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THE CURRENT SITUATION OF BUILDING THE SEGMENT STATEMENTS ON MANAGEMENT COMMERCIAL ENTERPRISES IN THAI NGUYEN PROVINCE, VIETNAM

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Abstract
According to statistics, there are about 6.500 enterprises in Thai Nguyen province. In recent 3 years, the number of enterprises has increased around 15 -20% each year. The production size has increased rapidly and the capital source of the enterprises has reached over 100 billion VND (7 times as much as the period between 2005 and 2010). Of all, commercial enterprises account for a large proportion of accounting information. Especially, it is the information of the segment statements that has served administrators is still lacking synchronization, and doesn't show its role in controlling and making the decisions. Therefore, this writing will focus on theoretical basis, established segment report, function of providing information of segment reporting to serve for control and make the decisions of the administrators. The research method of the situation through in-depth interviews over 30 cases in 20 commercial enterprises about segment reports, so that thanks to the research results, the author could give the suggestions for commercial enterprises to build segment reports effectively and suitably and know the current situation of enterprises.

***Keywords**:*
Segment, segment statements, administration, commercial enterprises.

1. Theoretical basis and research overview of segment statements
There were lots of researchers studying segment statements. In 1981, the author Joshua pointed out that the Segment report was considered as the result reports of business but detailed in the segment. It aimed to reflect the revenue, spending, result of each segment, and provided information for the administrators to make the decisions. Then, Ijiri Yuji (1995) had an idea that: Segment report is the entity's financial data, subsidiary companies or different segments of a certain company. Along with that, in 2013 Michael Lucas et al published the research on Segment statements from the interview result in 11 small and medium-sized enterprises in England to confirm the 4 following identifications: (i) For small and medium-sized enterprises, there is no management report and it mainly complies with tax regulations; (ii) In the large-sized enterprises, there is a hierarchy in managing the tool of management accounting. It is the estimates, responsibility center, and techniques of cost allocation; (iii) the tool of analyzing the cost is used by the large- sized enterprises that will analyze the breakeven point. Meanwhile, this tool is not popular with many small-sized enterprises; (iv) Segment report is seen as a tool of support that is used in decision-making including analyzing the cost relevant, judgment technique for investment cost and the way to cope with the risks.
In Vietnam, there are many pieces of research on Segment reports, namely the author Pham Quang (2002) in the study suggesting the system of Segment reports such as: Cost reports, inventory reports, and budget statements. In those reports, they all showed the government's roles in orientating the development of management accounting in enterprises.

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Next, the research of Pham ThiThanh Mai (2013), the author carried out a depth interview in Vietnam tourism companies in 10 segments relevant. In which, the segment is chosen: Head of Department, Deputy Head of Department, staff and carried out 30 depth interviews. The result of the study showed that the senior administrators need information about revenue, capital cost, stock price and active market which less cares for the form of Segment statements. The inferior administrators based on the data of Segment reports to make the decisions.

Along with that, in 2016, the author Pham Thi Hong Hoa studied on building the Segment reports in Nam Cuong limited liability Company in terms of the theoretical and practical basis to assess the current situation of the Segment report to serve the control and operational efficiency of the company.

The latest work of research of Bui Thi Ngoc et.al (2019) was carried out in a depth interview in 23 enterprises of Pharmaceutical Industry in Vietnam in order to access the current situation of Segment report to serve the business management in the Pharmaceutical Industry, so that it can suggest the samples of Segment reports to serve business management.

Thus, both domestic and foreign views on Segment reports show that reports are prepared to enhance the need for information to be provided to users, along with supporting assessment and decision making for financial information of the enterprises

2. Research methodology

The author researched through collecting questionnaires to send the enterprises related to 20 commercial enterprises in the province by sending the survey link. It is sent to the enterprises directly via mail addresses and online questionnaires. Questionnaires' contents include: (i) The current situation of preparing for the Segment statements in the enterprises; (ii) Using information for Segment reports to control the operations of the enterprise; (iii) Personal information.

Along with that, the author carried out in-depth interviews, phone calls, and directly observed the accounting book system, facilities for the collection, processing and provision of accounting information.

2.1. Select survey objects

To ensure the reliability of the research results and facilitate the research implementation, the author conducted direct interviews with 5 commercial enterprises in the province. These are enterprises with more than 10 years of operation, including 1 large-scale enterprise and 4 small and medium-sized enterprises. Conduct direct interviews with the director, deputy director and chief accountant, along with accountants to identify exactly the system of current Segment report in the enterprise.

2.2. Data collection

In order to prepare for interviews or phone calls as well as to send a pre-prepared survey link with basic questions designed and proactive in the interview, the interview content is recorded and saved the correction information if there is something wrong. Along with that is the collection of secondary data of 20 commercial enterprises about Segment report, on that basis, statistical and analytical methods are used to assess the current situation and use statistical data for report writing

The enterprises that send the selected survey link have the following characteristics in terms of business type, business size, and business areas according to Figure 1:

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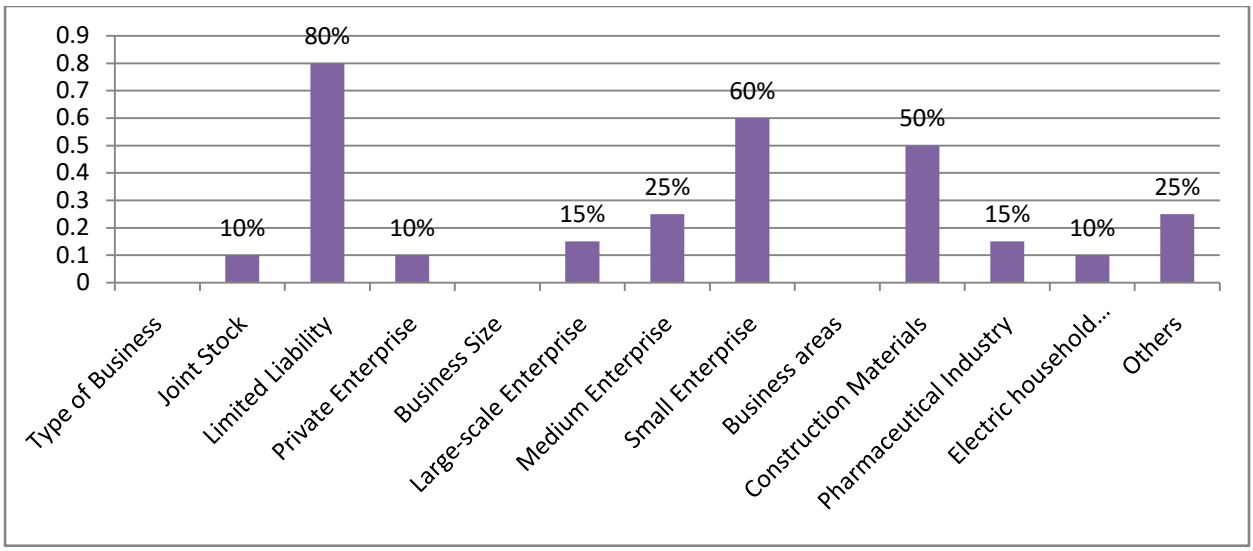
Figure 1: The characteristics of commercial enterprises in the survey



[The author collected from research results]

From the survey data, out of 20 enterprises, there are 2 joint stock companies accounting for 10%, 16 limited companies accounting for 80%, 2 private enterprises accounting for 10%. If it is considered according to the size of enterprises, there are 3 large-scale enterprises accounting for 15%, 5 medium-sized enterprises accounting for 25%, 12 small-sized enterprises accounting for 60%. Along with that, the author collects survey links from commercial enterprises in the province by business areas, with 10/20 businesses accounting for 50% of construction materials trading, 3/20 businesses accounting for 15% are trading in pharmaceuticals, 2/20 businesses accounting for 10% are trading in electrical equipment, the remaining 5/20 businesses accounting for 25% are trading in other products.

3. Research results

3.1 Status of tracking revenue to serve the Segment report establishment

From the survey results, it is shown that currently the majority of commercial enterprises make reports for the purpose of controlling and evaluating performance, including reports on revenue and expenses for each area, type of business, target audience and report on business results periodically or annually. The survey results were distributed to 20 enterprises summarized as follows:

Table 1: Form of tracking the revenues in Commercial Enterprises

Contents	Type of business						Total	
	Joint Stock		Limited Liability		Private Enterprise			
	Quantity	Rate (%)	Quantity	Rate (%)	Quantity	Rate (%)	Quantity	Rate (%)
1. Detail by business areas	1	5%	2	10%			3	15%
2. Detail by goods			9	45%	1	5%	10	50%
3. Detail by customers			2	10%	1	5%	3	15%
4. Detail by geographical areas	1	5%	3	15%			4	20%
Total	2		16		2		20	100%

[The author collected from research results]

From the data, it is shown that 3/20 Commercial enterprises account for 25% of revenue tracking by business areas, and 10/20 Commercial enterprises account for 50% of revenue tracking by items. There are 3/20

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businesses accounting for 15% tracking by customers and the remaining 4/20 businesses accounts for 20% tracking by geographical area. Typically, at Nguyen Thai Family Co., Ltd., Huu Yen Pharmaceutical limited liability Company tracks revenue by customer and at the same time tracks revenue by geographical area such as: Tung Dao agency in Dong Hy, NguyetTrach agency in PhuLuong, or Tuan An Joint Stock Company details revenue by customer: Bac Can area in 5/2021: 120,286,400, Hanoi area: 442,497,073 VND, Lai Chau area: 1,038,244,230 VND detailed according to own revenue code.

3.2. Current status of tracking costs the Segment report establishment

The first step in cost accumulation serves as the basis for opening detailed accounting books and making Segment reports based on the cost classification of the commercial enterprise. Currently, businesses classify costs based on typical traditional classification criteria in businesses that keep accounting books in the manual form. Small and medium-sized commercial enterprises often choose to record accounting books on computers with the application of accounting software to accountants' work such as: Viet Sun, Fast Accounting, and Misa. Then, selecting cost classification criteria becomes richer and more diverse.

Table 2: Form of tracking the costs in Commercial enterprises

Contents	Type of Business						Total	
	Joint Stock		Limited Liabity		Private Enterprise		Quantity	Rate (%)
	Quantity	Rate (%)	Quantity	Rate (%)	Quantity	Rate (%)		
Detail by direct cost								
1. Detail by items	1	5%	7	35%	1	5%	9	45%
2. Detail by cost contents			9	45%	1	5%	10	50%
3. Detail by behaviours			0	0%			0	0%
4. Detail by decision-making authorites	1	5%	0	0%			1	5%
Total	2		16		2		20	100%

[The author collected from research results]

According to the data in Table 2, the details of expenses by item include 1/20 enterprises accounting for 5% being joint-stock companies, 7/20 enterprises accounting for 35% being limited liability companies and the rest is a private enterprise. Specifically, Lam Khai limited liability Company in 2020 the cost of goods sold in Account 632: VND 20,092,856,675; Phu An Technology Joint Stock Company detailed items in Account632: 32,868,685,125 VND. In addition, according to the criterion of classifying costs according to the content of the cost, the majority of commercial enterprises choose this criterion with a total of 10/20 enterprises, accounting for 50%. Namely, in Tuan An Joint Stock Company, the salary costs in May 2021 were: 29,895,000 VND, meal expenses: 3,625,000 VND. Therefore, some large-scale commercial enterprises, both using flexible accounting software to open cost elements to serve the preparation of Segment report, do not necessarily need to open detailed accounting accounts to track and reduce the cumbersomeness for these accounting accounts while still meeting detailed management requirements.

3.3. Segment division by business areas

In commercial enterprises in the province, the criteria for segment division by business areas are selected mainly based on the operating structure of the enterprises to serve the purposes of management and organizational structure of the Joint stock Company, Limited Liability Company, Private Enterprise and branches are usually divided by fields of activity. Specifically, the basis of division by business fields in enterprises is as follows:

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Table 3: The criteria of identify the Segment statement by business areas

The criteria of division	Quantity	Rate
The feature of goods and services	15	75%
The feature of busness procedure	3	15%
The methods used to distribute the products or provide the services	2	10%
The condition of legal environments such as banking, issurance or community activities.	0	0%
Total	**20**	**100%**

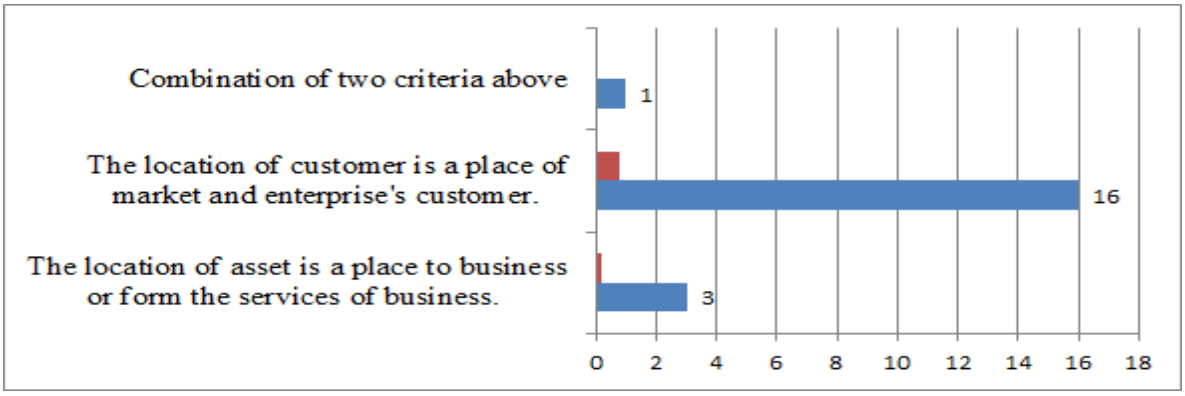
[The author collected from research results]

Thus, most enterprises divide segments by business sector based on the difference in the characteristics of goods and services (75%). A few enterprises, including Huu Yen Pharmaceutical Trading Limited Liability, based on the feature of the production process in the pharmaceutical industry to divide segments by business fields. That is because at this company, when distributing products, they are made according to the process and have specific licensing conditions for brand-name drugs and special drugs managed under the State regulations designed into a system including: affiliated agents, each member agent performs a stage in the whole system from the first stage which is market research, drug receipt, storage and the last stage is product distribution.

3.4. Segmentation by geographical areas

Besides, through the survey of commercial enterprises in the province, the division of segments by geographical area in the enterprises is done as follows: Usually divided by actual locations of agents and distributors: (i) The city area is the agents and branches in Thai Nguyen City of Nguyen Thai Family Company such as: Tung Dao, Hai Nam (ii) Agents and branches in DinhHoa area of the Huu Yen company such as: Tan Duong Commune Medical Station, Phuong Tien Commune Medical Station (iii) agents, branches of Tuan An Company in Bac Can, Hanoi, and Lai Chau. Therefore, the selection criteria for classifying Geographic division can be:

Figure 2: The criteria to identify the Segment statement bygeographical areas



[The author collected from research results]

The survey data in Figure 2 shows that 16/20 businesses, accounting for 80% of businesses, choose the location of their customers as market locations and their customers. Specifically, at Tuan An Joint Stock Corporation, when presenting segment revenue information by geographical area, the basis of division by customer location is selected as the location of the market and customers of the enterprise To Nguyen Thai

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Family Trading Limited Liability Company, the basis for division of segment revenue is selected according to the location of the property, which is the business location.

3.5. Segment statement system

According to the survey, the commercial enterprises carried out their accounting organization according to the combined model between financial accounting and management accounting. As a result, 18/20 enterprises, accounting for 95% of enterprises, confirmed that they had established Segment reports to provide information for enterprise managing requirements. However, the level of detailed information is somewhat different. For large-scale enterprises, Segment report's information is more detailed and specific than that of small and medium-sized enterprises.

Table 4: Segment statement system of Commercial Enterprises

Contents	Type of Business						Total	
	Joint Stock		Limited Liability		Private enterprise		Quantity	Rate (%)
	Quantity	Rate (%)	Quantity	Rate (%)	Quantity	Rate (%)		
Statements of estimate and quota	2	5%	8	40%	1	5%	11	55%
Statements of performance results			7	35%	1	5%	8	40%
Statements of controlling, assessing, and making decisions			1	5%			1	5%
Total	2		16		2		20	100%

[The author collected from research results]

From the survey results, it is shown that the estimate and norm reports are made by the majority of commercial enterprises at the rate of 55% with the reports of import estimates, cash receipts and payment estimates. Set quotas at construction material businesses such as Nguyen Thai Family Company with quotas of broken and damaged bricks during transportation and storage. Brick color error, old model so that businesses can make appropriate handling decisions. In addition, reports on performance are also prepared by many businesses with the rate of 40% Segment report at this time to help assess staff capacity and work efficiency of each department. These reports are the basis of management's decision-making.

3.6. Some recommendations and suggestions

On the basis of analyzing the current situation, the author has some recommendations on the construction of Segment report from the following angles: (i) Building Segment report to provide information on implementation results; (ii) Building Segment report to control and assess the results; (iii) Building Segment report for decision-making.

Firstly, building Segment report to provide information and performance results

The information provided by the Segment report has the effect of providing feedback on the effectiveness and quality of the activities that have been being carried out so that the administrator can promptly adjust and reorganize the activities of the business. Moreover, the Segment report provides information for the construction and development of a reasonable resource structure in enterprises and information arising on a daily basis or performance information.

Secondly, building Segment report to control and assess the results

Segment report is seen as a feedback system for administrators to know the plan is being implemented, and at the same time to identify the limited issues that need adjustment and change in order to orientate the organization's activities towards the defined goals. Then, it can help managers perform the control function and

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management accounting that will provide performance reports to compare the performance figures with the plan or estimate list all other differences and evaluate performance.

Thirdly, building Segment report for decision-making

In the management, the decision-making function requires the administrator to have an appropriate choice in the many different options offered. All decisions are based on information and most of the information is provided by management accountants through the Segment report system to serve the decision-making function of managers.

CONCLUSION

In commercial enterprises in the province, the completion of the Segment report system for management enterprises is a really necessary and useful tool for management. Building Segment report is suitable for the characteristics of business, business operation and product. At the same time, based on the management requirements of the commercial enterprise, the enterprise can design and select the appropriate report template. It is necessary to ensure the information provided by Segment report, provide information on performance results, and provide information to control, assess and make decisions for managers

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