The Factors Affecting the Level of Accounting Information Publication of the Real Estate Enterprises Listed on the Stock Market of Viet Nam

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Abstract

There are many research works in countries all over the world about the factors affecting the level of information publication. The majority of the previous articles focused on the study of the relationship between the business characteristics and the level of information publication in developed countries as in the US (Ettredge et al., 2002; Baek et al., 2009); in New Zealand (Jiang & Habil, 2009; Oyelere et al., 2003), Japan (Marston, 2003), China (Xiao et al., 2004; Zhang et al., 2007). However, within the scope of the author's knowledge, no study of the factors affecting the publication level of accounting information about the real estate enterprises has been made in Vietnam. The research aims to assess the level of information publication and the factors affecting the accounting information publication of real estate enterprises in Viet Nam, it partially contributes understanding relevant to the environment of accounting information publication of the real estate companies listed on Vietnam's stock market.
Keywords: The level of information publication, the factors affecting

Research Rationale

Information publication in general and accounting information publication in particular are the primary concern of investors, the security firms. However, in Vietnam, listed companies generally publish information incompletely and accounting information untimely as regulated. Many companies are fraudulent in information publication, such as the Far East Pharmaceutical Corporation (DVC), Cobovina Bach Tuyet (BTT), Ba Ria Thermal Power Joint Stock Company (BTP), Bibica Corporation, etc.;

So, the question posed is the accounting information publication of the real estate companies listed currently in what extent, which factors affect the publication of information; does Vietnam's stock market remain the phenomenon of enterprise leaders concealing adverse information, exaggerating the beneficial information or providing information for investors unfairly, and which factors directly influence the financial statements of listed companies.

Theoretical basis

Much of the research on factors affecting the level of information publication is gathered in the EU countries and the United States, as in the United Kingdom (Marston & Polei, 2004), Spain (Larran & Giner, 2002)... These studies showed the differences in the information

publication are mainly factors including company characteristics (profit, size, business industry, liquidity and leverage) and company administration characteristics (the Board, the composition of the Board, the ownership structure). There are also studies on this issue in developing countries such as China: Xiao, Yang and Chow. (2004); Zhang, He, Y and Gao.(2007).

In Vietnam there are very few similar studies, including the research thesis of Collin (2010), the thesis has concluded that the profit factor and the audit firm affect the level of information publication on the internet of listed companies. The research of Doan (2010)said that profitability and audit are the factors affecting the level of information publication; particularly Le (2012)was that profitability is the factor affecting the level of information publication.

The research works have developed a number of theories to explain the results of research; those are the economic theories including the agency theory, the signaling theory, the institutional change theory and the innovation diffusion theory.

The agency theory pointed out that the company's representative (Director) tend to promote the information publication in order to convince shareholders that they are operating company at optimal levels (Cooke, 1989).

The signaling theory indicated the information publication is one of the tools that some businesses use to create differences in the operating quality of these businesses themselves compared to other businesses. According to Ross (1977), the signaling theory assumes that companies with good operating results often use financial information as tools to transmit signals to the market(Ross, 1977, Oyeler et al., 2000)

The institutional change theory helps readers understand what makes the similarity among enterprises. The similarity mentioned is the enterprises' application of information publication on the internet; the theory indicates that some companies tend to mimic the companies performing better in the same field (Miller, 1994; Van der Lann, 2009).

The innovation diffusion theory clarify the cause of the application and development of innovation methods, companies with adequate means, techniques of communication and their website have the advantage in the publication of information (Rogers, 1995; Nguyen, 2013).

The article based on the previous research papers on the factors affecting the level of information publication of listed companies and applied the research on the consideration of the level of accounting information publication and the factors affecting the level of accounting information publication of the real estate enterprises listed on the stock market of Vietnam.

Research methods

Hypothesis for research model

Based on the theories above, a number of researches indicate that there are eight factors affecting the level of accounting information publication of the real estate enterprises listed on the stock market of Vietnam including: *business size, financial leverage ratio, return on*

sales, current ratio, auditing firms, fixed assets, increasing ratio of revenue and operating time.

Business size:

The agency theory, signaling theory, and innovation diffusion theory point out that the business size is directly proportional to the level of information publication on the Internet.

Specifically, according to Craven and Marston (1999), large companies usually have a large number of shareholders, resulting in a distance among managers and owners of larger, increase asymmetry information, and thus increase the agency cost. Therefore, the information publication with higher levels helps large companies reduce the asymmetric information and the agency cost. According to the signaling theory, the greater company often has more motivation in conveying its operation quality through increasing the level of information publication (Craven & Marston,1999). Based on the innovation diffusion theory, large companies often own the human resources, information technology and other necessary resources so easy to apply innovation.

Thus, the hypothesis is stated as follows:

H1: The size of real estate businesses in Vietnam is directly proportional to the level of accounting information publication.

Financial leverage ratio:

Businesses with high financial leverage ratio must publish more information because the creditors require greater information publication.

Here, the hypothesis can be stated:

H2: The financial leverage ratio of real estate businesses in Vietnam is directly proportional to the level of accounting information publication.

Return on assets:

According to the agency theory, if businesses operate effectively their leaders will proactively publish more information in order to improve the salary, bonus and to enhance their position on the labor market.

Thus, the hypothesis is stated as follows:

H3: The return on assets of real estate businesses in Vietnam is directly proportional to the level of accounting information publication.

Return on Equities:

According to the agency theory, if businesses operate effectively their leaders will proactively publish more information in order to improve the salary, bonus and to enhance their position on the labor market.

Here, the hypothesis can be stated:

H4: The return on equities of real estate businesses in Vietnam is directly proportional to the level of accounting information publication.

Return on Sales:

According to the agency theory, if businesses operate effectively their leaders will proactively publish more information in order to improve the salary, bonus and to enhance their position on the labor market.

Here, the hypothesis can be stated:

H5: The return on Sales of real estate businesses in Vietnam is directly proportional to the level of accounting information publication.

Increasing ratio of revenue:

Well operating businesses with growth, their financial information is often used as a tool to send signals to the market and more accounting information publication than poorly performing businesses. This is consistent with the signaling theory.

Here, the hypothesis can be stated:

H6: The revenue-increasing ratio of real estate businesses in Vietnam is directly proportional to the level of accounting information publication.

Current ratio:

According to the signaling theory, the enterprises with high current ratio will reveal more information to enhance the company's image.

Here, the hypothesis can be stated:

H7: The current ratio of real estate businesses in Vietnam is directly proportional to the level of accounting information publication.

Auditing firms:

The agency theory points out that the auditing firms can help eliminate conflicts of interest between managers and investors (Xiao, Yang & Chow, 2004). (Owusu–Ansah, 1998) pointed out three reasons why the large auditing firms often in the position more advantageous over smaller one. Firstly, because the large auditing firms has a large number of customers so the economic dependency on a particular client is usually small. Therefore, these subjects tend to publish many more mistakes and ensure more rationality in implementing the provisions on customers' information publication of than small auditing subjects. Secondly, large auditing subjects often lose more relating to the reputation ruin than small companies do, because the actual number of customers of audit firm has an inverse relationship with the level of loss from the reputation ruin of the auditing subject. Thirdly, the large audit firms generally have larger liability because investors often rely on annual reports audited by those subjects. The signaling theory also indicates that hiring of the large audit firms is a good signal for ensuring the quality of published information (Xiao, Yang & Chow, 2004**)**

Therefore, the hypothesis can be stated here:

H8: The real estate businesses in Vietnam audited by the large auditing subjects publish more accounting information than enterprises audited by other subjects.

Fixed assets ratio:

The businesses with large value of fixed assets, the high effect of using assets then the larger level of information publication helps people outside make investment decisions, in order to attract new investors.

Here, the hypothesis can be stated:

H9: Fixed assets of the real estate businesses in Vietnam is directly proportional to the level of accounting information publication.

Operating time:

Longtime operating business will have the opportunity, the conditions to apply the new techniques

Thus, the hypothesis is stated as follows:

H10: The operating time of the real estate businesses in Vietnam is directly proportional to the level of accounting information publication.

Measure the independent variables:

Independent variables	Define
Business size	The logarithm of the enterprise's market capitalization at 31/12/2012
Financial leverage ratio	Total Liabilities/Total assets
Return on assets	ROA= Pre-tax Profit/Total Assets
Return on equities	ROE = After tax Profit/The owner's equity
Return on Sales	ROS = Pre-tax Profit/Net revenue
Increasing ratio of revenue	$\dfrac{\text{(Revenue ofyear 2012- Revenue of year 2011)}}{\text{(Revenue of year 2011)}}$
Current ratio	Current Liabilities/Current Assets
Auditing subject	Dummy variables: 1 if audited by international audit firms 0 if audited by other accounting firms
Fixed assets ratio	(Fixed assets – Accumulated depreciation)/Total assets
Operating time	Counted from when first listed to 12/31/2012

Sample selection

Counted to 12/31/2012, the HCM City Stock Exchange has 305 listed enterprises, of which 50 real estate businesses. However to date 10/03/2014, some real estate businesses in Vietnam have not yet published full accounting information in 2013; so the author can only collect the data of Financial Statement audited in 2012 as a PDF file and collect directly from the website of the HCM City Stock Exchange.

Build information publication table of contents

Information publication table of contents – the method of digitizing the information published and providing valuable and reliable method of measurement by method for points –the main data collected in this research.

Building information table of contents published includes the following steps:

First step: Determine the selected information. By decision No.15/2006/BTC dated 03/20/2006 of Vietnam Ministry of Finance issued the Accounting Regime of business includes 140 indexes of accounting information publication.

TT	Information Group	The indexes are published (By Decision 5/2006/BTC dated 03/20/2006)
1	Operating characteristics of enterprise	4
2	Accounting period, the currency unit	2
3	The standard & application accounting mode	3
4	The applied accounting policies	16
5	Balance sheet and Notes to balance sheet	80
6	Report of operation results and Notes to Report of operation results	24
7	Cash flow report and Notes to Cash flow report	5
8	Other information	6
	Total	140

In second step, each of information will receive the value 0 if not published, and get the value 1 if published on the website of the company.

The last step, According to the approach of the research before, the index of information publication of each company calculated as follows:

$$I_j = \frac{\sum_{i=1}^{nj} X_{ij}}{n_j}$$

In which: I_j = the index of information publication of each company j

n = the amount of information published by the company j

Xij = 1 if the information is published

= 0 if the information is not published

The result of the accounting information publication level of the 50 listed real estate businesses as follows:

Value of Ij: Minimum: 0.6387, Max =0.9398, Mean=0.8499

Build regression model:

According to the approach of the research before, a multiple regression model built to study the relationship between the explanation variables and the level of accounting information publication of real estate business. Since then, the model built as follows:

Y=β_0 + β_1Business size + β_2Financial leverage ratio+ β_3ROA+β_4 ROE+β_5 ROS + β_6 Increased ratio of revenue +β_7Current ratio+ β_8Auditing subject +β_9Fixed assets ratio +β_{10} Activities Time + ε

Among:

Y: levels of accounting information publication of real estate business

β_0: intercept

β_i:slope coefficient (i >0)

a.Descriptive Statistics of Variables

	N	Minimum	Maximum	Mean	Std.Deviation
Business size(Calculated according to the logarithm base 10)	50	9.323	13.747	12.121	0.688
Financial Leverage	50	0.162	0.805	0.527	0.156
ROA	50	-0.082	0.100	0.014	0.037
ROE	50	-0.379	0.175	0.025	0.094
ROS	50	-17.016	2.516	-0.337	2.608
Increasing ratio of Revenue	50	-1.309	6.218	0.183	1.311
Current ratio	50	0.508	13.095	2.785	2.498
Auditing subject	50	0.000	1.000	0.360	0.485
Fixed assets ratio	50	0.000	0.716	0.141	0.175
Operating time	50	0.000	13.000	4.060	2.235
Valid N	50				

Table 1: Descriptive Statistics

Correlation analysis*:* Inspection of the correlation coefficient in order to test the linear relationship between the independent variables and the dependent variable. If the variables

are correlated, they must pay attention to the problem of multicollinearity after regression analysis. Results as below:

+The correlation coefficients between ROA variable and ROE is high, equal 0.9

+Dependent variable Y has significance at the 0.009 level (2-tailed) with financial leverage variable and at the 0.072 level (2-tailed) with an increased ratio of revenue variable.

Then, can having the multicollinearity phenomenon between variables

Regression analysis: The regression results with R Square =.297 which means about 29.7% the variability of Y explained by eight independent variables, at the same time Adjusted R Square =.125 demonstrate the relevance of low model.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.545[a]	.297	.117	.0607320	1.646

Table 2: Model Summary

Collinearity test

Then, can having the collinearity phenomenon between variables, then need to consider to VIF and Tolerance.

From the result of test, we see two variables ROA and ROE appearing the collinearity (VIF> 6) so we have to exclude 1 in 2 variables out of the model.

Performing regression in turn with the model no ROA variable and the model no ROE variable

R^2 of regression function with no ROA variables 0.290

R^2 of regression function with no ROE variables 0.293

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.541[a]	.293	.133	.0601691	1.613

Table 3: Model Summary

So exclude the ROE variable out of the mode

Test the fit of the regression function

Implemented ANOVA analysis, the results as Table 4

Model		Sum of squares	Df	Mean Square	F	Sig.
1	Regression	.060	9	.007	1.838	.091[a]
	Residual	.145	40	.004		
	Total	.205	49			

Table 4: Regression analysis after excluding the ROE variable

Sig–observed significance level of model is high, equal 0.091

Show that meaningful model but it still has some independent variables not really affecting the level of information publication, so it should continue to evaluate the coefficient of regression in model.

Model	Coefficient		Beta	T	Sig.	Collinearity	Statistics
		Std. error				Tolerance	VIF
(Constant)	.669	.195		3.437	-.001		
Business size	.004	.017	.046	.258	.798	.557	1.796
Financial Leverage	.186	.071	.451	2.629	**.012**	.602	1.660
ROA	-.115	.299	.066	-.384	.703	.597	1.674
ROS	.001	.005	.048	.264	.793	.530	1.888
Increasing ratio of Revenue	-.015	.007	-.305	-2.213	**.033**	.928	1.077
Current ratio	.002	.005	.065	.364	.718	.546	1.833
Auditing subject	-.006	.022	-.045	-.272	.787	.660	1.516
Fixed assets ratio	.069	.053	.187	1.306	.199	.564	1.157
Operating time	.006	.005	.197	1.180	.245	.636	1.572

Table 5: Regression analysis after excluding the ROE variable

In table 5, the Sig. the value of the variables of financial leverage and increasing the ratio of revenue is below 5% significance level, thus we can conclude the variables of financial

leverage and increasing the ratio of revenue affect the level of accounting information publication.

To confirm that the conclusion above, the article continues to check by backward method, a model to interpret the results as the final model (Table 6) as follows:

Model	Beta	t	Sig.	Partial Correlation	Collinearity Statistics		
					Tolerance	VIF	Minimum Tolerance
ROA	.037[h]	.285	.777	.042	.977	1.024	.964
ROS	.086[h]	.655	.516	.096	.973	1.028	.961
Current ratio	.024[h]	.159	.874	.024	.757	1.321	.746
Audit subject	-.018[h]	-.136	.893	-.020	.964	1.037	.964
Business size	.078[h]	.588	.559	.086	.942	1.062	.928
Activities Time	.122[h]	.939	.353	.137	.981	1.019	.973
Fixed assets ratio	.187[h]	1.466	.150	.211	.986	1.015	.971

Table 6: Excluded Variable

Dependent variables: Y (the level of account information publication)

Predictor in the Model: (Constant)**,** Financial Leverage, Increasing ratio of Revenue

Model Summary[i]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
H	.476[h]	.226	.193	.0580522	1.602

h. Predictors: (Constant), Financial Leverage, Increasing ratio of Revenue

i. Dependent Variable: Y

Discussion and recommendations

The first hypothesis is rejected, meaning that large-scale companies do not tend to publish much more information than small companies do. This result is consistent with studies of Allam and Lymer (2003) and Aly et al. (2010). The reason can be explained here is due to the advancement of the Internet, the costs related to online information publication tend to decrease over time (Allam & Lymer, 2003). Therefore, the companies despite their size would also have an equal chance to publish information via the Internet.

The second hypothesis is accepted, meaning that, the real estate businesses with large financial leverage coefficient are directly proportional to the level of accounting information publication. This result is consistent with the agency theory and signaling theory and in line with Ettredge (2002), Malone et al. (1993)

The third, fourth, fifth hypotheses are rejected, meaning that the companies with large coefficients of ROS, ROE ROA do not tend to publish more information than small companies do. This is in contrast to Le(2012)

The sixth hypothesis is approved, meaning that, the companies with high speed of the growth sales tend to publish more information than other companies.

The seventh hypothesis is not accepted, because there is no relationship between the level of accounting information publication and the ability to pay short-term debt. This result is consistent with the studies of Owusu-Ansah (1998) and Doan (2010)

The eighth hypothesis is rejected, meaning that, the companies audited by large auditing subject do not to tend publish more information than other companies do. This result is similar to the studies of Akhtarruddin et al. (2009) but in contrast to the findings of Doan (2010).

The ninth hypothesis is also rejected, meaning that, the companies with a large proportion of the fixed assets in total assets do not tend publish more information than other companies.

The tenth hypothesis is also rejected, meaning that, the companies with long operating time do not tend to publish more information than other companies.

In summary, the research results somewhat provide the practical knowledge about the accounting information publication of real estate businesses listed on Vietnam's stock market, including an understanding of the extent of businesses' information publication and the factors belonging to business characteristics affecting the publication level. However, some limitations should be rectified in future studies, such as the relatively small sample size, the number of explanatory variables are relatively few and the research article only conducted for a period of 1 years.

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