

Opening Remarks

# Current Issues in Accounting Education and Research in Japan

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Hideki Fujii  
Graduate School of Economics  
Kyoto University  
[hujii@econ.kyoto-u.ac.jp](mailto:hujii@econ.kyoto-u.ac.jp)

# Acknowledgement

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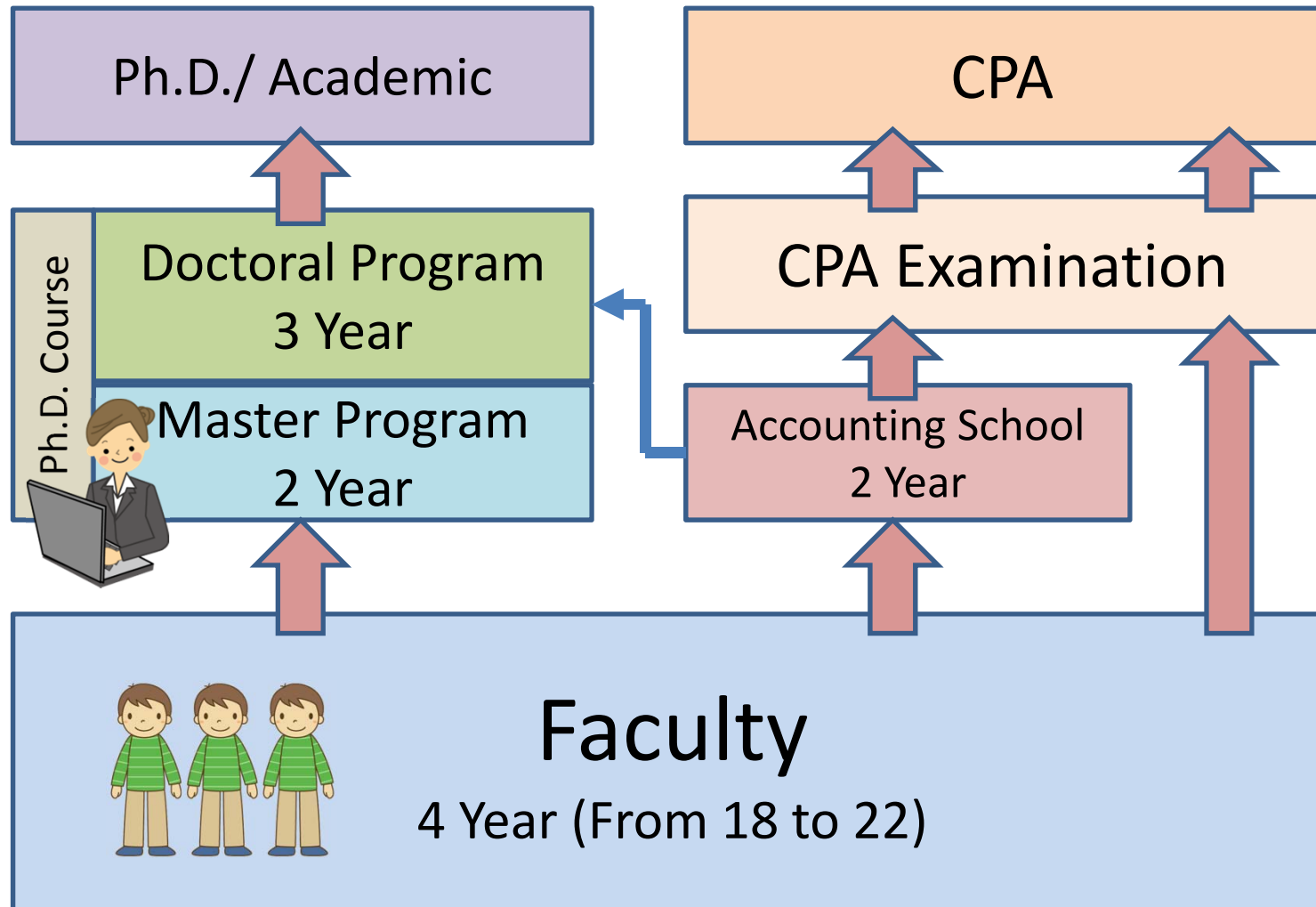
# Purposes of the Workshop

- 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



# Curriculum in Kyoto University

Graduate School Ph. D. Course	D P	3 <sup>rd</sup> – 5 <sup>th</sup> Years Ph.D. Thesis	
	Master Program 1 <sup>st</sup> – 2 <sup>nd</sup> Years	Management and Accounting Course Subjects Financial Accounting B, Management Accounting B, International Accounting A•B, Accounting for Venture Business A•B, Accounting Culture Theory A•B	
		Basic Subjects Financial Accounting A, Management Accounting A	

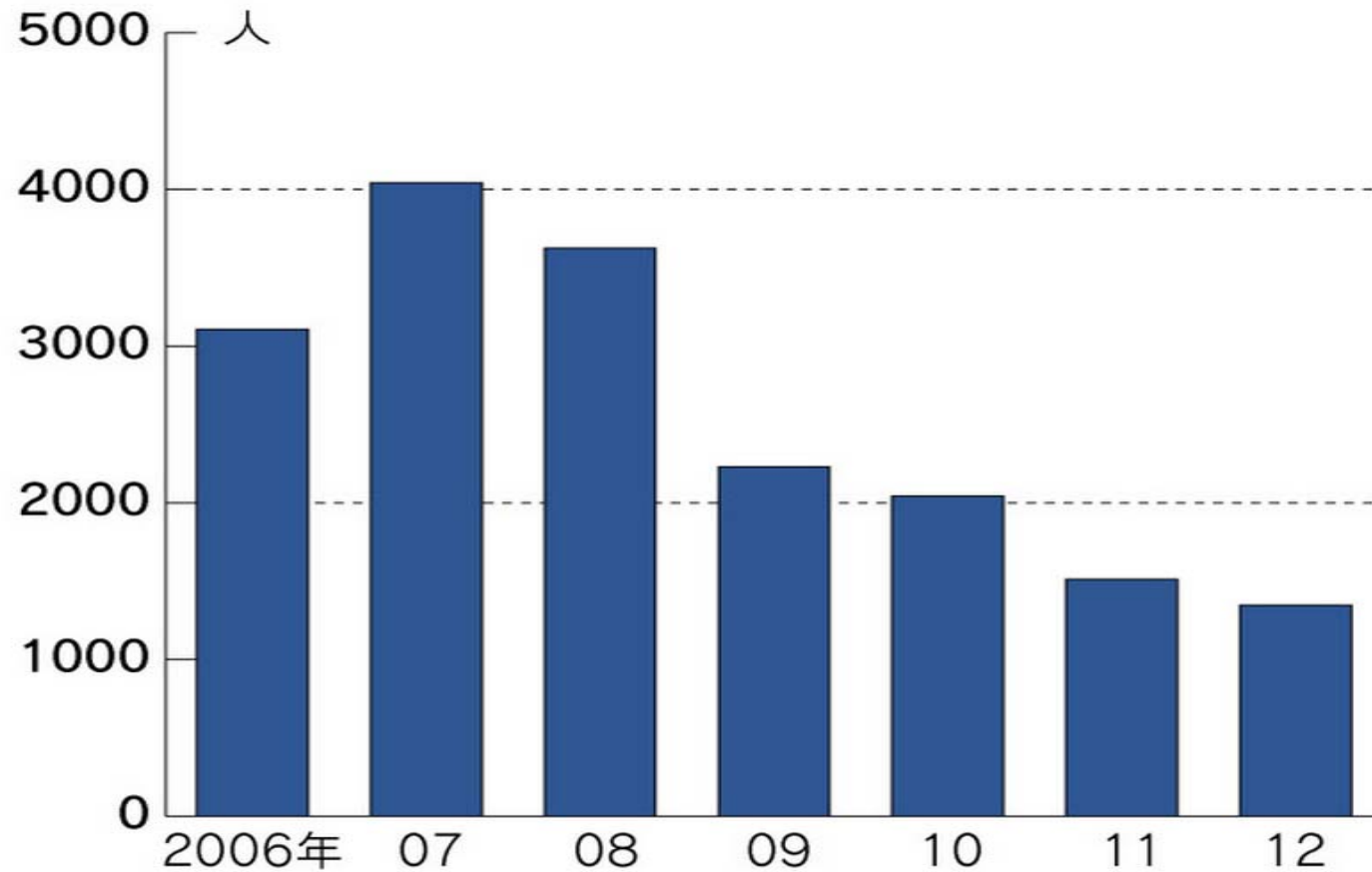
Faculty Accounting and Finance Course	3 <sup>rd</sup> - 4 <sup>th</sup> Years: Advanced Subjects International Accounting, Cost Accounting Auditing, Financial Statements Analysis	
	2 <sup>nd</sup> Year: Introductory Subjects Accounting 1 Accounting 2	2 <sup>nd</sup> Year: Intermediary Subjects Financial Accounting Management Accounting
	1 <sup>st</sup> Year Introduction to Accounting	

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

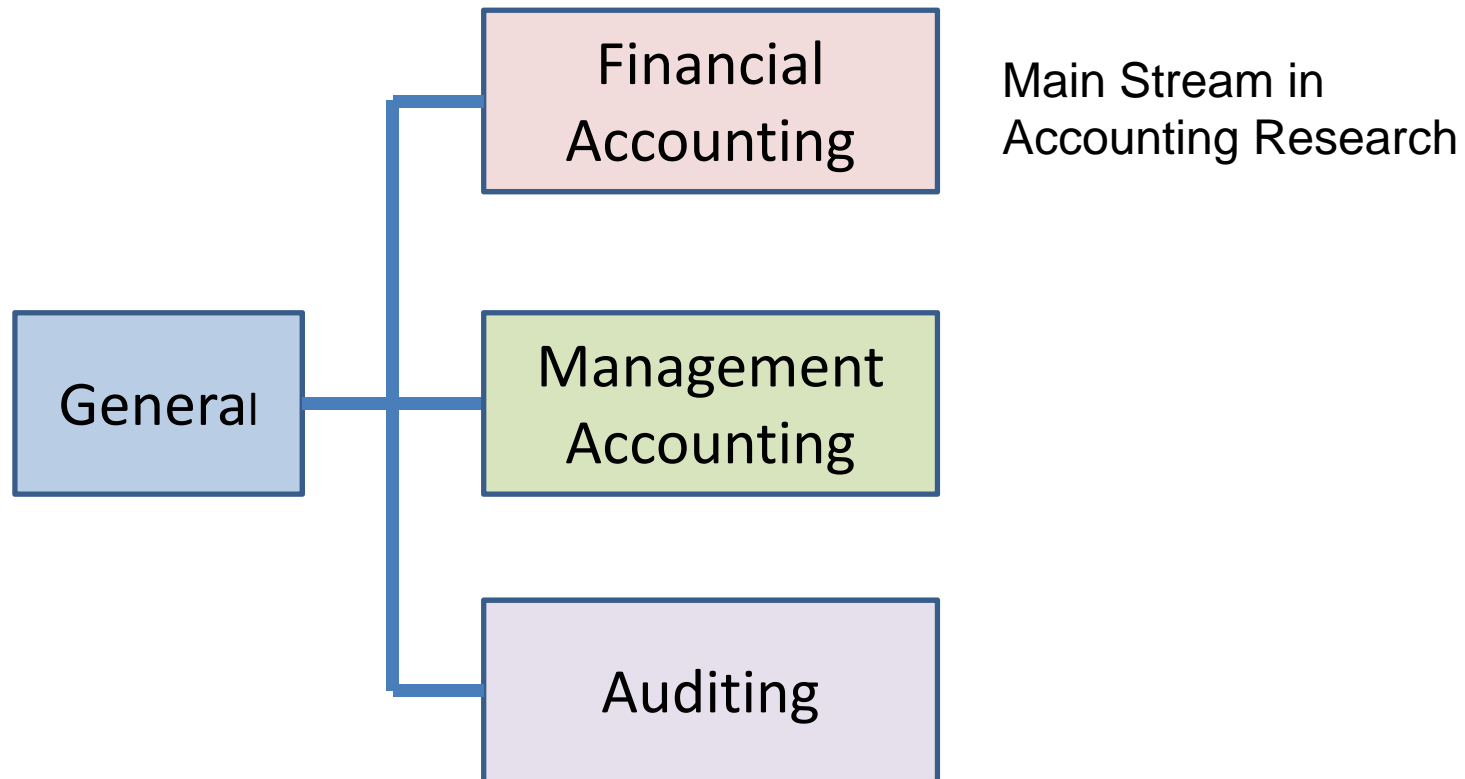
## ■ Management Accounting

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



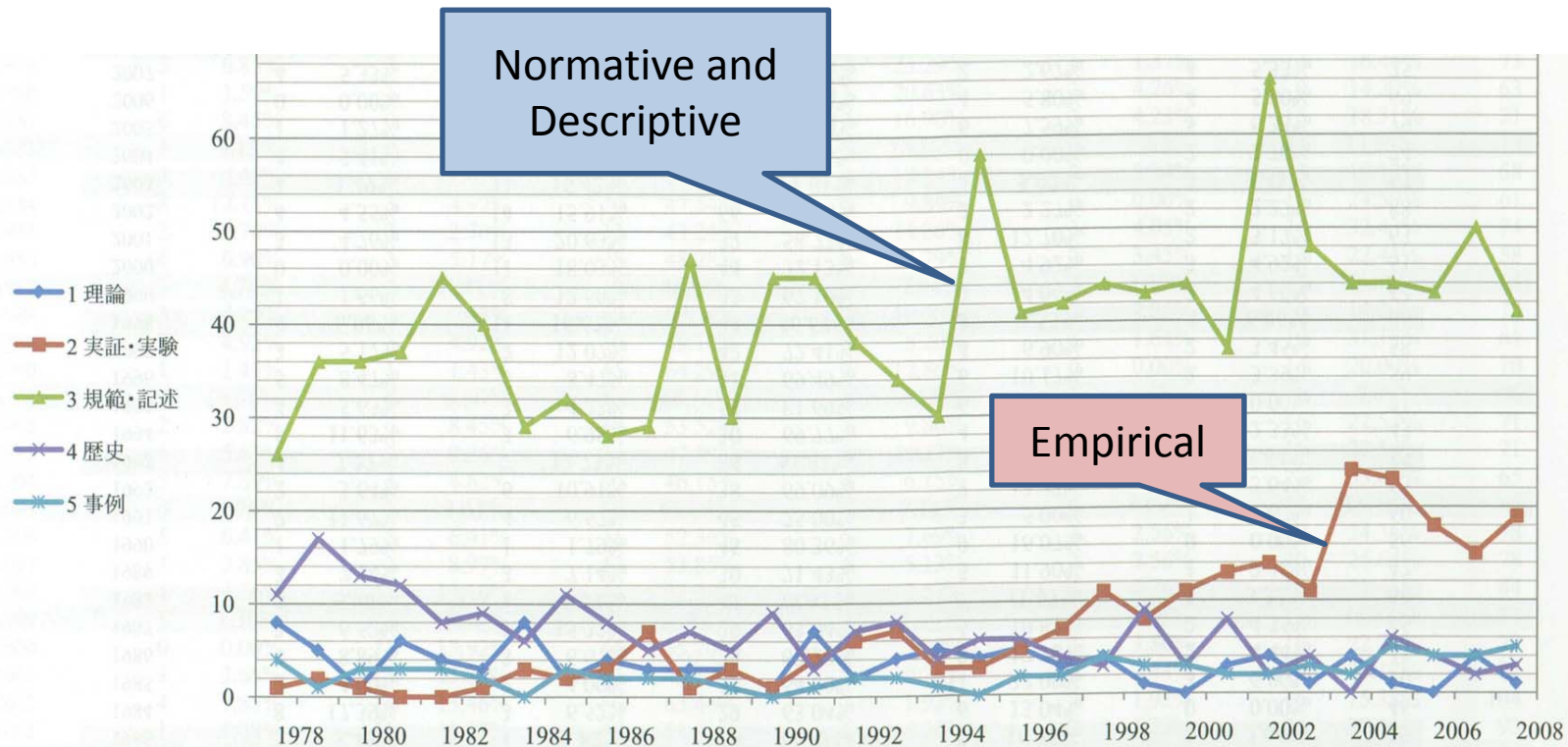
# Survey of the JAA

- 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
  3. Survey of research methods in accounting.  
Classifying papers published in *Kaikei*

# Summary of Survey 1978-2008

Categories	Nr. of Papers	%
Analytical Research and Methodology	104	4.4
Empirical Research	227	9.6
Normative and Descriptive Research	1,252	53.2
Historical Study	203	8.6
Case Study	73	3.1
Miscellaneous	494	21.0
Total	2,353	100.0

# Historical Trends of Research Methods



1 理論	8	1	4	8	4	3	1	2	5	5	4	0	4	4	0	1
2 実証・実験	1	1	0	3	3	1	1	6	3	5	11	11	14	24	18	19
3 規範・記述	26	36	45	29	28	47	45	38	30	41	44	44	66	44	43	41
4 歴史	11	13	8	6	8	7	9	7	4	6	3	3	2	0	4	3
5 事例	4	3	3	0	2	2	0	2	1	2	4	3	2	2	4	5

注) 論文数は雑誌『会計』から管理会計論文や書評等を除いた数値である。5つの分類基準の推移を把握するため(6)「その他」を除いている。

# 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 data 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.

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