Opening Remarks
Current Issues in Accounting
Education and Research in Japan
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Acknowledgement

• This workshop is held under the provisions of the 2010 Memorandum between Université Paris-Dauphine and Kyoto University.

• Special thanks to Jacques Richard.
Purposes of the Workshop

- To promote academic cooperation and exchange between two universities.

- To present you the current issues in accounting education and research in Japan.

- To improve international communication skills of Kyoto University students. One of the most important education policies here today.
Contents

1. Accounting Education in Japan
2. Overview of Accounting Research
3. Rise of Empirical Research
4. Conclusion
1. Accounting Education in Japan

- Ph.D./ Academic
- Doctoral Program 3 Year
- Master Program 2 Year
- CPA
- CPA Examination
- Accounting School 2 Year
- Faculty
  - 4 Year (From 18 to 22)
# Curriculum in Kyoto University

## Faculty Accounting and Finance Course

<table>
<thead>
<tr>
<th>1st Year</th>
<th>2nd Year: Introductory Subjects</th>
<th>2nd Year: Intermediary Subjects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction to Accounting</td>
<td>Accounting 1&lt;br&gt;Accounting 2</td>
<td>Financial Accounting&lt;br&gt;Management Accounting</td>
</tr>
</tbody>
</table>

## Master Program 1st–2nd Years

<table>
<thead>
<tr>
<th>1st – 2nd Years</th>
<th>3rd – 5th Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Subjects</td>
<td>3rd – 5th Years: Advanced Subjects</td>
</tr>
<tr>
<td>Financial Accounting A, Management Accounting A</td>
<td>International Accounting, Cost Accounting Auditing, Financial Statements Analysis</td>
</tr>
</tbody>
</table>

## Graduate School Ph. D. Course

<table>
<thead>
<tr>
<th>1st – 2nd Years</th>
<th>D.P.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Subjects</td>
<td>Management and Accounting Course Subjects</td>
</tr>
</tbody>
</table>

The table shows only accounting-related subjects for simplification.
Markets

• Ph.D. students in accounting
  Equilibrium.
  Not difficult to get a job in an university,
  with Ph.D. degree.

• CPA candidates
  Tough and buyers’ market.
  Decrease of successful examinees.
Decrease of Successful Applicants to the CPA Examination
Results in 2012

• Successful Examinees
  1,347 (-11%)

• Big 4
  Hire 950 in total.

• Policy Change
  The Financial Services Agency is changing their policy; abandon of 50,000 CPA strategy, US-type regime.
2. Overview of Accounting Research

• The Japan Accounting Association (JAA)

The central organization of accounting researchers in Japan, founded in 1937 (1917).

1,904 members as of March 31, 2012. This membership represents effectively all the accounting academics across the country.
Other Main Associations

- Financial Accounting and Reporting
  1. The Japan Boki (Bookkeeping) Association
  2. The Japanese Association for International Accounting Study
  3. The Japan Society for Social Science of Accounting
  4. The Japanese Association for Research in Disclosure
  5. The Japan Corporate Social Accounting and Reporting Association
  6. The Financial Accounting Research Association

- Management Accounting
  1. The Japanese Association of Management
  2. The Japan Cost Accounting Association

- Auditing
  1. The Japan Auditing Association
  2. The Japan Society for Systems Audits
Research Fields in Accounting

Main Stream in Accounting Research

- Financial Accounting
- Management Accounting
- Auditing
Survey of the JAA

• Subject Research Committee 2010-2011
  *An Inventory of Financial Accounting Research in Japan.*

1. International competitiveness of Japanese researchers
2. Method in accounting research
   - Accounting as a social Science
   - Classifying papers published in *Kaikei*
# Summary of Survey 1978-2008

<table>
<thead>
<tr>
<th>Categories</th>
<th>Nr. of Papers</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analytical Research and Methodology</td>
<td>104</td>
<td>4.4</td>
</tr>
<tr>
<td>Empirical Research</td>
<td>227</td>
<td>9.6</td>
</tr>
<tr>
<td>Normative and Descriptive Research</td>
<td>1,252</td>
<td>53.2</td>
</tr>
<tr>
<td>Historical Study</td>
<td>203</td>
<td>8.6</td>
</tr>
<tr>
<td>Case Study</td>
<td>73</td>
<td>3.1</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>494</td>
<td>21.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,353</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
Historical Trends of Research Methods

Normative and Descriptive

Empirical
3. Rise of Empirical Research

• The number of papers based on empirical research
  1.7%(1988)
  16.7%(1998)
  27.5%(2008)

• “Adoption” of North American style of accounting research
Advantage 1

Efficiency of research

- The North American method can be characterized by its high degree of standardization in research procedure. Researchers are able to conduct their research just like an engineering work.

- Under the competitive job market where the rule of “publish or perish” (Sunder[2008]p.5) dominates academia, North American way of research can be efficient, and/or low risk, approach to paper production.
Advantage 2

Facilities for “internationalization”

• Researchers are able to take advantage of logic, concepts and terminology that are already shared with many overseas academics, which will make their research understandable enough widely all over the world without any big difficulties.

• The method would be suitable for “international” referee system. Good for Japanese young researchers?
Disadvantage 1

• Researchers are not necessarily required skillful understanding of accounting theories or deep insight into accounting history. This would lead them to piecemeal engineering (Popper[1957]). Duplication study with poor surprise.

• This is another side of coin of standardization in research procedure, and to that extent, empirical research education can be more systematic and efficient than traditional one.
Disadvantage 2

• Its archival character, big size date processing technic, would, more or less, abstract away from real aspects of accounting phenomena.

• This would result in standardization of accounting research itself.
The Future of Accounting Research

• Once a stream gets done in a societal context, it would become extremely difficult to resist it and we would have no option but to let our system converge towards the “global” one (DiMaggio and Powell[1983]).

• This might be considered as a process of “isomorphism.” Institutionalization of empirical research?
Conclusion

• Our government policy requires us to strengthen international competitiveness of our research.

• The “Adoption” of North American method is striking root in Japanese academia, and may be bringing about an important change in accounting education and research in the near future.

• New trend has always its advantages and disadvantages. Having our own high ideas for accounting education and research, we should be enough practical to make use of strong point of the new method in our research activities.

• The results would be evaluated by outside appreciators and history.
References