WHAT AFFECT ACCOUNTING NET REVENUE OF COMPANY? – A CASE IN VIETNAM COMMERCE SECTOR

INTRODUCTION

First, we recognize the importance of digital technology in banking also increase to a new level in recent years. Next, We emphasize that the role of reliable internet data increasing in recent years. Khrais (2019) mentioned Business information systems are interconnected structures or procedures within a business entity that uses information and communication technology (ICT) to support decision making by generating, processing and providing useful information for the entity. Business information systems have five key components. These are the people using the system, the hardware, software, database and network. Good business information systems are flexible such that they can be able to anticipate and adapt to changes in the information needs of the business.

They are also must efficient, meet the demands of the business, and are designed according to the financial and human resource capacity of the business entity. Furthermore, good businesses are cost effective. In this paper we mainly focus on using reliable internet data in estimating what factors effect accounting revenue (net ) of a typical Vietnam commerce company, MTC - My Tra Company. My Tra company (MTC) doing business in:

- Restaurant, hotel business
- Management of My Tra tourist area, business of handicrafts, domestic technological products
- Services: massage, karaoke, discotheque
- Service of amusement park
- Transporting passengers under contract
- Business travel services and other services
- Air ticket agent
- Financial investment...

Beside, MTC has been operating business units in:

- My Tra tourist area
- Hoa Binh Hotel
- My An Stopover Station

We see ownership structure of shareholders in MTC company in below chart:
Chart 1 - Ownership structure

Source: Search data.

Look at below chart we see that in MTC company:

- net revenue and COGS increase in 2017 and decline in 2020 (chart 2)
- ROA and ROE declines in 2019 while cost-income ration increased in 2019 (chart 3)
- COGS decreased with faster speed than administrative expense in 2020 (chart 4)

Chart 2 - Net revenue (accounting) and costs

Source: Search data.
LITERATURE REVIEW

First, Safarova (2010) mentioned that eight key factors that have been found to have the most impact on the operating performance of the companies in other markets. These factors are; intangibles, corporate governance, cash on hand, leverage, firm specific risk, size, growth and...
tangibility. The results have supported previous studies’ findings to some extent, with size being the most important factor determining firm performance, followed by growth and leverage with the weaker relationships. Other factors appeared to be marginally related to the operating performance at different significance levels. And Huy, & Hien (2010) indicated that there are advantages and disadvantages of a limited European corporate governance standards in their article in Economic and Business Review.

Trivelas and Satouridis (2013) stated that in Greece a) the externally focused Management Information System (MIS) effectiveness archetypes (OS, RM) reflecting innovation, creativity, goal setting and planning enhance task productivity b) the Internal process (IP) model of MIS effectiveness influences negatively task productivity.

Dinh Tran Ngoc Huy (2015) indicated firms need to enhance risk management and corporate governance standards in a limited South Asian corporate governance model. And Elif (2016) specified that return on assets is positively related to firm size, international sales, liquidity and growth, and negatively related to leverage and R&D expenditures. On the other hand, gross profit margin is positively related to size and international sales, and negatively related to leverage and R&D expenditures. Finally, results show that Tobin’s Q ratio is higher for firms with higher levels of debt and higher liquidity levels.

Next, Hung, Ha and Dung (2018) stated that 7 of 8 factors affecting earnings management with statistical significance of 1%, 5% and 10%. Five factors have positive relationships with earnings management, including consolidated financial statements, chair of management board cum a director, financial performance, firm size, and stock issuance. In contrast, two factors have negative relationships with earnings manipulations, including auditor size and financial leverage.

Then, Lan and Cong (2019) found out (1) Firm size has a positive impact on both ROA and ROS, especially ROA but it has the opposite effect on ROE, (2) Adequacy ratio impacts positively on ROA and ROS but negatively on ROE, (3) Financial leverage considerably negative influences on ROE and ROS but positively impacts on ROA, (4) Liquidity has a positive effect on both ROA and ROE but a negative one on ROS and (5) Solvency has a positive impact on ROA and ROS but the negative impact on ROE. Furthermore, agriculture accounted for the highest percentage of profitability at the beginning, which was replaced by service for ROA but manufacture for ROE from 2016 to 2017 as opposed to the least in transportation. Last but not least, Huy et al (2020) stated that many external macro factors affect market beta CAPM of Vietcombank in Vietnam and proposed policies.

**METHODOLOGY**

**Method and data**

Authors basically analyze both factors on net venue - accounting of My Tra company (MTC) in OLS regression model:

- internal cost factors: COGS, sale cost, etc.
- internal revenue factors: total revenue, ROA, ROE, etc.
- external factors: CPI, Rf, R, etc.

This study mainly use combination of quantitative methods and qualitative methods including synthesis, inductive and explanatory methods. Data is collected from reliable internet sources and websites. Looking at descriptive statistics below, we see that:

- Standard dev of total revenue is much higher than those of ROA and ROE (figure 1)
- Standard dev of COGS is higher than that of sale cost (figure 3)
- Standard dev of CPI is higher than that of Risk free rate - Rf (figure 5)
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Look at above figures we recognize that:

- between CPI and net revenue: higher correlation than that between net revenue and R- lending rate (0.5 > 0.3) (figure 6)
- between cost-income ratio and net revenue: smaller correlation than that between net revenue and COGS (0.85 < 42) (figure 4)
- between net profit and net revenue: little higher correlation than that between net revenue and ROE (0.71 > 0.7) (figure 2)

MAIN RESULTS

Overall results
We see as shown in below figure:

- Between net revenue and admin expense, net profit R. sale cost, and ROA : there is positive relationship

Source: Search data.

Figure 1. Descriptive data of revenue factors

| NETREVEN | NETPROFIT | ROA | ROE | TOTALREV |
|----------|-----------|-----|-----|----------|
| Mean     | 38.100000 | 0.100000 | 0.100000 | 32.10000 |
| Median   | 38.000000 | 0.100000 | 0.100000 | 32.10000 |
| Minimum  | 16.000000 | 0.050000 | 0.050000 | 20.05000 |
| Maximum  | 58.000000 | 0.150000 | 0.150000 | 62.15000 |
| Std Dev  | 14.400000 | 0.050000 | 0.050000 | 18.45000 |
| Skewness | 0.430400  | 1.100400 | 0.300400 | 0.830400 |
| Kurtosis | 3.934000  | 2.104000 | 0.734000 | 3.104000 |

Source: Search data.

Figure 2. Correlation of revenue factors

| NETREVEN | NETPROFIT | ROA | ROE | TOTALREV |
|----------|-----------|-----|-----|----------|
| Mean     | 38.100000 | 0.100000 | 0.100000 | 32.10000 |
| Median   | 38.000000 | 0.100000 | 0.100000 | 32.10000 |
| Minimum  | 16.000000 | 0.050000 | 0.050000 | 20.05000 |
| Maximum  | 58.000000 | 0.150000 | 0.150000 | 62.15000 |
| Std Dev  | 14.400000 | 0.050000 | 0.050000 | 18.45000 |
| Skewness | 0.430400  | 1.100400 | 0.300400 | 0.830400 |
| Kurtosis | 3.934000  | 2.104000 | 0.734000 | 3.104000 |

Source: Search data.

Figure 3. Descriptive data of cost factors

| COST | NETREVEN | ADMIN | NETPROFIT | R | R-SALE CO |
|------|----------|-------|-----------|---|----------|
| Mean | 32.100000 | 0.000000 | 0.110260 | 0.000000 | 0.490260 |
| Median| 32.000000 | 0.000000 | 0.110260 | 0.000000 | 0.490260 |
| Minimum| 16.000000 | 0.000000 | 0.110260 | 0.000000 | 0.490260 |
| Maximum| 58.000000 | 0.000000 | 0.110260 | 0.000000 | 0.490260 |
| Std Dev| 14.400000 | 0.000000 | 0.110260 | 0.000000 | 0.490260 |
| Skewness| 0.430400  | 1.100400 | 0.300400 | 0.830400 | 0.000000 |
| Kurtosis| 3.934000  | 2.104000 | 0.734000 | 3.104000 | 0.000000 |

Source: Search data.

Source: Search data.

Figure 5. Descriptive data of external factors

| SOURCE | NETREVEN | CPI | RO | RF |
|--------|----------|-----|----|----|
| Mean   | 32.100000 | 0.000000 | 0.110260 | 0.000000 |
| Median | 32.000000 | 0.000000 | 0.110260 | 0.000000 |
| Minimum| 16.000000 | 0.000000 | 0.110260 | 0.000000 |
| Maximum| 58.000000 | 0.000000 | 0.110260 | 0.000000 |
| Std Dev| 14.400000 | 0.000000 | 0.110260 | 0.000000 |
| Skewness| 0.430400  | 1.100400 | 0.300400 | 0.830400 |
| Kurtosis| 3.934000  | 2.104000 | 0.734000 | 3.104000 |

Source: Search data.

Source: Search data.

Figure 6 - Correlation of external factors

| SOURCE | NETREVEN | CPI | RO | RF |
|--------|----------|-----|----|----|
| Mean   | 32.100000 | 0.000000 | 0.110260 | 0.000000 |
| Median | 32.000000 | 0.000000 | 0.110260 | 0.000000 |
| Minimum| 16.000000 | 0.000000 | 0.110260 | 0.000000 |
| Maximum| 58.000000 | 0.000000 | 0.110260 | 0.000000 |
| Std Dev| 14.400000 | 0.000000 | 0.110260 | 0.000000 |
| Skewness| 0.430400  | 1.100400 | 0.300400 | 0.830400 |
| Kurtosis| 3.934000  | 2.104000 | 0.734000 | 3.104000 |

Source: Search data.
First, we recognize in figure that:
- Between admin expense and net revenue there is positive correlation, hence, with coefficient 1.27, increase in admin cost will push net revenue.

Second, we recognize in figure that:
- Between COGS and net revenue there is positive correlation, hence, with coefficient 1.18 (lower than that of admin expense), increase in COGS will push net revenue.

Source: Search data.

Source: Search data.

**OLS REGRESSION RESULTS**

**Chart 7. Net revenue and net profit**

**Chart 8. Net revenue and lending rate**

**Chart 9. Net revenue and ROA**

**Chart 10. Net revenue and sale cost**

**Figure 7. OLS regression for admin expense**

**Figure 8. OLS regression for COGS**

Source: Search data.
Third, we recognize in below figure that:
- Between lending rate and net revenue there is positive correlation, hence, with coefficient 68.6, increase in lending rate will push net revenue.

Fourth, we recognize in below figure that:
- Between admin expense, COGS sale cost and net revenue there is positive correlation, hence, with coefficient 0.19 (lower than those of COGS and admin expense), increase in sale cost will push net revenue.

Fifth, we recognize that
- Between sale cost, net profit and net revenue there is positive correlation, hence, with coefficient 0.14, increase in net profit will push net revenue.

Sixth, we look at below regression table:

**Table 1 - Regression results for 8 factors**

| Variable            | 6 factors | 7 factors |
|---------------------|-----------|-----------|
| Admin expense       | 0.15      | 0.49      |
| COGS                | 1.15      | 1.12      |
| Cost-income ratio   | -29       | -28.2     |
| Sale cost           | 0.17      | 0.42      |
| Net profit          | 7.1       | 7.2       |
| ROA                 | -387.4    | -70.9     |
| ROE                 | -310      | -0.2      |
| R-squared           | 0.99      | 0.99      |
| SER                 | 0.21      | 0.21      |
| Akaike info criterion | -0.01   | -0.2      |

Source: Search data.
DISCUSSION

- **We see for cost factors:** Cost-income ratio has negative correlation with net revenue while other costs: sale cost, administrative cost and COGS have positive correlation with net revenue. It means that if cost-income ratio goes down net revenue will increase.

- **We see for revenue factors:** Net profit has positive relationship with net revenue while ROA and ROE have negative correlation with accounting net revenue. It means that if ROA and ROE decrease, accounting net revenue of MTC will go up.

- **We see for external factors:** CPI and Rf has positive relation with revenue whereas lending rate has negative correlation with accounting net revenue. It means that if Risk free rate declines, net revenue will decrease.

CONCLUSION

**Accounting revenue policy**

- Because admin expense has positive correlation with revenue, MTC managers need to control admin expense and increase at acceptable level to boost revenue of the firm.

- Because sale cost and COGS has positive correlation with net revenue, MTC management need to increase sale and COGS cost rationally to boost revenue.

- Because net profit has positive correlation with revenue, firm management need solutions to increase net profit, boost total revenue and reduce costs.

**Macro policy implications**

- Net revenue of MTC might be goes up if Risk free rate increase little and lending rate declines little.

Madhdi and Khadafi (2020) stated that a positive and significant influence from net profit margin, operating profit margin, and gross profit margin on stock prices in Good Consumer Industry Company listed on the Indonesia Stock Exchange, while partially net profit margin and gross profit margin were not there is a positive and insignificant influence on stock prices on Good Consumer Industry Company listed on the Indonesia Stock Exchange.

**Limitation of research**

We can expand our research model for other industries and other markets.

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What affect accounting net revenue of company? – a case in Vietnam commerce sector

O que afeta a receita líquida contábil da empresa? – um caso no setor de comércio do Vietnã

¿Qué afecta a los ingresos netos contables de la empresa? – un caso en el sector comercial de Vietnam

Resumo
Realizamos este estudo a fim de descobrir quais fatores afetam a receita líquida contábil de uma empresa típica do Vietnã no setor de comércio, a My Tra Company (MTC). Este estudo utiliza principalmente a combinação de métodos quantitativos (estatísticas, fórmulas de cálculo) e métodos qualitativos, incluindo métodos síntese, inductivos e explicativos. Os resultados do estudo mostram que: para um gráfico de dispersão único com regressão, a maioria dos fatores tem correlação positiva com a receita líquida contábil. Em seguida, como a despesa administrativa tem correlação positiva com a receita, os gestores de MTC precisam controlar as despesas administrativas e aumentar em nível aceitável para aumentar a receita da empresa. E como o custo de venda e o COGS têm correlação positiva com a receita líquida, a gestão precisa aumentar a venda e o custo cogs racionalmente para aumentar a receita. Além disso, este estudo também dá recomendações para aumentar a receita líquida contábil do negócio - Minha Empresa Tra (MTC) no setor de comércio do Vietnã.

Keywords: Accounting net revenue. Total revenue. My Tra company, Vietnam.

Palavras-chave: Receita líquida contábil. Receita total. Minha companhia Tra. Vietnã.

Abstract
In recent years, Vietnam commerce sector have received many impacts from trade war and covid 19, we conduct this study in order to figure out what factors affect accounting net revenue of a typical Vietnam company in commerce industry, My Tra Company (MTC). This study mainly use combination of quantitative methods (statistics, calculation formulas) and qualitative methods including synthesis, inductive and explanatory methods. Our study main results show that: for single scatter chart with regression, most of factors have positive correlation with accounting net revenue. Next, Because admin expense has positive correlation with revenue, MTC managers need to control admin expense and increase at acceptable level to boost revenue of the firm. And because sale cost and COGS has positive correlation with net revenue, MTC management need to increase sale and COGS cost rationally to boost revenue. Besides, this study also give out recommendations for enhancing accounting net revenue of the business - My Tra company (MTC) in Vietnam commerce sector.

Resumen
Llevamos a cabo este estudio con el fin de averiguar qué factores afectan los ingresos netos de contabilidad de una empresa típica de Vietnam en la industria del comercio, My Tra Company (MTC). Este estudio utiliza principalmente la combinación de métodos cuantitativos (estadística, fórmulas de cálculo) y métodos cualitativos, incluyendo métodos de síntesis, inductivos y explicativos. Los principales resultados de nuestro estudio muestran que: para el gráfico de dispersión simple con regresión, la mayoría de los factores tienen una correlación positiva con los ingresos netos contables. A continuación, debido a que el gasto de administración tiene una correlación positiva con los ingresos, los gerentes de MTC necesitan controlar los gastos de administración y aumentar a un nivel aceptable para aumentar los ingresos de la empresa. Y debido a que el costo de venta y el costo de los productos tienen una correlación positiva con los ingresos netos, la administración de los MTC necesita aumentar racionalmente los costos de venta y de los costos de los productos para aumentar los ingresos.

Palabras clave: Ingresos netos contables. Ingresos totales. Mi empresa Tra. Vietnam.