their impact on the applicability of fair value in accounting.

4. Research methods

- *Qualitative research method*: conducted through direct interviews with 16 knowledgeable experts in the field of construction and installation, divided into 6 different groups, by a built-in questionnaire/scale related to the factors affecting the application of fair value in accounting in various types of construction businesses, in order to find and discover new factors and adjust the scale of the variables in the model according to the opinion of experts.

- *Quantitative research method*: preliminary survey with 350 questionnaires, official survey with 1050 questionnaires, finally using quantitative research method to re-test the research model.

5. New contributions of the thesis

❖ *Academic contributions*:

Firstly, the thesis makes an empirical study on the perception of applying fair value that affects the ability to apply fair value in accounting in construction businesses with many different positions and titles in the enterprise. The study has elaborated the factors applied in the practical context in Ho Chi Minh City and in Vietnam; *Secondly*, the thesis has shown the influence of the perception of applying fair value on

the ability to apply fair value of construction businesses and can be extended to businesses in general in Vietnam.

❖ ***Practical contributions:***

Firstly, the study has provided practical evidence on the application of fair value in accounting in construction businesses in Ho Chi Minh City in particular and Vietnam in general, from the perspective of perceptions of the stakeholders within the businesses. The assessments and conclusions drawn will have reliability and practical value, creating a solid basis for managers of construction businesses to improve their accounting work; *Secondly*, the research results and especially the policy implications, the governance implications presented in the thesis are the necessary sources of information for the Ministry of Finance and the Associations of Accountants and Auditors to have comments on the reality of perception of stakeholders inside the enterprise about fair value, thereby assessing the factors that positively and negatively affect the issuance of legal documents in the application of IFRSs in Vietnamese accounting today.

6. Structure of the thesis

Introduction:

The body, including the following chapters: *Chapter 1*: Research overview; *Chapter 2*: Theoretical basis; *Chapter 3*: Research Design; *Chapter 4*: Research results; *Chapter 5*: Conclusions and Implications.

CHAPTER 1 RESEARCH OVERVIEW

To have an overall perspective, in this chapter, the author will review previous domestic and foreign studies related to the term of fair value as well as the factors affecting the perception of fair value and the ability to

apply fair value in businesses. From there, the author makes comments and draws out the gaps in the research for the Thesis.

1.1 Overview of foreign studies on the application of fair value in accounting

1.1.1 Review of studies by fair value

1.1.2 Review of studies according to factors affecting the perception and applicability of fair value

1.2 Overview of domestic studies on the application of fair value in accounting

1.2.1 Review of studies by fair value

1.2.2 Review of studies according to factors affecting the perception and applicability of fair value

Table 1.1. List of domestic and foreign studies on factors affecting the application of fair value in accounting

S/N	Factors	Foreign studies	Vietnamese studies
1	Legal regulations	Richard (2004); Ali et al (2016); Omiros and Lisa (2011); Songlan et al (2014); Bewley et al (2018); Vergauwe et al (2019)	Duong Thi Thao (2013); Pham Hong Linh (2018); Le Tran Hanh Phuong (2019); Vu Thi Kim Anh and Bui Thi Ngoc (2021)
2	Pressure from tax	Francis et al (2002); Aisbitt (2002); Alley and James (2005); Fekete et al (2012); Duhanchiu and Kapllani (2012)	Nguyen Cong Phuong (2010); Pham Quoc Thuan (2016); Pham Hong Linh (2018); Nguyen Thi Thu Hoan (2018); Nguyen Thu Hien (2020)
3	Usefulness	Ting and Soo (2005); Laux and Leuz (2009); Bassam (2010); Navarro et al (2010); Vera Palea (2014); Ijeoma (2014)	Nguyen The Loc (2010); Nguyen Kim Chung and Tran Van Tung (2016); Le Vu Ngoc Thanh (2017)
4	Reliability	Brown et al (1992); Ting and Soo (2005); Navarro et al (2010); Bassam (2010); Ghosh and Petrova (2020); Sangchan et al (2020)	Nguyen The Loc (2010); Le Vu Ngoc Thanh (2017); Nguyen Thi Van (2018)

S/N	Factors	Foreign studies	Vietnamese studies
5	Benefit - Cost Relationship	Cairns (2011); Laux and Leuz (2009); Daske et al (2009); Omiros and Lisa (2011); Christensen and Nikolaev (2013); Bewley et al (2018)	Tran Dinh Khoi Nguyen (2010); Phan Thi Hong Duc et al (2014); Dang Ngoc Hung (2016); Nguyen Ngoc Lan (2017); Bui Thi Ngoc (2020); Vu Thi Kim Anh and Bui Thi Ngoc (2021)
6	Independent audit	DeAngelo (1981); Al-Baskeki (1995); Odia (2016); Samara and Aggeliki (2013)	Ho Xuan Thuy (2016); Le Tran Hanh Phuong (2019); Nguyen Thi T Hoan (2018); Phan Thanh Hai et al (2020)
7	Enterprise sizes	Brown et al (1992); Fargher (2001); Hung et al (2007); Marta et al (2008); Jung et al (2013)	Le Vu Ngoc Thanh (2017); Pham Hong Linh (2018); Bui Thi Ngoc (2020); Nguyen Tuan Duy (2021)
8	Accountant qualifications	Kumarasiri and Fisher (2011); Choi and Meek (2011); Shima et al (2012); Ijeoma (2014); Bewley et al (2018); Sangchan et al (2020)	Tran Dinh Khoi Nguyen (2013); Tran Thi Thanh Hai (2015); Nguyen Thi Thu Hoan (2018); Bui Thi Ngoc (2020); Vu Thi Kim Anh and Bui Thi Ngoc (2021)
9	Management's perception	Page (1984); Doupnik and Salter (1995); Collis and Jarvis (2000)	Nguyen Thi Thu Hoan (2018); Nguyen Thi Ngoc Diep et al (2020); Vu Thi Kim Anh and Bui Thi Ngoc (2021)

Source: Compiled by the author

The domestic and foreign studies in Table 1.1 above are presented in Appendix 1_Previouse foreign studies on the application of fair value and Appendix 2_Previouse domestic studies on the application of fair value.

1.3 Review of domestic and foreign studies

1.3.1 Review of foreign studies

1.3.2 Review of domestic studies

1.4 Identification of research gaps

Vietnam already has a number of guidelines on fair value terminology. However, there are no official independent standards for fair value. There have been quite a few studies on the application of fair value in businesses in general, which have been conducted, however there have been no in-depth studies for a specific field such as the construction - installation industry operating in a particular area like Ho Chi Minh City. As compared with other types of businesses, construction businesses have a very specific business situation, accounting for a large proportion and creating high socio-economic values; - This study approaches from the perspective of surveying the perceptions of the subjects involved in decision making and implementation of decisions inside the business, and at the same time studies the relationship between perception and applicability of fair value in the accounting work of the enterprise which has not been studied; - The study was carried out both qualitatively and quantitatively, measuring the factors that influence the perception of relevant subjects inside the businesses, measuring the level of impact of perception on ability to apply fair value in the accounting work of the enterprise.

SUMMARY OF CHAPTER 1

CHAPTER 2. THEORETICAL BASIS

Chapter 2 presents the concept and development of the terminology of fair value, overviews the applicability of fair value in accounting, presents characteristics of construction businesses related to fair value, related background theories and factors affecting the perception of applying fair value in accounting.

2.1 The definition and development of the definition of fair value

2.1.1 Definition of fair value

IFRS 13 defines “*Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market between market participants at the measurement date.*”. In addition, there is the study of Barlev and Haddad (2003), Hermann et al. (2006), introducing the definition of fair value.

In Vietnam, according to the Law on Accounting No. 88/2015/QH13 “*fair value is the measured value at fair market value, which can be received when selling an asset or transferring a liability at the time of valuation.*”. VAS 14 defines “*fair value is the value of an asset that can be exchanged or a liability that is voluntarily settled between knowledgeable parties in an equal exchange*”.

2.1.2 History of the terminology of fair value

2.2 Overview of applied perception and applicability of fair value in accounting

2.2.1 Concept of applied perception and applicability

2.2.1.1 Applied perception:

Research by Crosbie (2014), perception is the process of receiving, interpreting, selecting and organizing information. There are also some studies of Peacock (1995), Lowe and Locke (2005), Joos and Leung (2012).

In Vietnam, according to the Encyclopedia: “*perception is the dialectical process of reflecting the objective world in human consciousness, through which people think and constantly approach the object*”. According to Topica Educational Foundation, “*perception is a process by which an individual organizes and interprets his or her sensory impressions to give meaning to a particular real-life situation.*”

In this study, from the author's point of view, applied perception

means considering the capabilities and assessing the external factors as well as the current internal resources of the enterprise.

2.2.1.2 Applicability:

Fair value is specified as a valuation basis to be used in accounting of investment properties; biological assets, fixed assets held for sale, stock-based payments, financial instruments, business combinations, and fair value guidance based on three perspectives: market perspective, income perspective and price perspective.

Therefore, within the scope of this study, in the author's opinion, "*the applicability of fair value in accounting means that fair value is applied and enforced in transactions of the enterprise related to assets, liabilities, revenue and expenses in accordance with current regulations on the basis of existing resources*".

2.2.2 Perspectives on applied perception and applicability of fair value in accounting

2.2.3 The concept and operation characteristics of construction businesses affect the applied perception and applicability of fair value in accounting.

2.3 Relevant background theories

2.4 Factors affecting the applied perception of fair value on the ability to apply fair value in accounting

SUMMARY OF CHAPTER 2

In this chapter, the author has presented the concepts of applied awareness and the ability to apply fair value in accounting. The views on fair value and the role of the application of fair value in accounting were also elaborated. Relevant background theories were also analyzed. In addition, the factors affecting the applied perception of fair value in businesses have also been clarified by factor in this chapter, all factors have different effects on the application of fair value.

CHAPTER 3

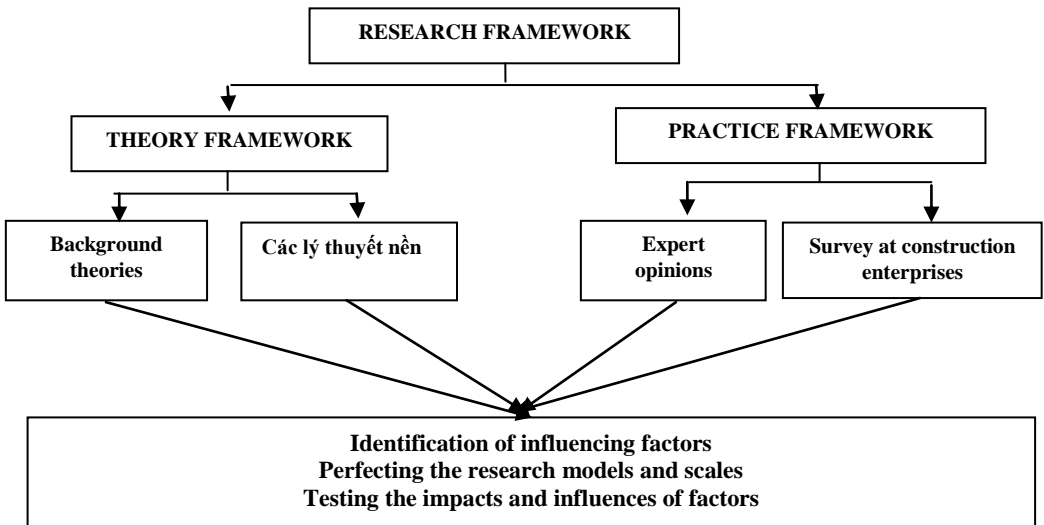
DESIGN OF THE STUDY

This chapter presents the research framework and process; Research methods include qualitative and quantitative methods. Quantitative research was carried out after the qualitative step with 2 segments: a pilot survey with a size of 350 questionnaires and a formal survey with a size of 1050 questionnaires sent to construction businesses in Ho Chi Minh City; Building research models and hypotheses; Testing and analyzing the research model with the support of SPSS 2.0 and AMOS software; and finally measuring the variables in the model.

3.1 Research framework and process

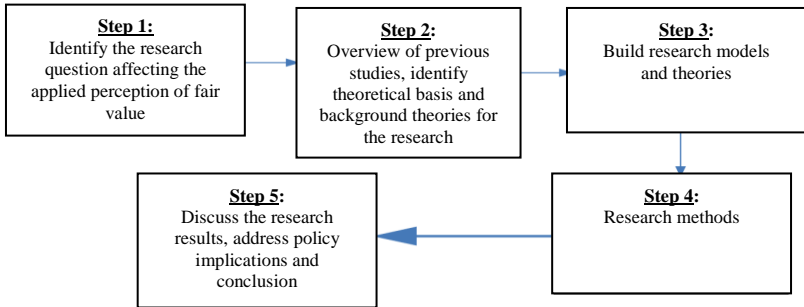
3.1.1 Research framework

Chart 3.1. Research framework



3.1.2 Study process

Chart 3.2. Study process



Source: designed by the author

3.2 Research hypotheses and models

3.2.1 Research hypotheses

- Hypothesis H1: Legal regulations have a negative effect on the perception of managers and accountants in applying fair value;
- Hypothesis H2: Tax pressure has a negative effect on the perception of managers and accountants in applying fair value;
- Hypothesis H3: Usefulness has a positive effect on the perception of managers and accountants in applying fair value;
- Hypothesis H4: Reliability has a positive influence on the perception of managers and accountants in applying fair value;
- Hypothesis H5: The benefit-cost relationship has a positive influence on the perception of managers and accountants in applying fair value;
- Hypothesis H6: The role of independent audit has a positive influence on the perception of managers and accountants in the application of fair value;

- Hypothesis H7: The size of the business has a positive effect on the perception of managers and accountants in applying fair value;

- Hypothesis H8: The level and capacity of accountants have a positive influence on the perception of managers and accountants in applying fair value;

- Hypothesis H9: The perception of managers and accountants has a positive influence on the ability to apply fair value in accounting at businesses.

Table 3.1. The relationship between the factors affecting the applicability of fair value

Hypothesis	Variable	Impact	Background theory	Expectation	Previous relevant studies	
					Foreign	Local
H1	Legal regulations	Manager's perception	<ul style="list-style-type: none"> - Institutional theory - The theory of human resource dependence 	-	Richard (2004); Ali et al (2016); Omiros and Lisa (2011); Songlan et al (2014); Bewley et al (2018); Vergauwe et al (2019)	Duong Thi Thao (2013); Pham Hong Linh (2018); Le Tran Hanh Phuong (2019); Vu Thi Kim Anh and Bui Thi Ngoc (2021)
H2	Tax Pressure	Manager's perception	<ul style="list-style-type: none"> - Institutional theory - Positive accounting theory 	-	Francis et al (2002); Aisbitt (2002); Alley and James (2005); Fekete et al (2012); Duhanhxiu and Kapllani (2012)	Nguyen Cong Phuong (2010); Pham Quoc Thuan (2016); Pham Hong Linh (2018); Nguyen Thi Thu Hoan (2018); Nguyen Thu Hien (2020)
H3	Usefulness	Manager's perception	<ul style="list-style-type: none"> - Useful information theory - Planned behavior theory 	+	Ting and Soo (2005); Laux and Leuz (2009); Bassam (2010); Navarro et al (2010); Vera Palea (2014);	Nguyen The Loc (2010); Nguyen Kim Chung and Tran Van Tung (2016); Le Vu Ngoc Thanh (2017)

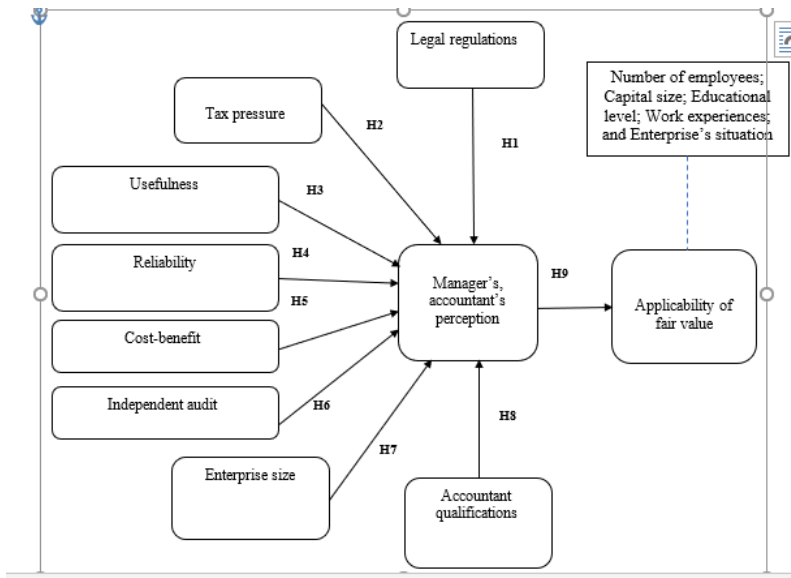
					Ijeoma (2014)	
H4	Reliability	Manager's perception	- Theory of business management	+	Brown et al (1992); Ting and Soo (2005); Navarro et al (2010); Bassam (2010); Ghosh and Petrova (2020); Sangchan et al (2020)	Nguyen The Loc (2010); Le Vu Ngoc Thanh (2017); Nguyen Thi Van (2018)
H5	Cost-Benefit Relationship	Manager's perception	- Delegation theory - Useful information theory - Theory of business administration - Theory of planned behavior - The theory of human resource dependence	+	Caims (2011); Laux and Leuz (2009); Daske et al (2009); Omiros and Lisa (2011); Christensen and Nikolaev (2013); Bewley et al (2018)	Tran Dinh Khoi Nguyen (2010); Phan Thi Hong Duc et al (2014); Dang Ngoc Hung (2016); Nguyen Ngoc Lan (2017); Bui Thi Ngoc (2020); Vu Thi Kim Anh and Bui Thi Ngoc (2021)
H6	Independent audit	Manager's perception	- Delegation theory - Theory of planned behavior - Positive accounting theory	+	DeAngelo (1981); Al-Baskeki (1995); Odia (2016); Samara and Aggeliki (2013)	Ho Xuan Thuy (2016); Le Tran Hanh Phuong (2019); Nguyen Thi Thu Hoan (2018); Phan Thanh Hai et al (2020)
H7	Enterprise size	Manager's perception	- Useful information theory - Theory of business management - The theory of human resource dependence	+	Brown et al (1992); Fargher (2001); Hung et al (2007); Marta et al (2008); Jung et al (2013)	Le Vu Ngoc Thanh (2017); Pham Hong Linh (2018); Bui Thi Ngoc (2020); Nguyen Tuan Duy (2021)

H8	Accountant qualification	Manager's perception	<ul style="list-style-type: none"> - Delegation theory - Theory of planned behavior - Positive accounting theory 	+	Kumarasiri and Fisher (2011); Choi and Meek (2011); Shima et al (2012); Ijeoma (2014); Bewley et al (2018); Sangchan et al (2020)	Tran Dinh Khoi Nguyen (2013); Tran T.T Hai (2015); Nguyen T.T Hoan (2018); Bui Thi Ngoc (2020); Vu Thi Kim Anh and Bui Thi Ngoc (2021)
H9	Manager's perception	Applicability of fair value	<ul style="list-style-type: none"> - Delegation theory - Theory of planned behavior - Positive accounting theory - The theory of human resource dependence 	+	Page (1984); Doupnik and Salter (1995); Collis and Jarvis (2000)	Nguyen Thi Thu Hoan (2018); Nguyen Thi Ngoc Diep et al (2020); Vu Thi Kim Anh and Bui Thi Ngoc (2021)

Sources: Compiled by the author

3.2.2 Research model

Figure 3.1. Proposed research model



Source: Proposed for design by the author

3.3 Qualitative research method

3.3.1 *Research objectives*: conducted through direct interviews with experts to find and discover new factors and adjust the scale of variables in the model.

3.3.2 *Research data*: - *For primary data*: The author collects this data source from experts with extensive knowledge of accounting and auditing in the field of construction and installation; - *For secondary data*: The author collects and reviews from previous studies in the world and in the country, in order to systematize the theoretical basis, influencing factors and inheritably building scale of factors.

3.3.3 *Research methods*: - *Approaching experts*: at this step, identify the in-depth knowledge of experts in the field of management, accounting and auditing, especially in the field of construction businesses; - *Research sample*: in this study, for convenience and in accordance with sampling technique, the thesis identified about 16 experts to participate in the interview; - *Enterprise size*: large or medium-sized businesses are selected in this study in the field of construction and installation in Ho Chi Minh City; - *Interviewees*: **Group 1**: experts working in national accounting policy-making agencies. Master's degree or higher, the number is 2 experts; **Group 2**: lecturers-researchers with many years of university teaching experience. Doctoral degree or higher, the number is 2; **Group 3**: chief accountants/ chief financial officers. Bachelor's degree or higher, the number is 4, of which 2 are from listed businesses and 2 are from unlisted businesses; **Group 4**: business owners/senior managers in the business. Bachelor's degree or higher, the number is 4; **Group 5**: tax administrators. Master's degree or higher, the number is 2; **Group 6**: auditors with many years of experience in auditing. Master's degree or higher, the number is 2.

3.3.4 Data collection: The author designs a pre-interview questionnaire, based on the questionnaire, the author approaches to interview directly with experts, duration is about 30-40 minutes. The interview results were recorded and summarized. The interview questionnaire consists of two parts: *introduction and content of the interview*. Through the interview, the author expects to get the comments of experts on the content, methods and measurement scale. **Therefrom, the author based on editing the scale and supplementing the content of the questionnaire** to match the opinions of experts and used as the official survey of the Thesis.

3.3.5 Measurement of the factors in the model

3.3.5.1 Basis for measurement

3.3.5.2 Measurement of factors

3.4 Quantitative Research Methods

3.4.1 Preliminary quantitative research:

3.4.1.1 *Research objective:* A pilot survey with a small number of businesses (about 100 businesses) in the field of construction and installation operating in Ho Chi Minh City. Preliminary quantitative research results will detect and eliminate inappropriate variables. From here, the author will adjust and build the official scale, and form the complete official survey questionnaire.

3.4.1.2 *Collecting preliminary quantitative data:* The preliminary survey was carried out over a period of 3 months, from July 2021 to the end of September 2021, after having data, it will be entered into SPSS software and AMOS for processing. Survey is conducted in Ho Chi Minh City.

3.4.2 Formal quantitative research:

3.4.2.1 *Research objectives:* To determine how the independent factors in the model will affect the applicability of fair value in accounting in the field of construction and installation, through: (1) Testing the research hypothesis of the influencing factors; and (2) Check the scale value of the

influencing factors.

3.4.2.2 Formal quantitative data collection: The author's survey of construction businesses is carried out according to the following standards: (1) having the number of employees from 100 people or more; (2) Capital scale of VND 50 billion or more; and (3) The scale of survey was 1,050 questionnaires sent to 350 businesses, including both listed and unlisted businesses on the Ho Chi Minh Stock Exchange. After collecting data, it will be processed, encrypted for variables and entered into SPSS.20 and AMOS.20 software to test the reliability of the scales with Cronbach's Alpha test, EFA, CFA and SEM linear structural model.

3.4.3 Model test and analysis

3.4.3.1 Cronbach Alpha Reliability test

3.4.3.2 Testing the difference between T-test and Anova

3.4.3.3 Exploratory factor analysis (EFA)

3.4.3.4 Confirmatory factor analysis (CFA)

3.4.3.5 SEM analysis

SUMMARY OF CHAPTER 3

The thesis has built a research framework, research process, research hypotheses, research scales and research models. With the collected results, the author encodes the data into SPSS and AMOS software to test the reliability (Cronbach Alpha), EFA, CFA and test the suitability of the model (SEM) to find the most suitable model.

CHAPTER 4

RESEARCH FINDINGS

In this chapter, the author of the Thesis presents an overview of construction businesses in Ho Chi Minh City, qualitative and quantitative research results. For the qualitative method, the thesis builds ready-made questions, interviews with experts and the results of the expert method as

a premise for quantitative research. For the quantitative method, the Thesis presents preliminary quantitative results to the measurement level of the Cronbach's Alpha scales, to confirm that these scales are reliable to serve the official survey. Next is the t-test and Anova for the control variables in the official survey. In the final section about quantitative research results, the author presents Cronbach's Alpha reliability, EFA, CFA and SEM tests. Finally, the results discuss the influence of each factor and compare with previous studies.

4.1 Overview of construction businesses in Ho Chi Minh City

4.2 Qualitative research results

4.3 Preliminary quantitative research results

4.4 Official quantitative research results

The data analysis process is carried out through 5 steps (presented in chapter 3). Through the analysis of the data set of 808 valid questionnaires, the basic tests before SEM analysis are satisfied.

Table 4.30. Evaluation of the suitability of the model in SEM analysis

Index	Condition	Research findings	Conclusion
CMIN/df	≤ 3	1.562	Satisfactory
GFI	≥ 0.9	0.901	Satisfactory
CFI	> 0.8	0.966	Satisfactory
TLI	> 0.9	0.964	Satisfactory
RMSEA	≤ 0.08	0.026	Satisfactory
P	≤ 0.05	0.000	Satisfactory

Source: Calculated from the author's survey data

Table 4.31. Data of standardized regression weights in SEM

Hypot he sis	Correlation	Standardiz ed coefficient	P	Research results	Expec tation
--------------	-------------	---------------------------	---	------------------	--------------

Hypot he sis	Correlation	Standardiz ed coefficient	P	Research results	Expec tation
H1	QL <--- PL	-.152	***	(-)	(-)
H2	QL <--- TX	-.201	***	(-)	(-)
H3	QL <--- HI	.162	***	(+)	(+)
H4	QL <--- TC	.292	***	(+)	(+)
H5	QL <--- CL	.062	.023	(+)	(+)
H6	QL <--- KT	.368	***	(+)	(+)
H7	QL <--- QM	.180	***	(+)	(+)
H8	QL <--- TD	.111	***	(+)	(+)
H9	AD <--- QL	.347	***	(+)	(+)

Source: Data processing results - AMOS analysis

Table 4.33. Total direct and indirect effects of each factor

Variable	QM	TC	HI	KT	TD	PL	TX	CL	QL	AD
QL	.180	.292	.162	.368	.111	-.152	-.201	.062	.000	.000
AD	.062	.101	.056	.128	.038	-.053	-.070	.022	.347	.000

Source: Data processing results - AMOS analysis

4.5 Discussing the results of the research on fair value in construction businesses in Ho Chi Minh City

In this study, “*Legal regulations*” showed the research results of negative influence with the coefficient of value $\beta = -0.152$ and the significance level $P = 0.000$, proving the agreement with the initial hypothesis H1. The factor “*pressure from tax*” for the research results shows that this factor has a negative influence with the coefficient of value reaching $\beta = -0.201$ and the significance level $P = 0.000$, proving the agreement with the initial hypothesis H2. The factor “*Usefulness*” has a positive influence with the value coefficient $\beta = 0.162$ and the significance level $P = 0.000$, proving the agreement with the initial hypothesis H3. Factor “*Reliability*” has a positive influence with the coefficient of value $\beta = 0.292$ and the significance level $P = 0.000$,

proving the agreement with the initial hypothesis H4. The factor "*Cost-Benefit relationship*" has a positive relationship with the coefficient of value $\beta = 0.062$ and the significance level $P = 0.023$, proving the agreement with the initial hypothesis H5. Factor "*Independent audit*" has a positive relationship and is the factor with the strongest influence among the 9 independent factors with a value coefficient of $\beta = 0.368$ and significance level $P = 0.000$, demonstrating the agreement with the original hypothesis H6. The factor "*Enterprise size*" has a positive relationship with the value coefficient $\beta = 0.180$ and the significance level $P = 0.000$, proving the agreement with the initial hypothesis H7. Factor "*accountant qualification*" has a positive relationship with the value coefficient $\beta = 0.111$ and the significance level $P = 0.000$, proving the agreement with the initial hypothesis H8. The factor "*perception of managers and accountants*" has a positive relationship, which has a direct impact and is among the factors that have the strongest impact on the dependent factor "*Applicability of accounting by fair value*" with the coefficient of value $\beta = 0.347$ and significance level $P = 0.000$, proving the agreement with the initial hypothesis H9.

SUMMARY OF CHAPTER 4

In this chapter, the author presents an overview of the construction industry in Ho Chi Minh City, qualitative and quantitative research results. For qualitative research, the author presents the expert method and the results of the opinions of the groups of experts participating in the interviews. As a result of quantitative research, the author of the Thesis presents the testing of scales, t-test and Anova of qualitative independent control variables, testing the research model through Cronbach's Alpha tests, EFA, CFA, SEM. The results are not different from the original proposed model.

CHAPTER 5

CONCLUSIONS AND IMPLICATIONS

In this chapter, the Thesis summarizes the research findings obtained from which to propose some managerial implications. Besides, it points out the limitations of the thesis and proposes directions for future research.

5.1 Conclusions from the research findings

Theoretically, fair value provides information at the present time and recognizes the change in value, thereby providing useful information to internal and external audiences when using the information.

Practically, in this study, fair value was again proven to provide relevant, reliable information and get support from stakeholders.

The research thesis has achieved two objectives: (1) *Identifying and testing factors*; and (2) *The effect of applied perception on the applicability of fair value*. The results answered two questions related to the set goals:

Firstly, the thesis has identified 8 factors that directly affect the perception of managers and accountants, thereby affecting the ability to apply fair value in accounting.

Secondly, the thesis also proves the level of influence by specific data of each factor that affects the perception of applying fair value, thereby affecting the applicability of fair value in accounting calculated using SPSS and AMOS software.

5.2 Implications

5.2.1 Theoretical implications

From the discussion with experts, the final result has achieved the goal of determining the factors affecting the application of fair value in

accounting for construction businesses in HCMC.

According to the results of EFA analysis, the total variance extracted with the results reached 66.08%, this result explains the suitability of the model.

5.2.2 Policy and governance implications

From the research results, the author of the Thesis proposes policy implications for the regulatory agencies, professional associations, universities, and also has governance implications for construction businesses and related audit firms.

The Ministry of Finance - assigned by the Government to perform and manage the field of accounting and auditing, should be responsible for issuing guidelines on the application of fair value, standardizing definitions and principles, criteria and conditions to serve as a basis for determining fair value in accounting. Professional associations (VACPA: Vietnam Association of Certified Public Accountants; VAA: Vietnam Association of Accountants and Auditors; CAA: National Club of Chief Accountants) in Vietnam need to enhance their position, by giving a plan to the Ministry of Finance to draft the Law on Accounting, accounting and auditing standards, and accounting policies according to the competence of all the issuing levels. Universities in Vietnam need to soon introduce IFRS and fair value training programs at undergraduate level with a specific and clear roadmap, in addition, short training programs can be integrated on professional certificates of accounting and auditing such as ACCA, CPA, CAT, etc. to the framework of the training program so that students have the opportunity to have early access to IFRS and fair value. Construction businesses need to focus on training accountants, even business owners need to attend the course, by facilitating short-term programs or hiring experts with deep knowledge about IFRS and fair

value accounting on training for accountants in businesses to raise awareness, improve professional skills and professionalism according to international standards during integration. This result shows that the role of independent audit is very important when it affects the perception of managers and accountants so that the application of fair value can be implemented in practice.

5.3 Limitations of the Thesis and future research directions

Firstly, for the research model, although it has achieved good results among dependent variables, intermediate and the independent variables, in reality it is subject to many other influences, not just the factors mentioned in this model and by the legal mechanism. Further research can be expanded with independent factors such as investor's perception and researcher's perception, etc.

Secondly, for the scope of research, the Thesis only analyzes based on the point of view of the makers and users of the financial statements and the survey and only in Ho Chi Minh City. Further research should carry out further analysis of policy makers' views and expand the survey scale, survey should be conducted at different times.

Thirdly, for the sample size, it is advisable to expand with the number of approximately 2000 or 3000 questionnaires to make the assessment more objective instead of having 1050 like this study.

Fourthly, for the research method, the expert interview was limited to 16 people and the test questionnaire with 350 questionnaires was distributed. Therefore, the next studies may interview about 30-40 experts and test 450-500 questionnaires in order to assess the reliability more objectively.

CONCLUSION

Vietnam has integrated into the international economy, joined the world trade organizations, opened up a new opportunity for the development of the economy and businesses to attract foreign investment capital, in which businesses in the field of construction-installation sector are not excluded. Vietnam's biggest barrier today when applying IFRS is the application of fair value in accounting in businesses in general and businesses with specific characteristics such as the construction-installation industry. The author's Thesis is carried out with the aim of finding out the important factors in the perception of construction businesses in Ho Chi Minh City that have the ability to affect the application of fair value in accounting.

The Thesis has achieved 3 initial objectives. The thesis constructs the preliminary test of the suitability of the model and builds the scale, and consults experts. After obtaining the opinions of the Experts, the questionnaire was completed and preliminary quantitative research techniques were carried out (350 survey questionnaires, 300 valid questionnaires were collected) before entering the official survey on a larger scale (1,050 questionnaires were issued and 808 valid questionnaires were collected). Techniques such as Cronbach's Alpha test, exploratory factor analysis (EFA), Confirmatory factor analysis (CFA) and finally structural equation model (SEM) analysis. The research results show that all factors reflect the current reality, when Vietnam applies fair value in accounting so that fair value can be applied specifically better with this type of construction business.