

The Readiness of Thai Accounting Students for the ASEAN Economic Community: An Exploratory Study

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ABSTRACT

The ASEAN Economic Community (AEC) will be established in 2015 to integrate the regional economy. A professional accountant in a member country may then apply to practice in other member countries. This exploratory study investigates the competencies of Thai accounting students and their readiness for the AEC, and also tests for the relationships between the students' competencies and their level of readiness. This study finds that the accounting students' Ethical, Knowledge, Capability, and Relationship competencies are at the high level, while their Analysis competency is only at the moderate level. The level of students' readiness for the AEC is indicated to be at the medium high level. The results of the regression analysis show a significant positive relationship between the accounting students' Capability, Knowledge, Ethical and Relationship competencies, and the level of their readiness for the AEC.

Keywords: Accounting Students, ASEAN Economic Community, Thailand

JEL Classification: M49

1. Introduction

The Association of Southeast Asian Nations (ASEAN) was established in 1967 to promote economic development, technology, and competitive advantage in the region. The founding countries of ASEAN are Thailand, Malaysia, Singapore, Indonesia, and the Philippines. They were subsequently joined by Brunei Darussalam in 1984, Vietnam in 1995, Myanmar in 1997, Laos in 1997, and Cambodia in 1999 (Department

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of Trade Negotiations, 2011). In 2003, the member countries agreed to establish an ASEAN Economic Community (AEC) to integrate the regional economy by 2015. The areas of co-operation include the recognition of professional qualifications such as the accounting profession. Upon its implementation, a professional accountant in a member country may apply to be registered as an ASEAN Chartered Professional Accountant and thus shall be eligible to apply to practice in other member countries.

Therefore, it is important for an AEC member country to ensure its accounting professionals attain a certain standard of quality and competency to enable them to practice in other member countries. They have to equip themselves with the skills and knowledge in the international accounting standards. For example, within the AEC member countries, the accounting professionals are regulated by various international accounting standards, such as the International Financial Reporting Standards (IFRS), and the International Education Standards for Professional Accountants (IES). The establishment of the AEC will bring forth challenges for the accounting professionals. Therefore, accounting students who are the accounting professionals of the future will have to equip themselves to meet these challenges.

A question that arises is whether accounting students, in particular, those in Thailand, are ready for the big changes which will be brought about by the implementation of the AEC. To date this question remains moot because there has been little research into the development of Thai accounting education towards meeting the challenges posed by the AEC. Therefore, there is a lack of knowledge about the factors influencing the development of Thai accounting education and the readiness of Thai accounting students for the AEC.

Moreover, Wattanawirai and Sithipolvanichgul (2012) found that even though Thai accounting professionals have high levels of knowledge and skill in the field of accounting, they still have problems with communicating in the English language, and in using information technology (IT). Further, fewer business students demonstrate a desire to study Accountancy as compared to other areas of Business such as Marketing, Finance, Production and Operation, and Management. Although the Thai Government supports the AEC and has converged its accounting standards to the IFRS (Yapa & Guah, 2011) and also adopted the IES, the direction of the Thai accounting education development is still not clear. Therefore, this exploratory study investigates the competencies of Thai accounting students and their readiness for the

AEC, and tests the relationships between the competencies of Thai accounting students and their level of readiness for the AEC. There are three main research questions addressed by this exploratory study:

1. What are the levels of competencies of Thai accounting students?
2. What is their level of readiness for the AEC?
3. Is there any relationship between the competencies of Thai accounting students and their level of readiness towards the AEC?

This study contributes to the field of accounting education and enhances the understanding of the development of the Thai accounting education in the light of the establishment of the AEC. Moreover, this study expands the information available to students, teachers, and researchers about how the free flow of services will impact the accounting professionals in the ASEAN member countries. This study also shed light on the steps needed to prepare the Thai accounting students for international competition among the ASEAN member countries after the establishment of the AEC in 2015. Further, this study provides evidence as to whether Thai accounting students are ready for the AEC and suggests ways to improve Thai accounting education to match the demands of the AEC.

This paper begins by setting out the background of this study including the history of ASEAN, as well as that of the Thai accounting education. This is followed by a review of the relevant literature and the development of this study's hypotheses. Next, the method of this study is set out including the details of sample selection and the data collection method, the dependent and independent variables considered, and the data analysis employed. The results are described and discussed. Finally, conclusions are drawn as to the contributions of this study, the implications of its findings, and the limitations of this study with some suggestions offered as to future studies to be conducted.

2. Background of the Study

ASEAN was established in 1967 to build a strong political and military organisation capable of resisting communist ideologies promoted by China (Department of Trade Negotiations, 2011). Initially, there were only five member countries in ASEAN namely, Thailand, Malaysia, Singapore, Indonesia, and the Philippines. Later, Brunei Darussalam, Vietnam, Myanmar, Laos, and Cambodia became members of ASEAN. There are three main dimensions of ASEAN, namely the ASEAN Political-

Security Community, the ASEAN Economic Community (AEC), and the ASEAN Socio-Cultural Community. With the establishment of the AEC in 2015, it is hoped that the ASEAN member countries will become a single market and production network (Srijunpetch, 2012). The AEC under the slogan of “one vision, one identity, and one community” is based on four main objectives:

1. Building a free trade and service area, including freedom of investment, labour, and capital;
2. Creating competitive advantage, including e-ASEAN development, and tax and competitive policy development;
3. Sustainable economic development, including support of small and medium enterprises (SMEs);
4. Economic integration with the rest of the world, including Free Trade Area (FTA) planning with other countries, and production networks.

In pursuit of the first AEC objective (building a free trade and service area, including freedom of investment, labour, and capital), the member countries entered into the ASEAN Framework Agreement on Services (AFAS) as well as the Mutual Recognition Arrangement (MRA) that will regulate the free flow of services in the member countries (Srijunpetch, 2012). Eight specific professions will be free to work within ASEAN member countries after 2015. The eight professions are Engineering, Nursing, Medicine, Dentistry, Architecture, Surveying, Tourism and Accounting.

An MRA Framework on Accountancy Services was signed in 2009. The Framework provides for the free flow of accounting professional services between the ASEAN member countries. However, since the regulation of accounting standards is governed by the respective member countries, it is very important for member countries to adopt international accounting standards and regulations. This is also consistent with the aims of the ASEAN Federation of Accountants (AFA) that was established in 1997 as an umbrella organisation for the national associations of accounting professionals of its member countries. Among its objectives is to advance the status of professional accountants in the region. AFA also advocates the same accounting standards to be used in all ASEAN member countries and the standards recommended are those of the IFRS (AFA, 2010). Seven countries, namely Malaysia, Thailand, the Philippines, Singapore, Brunei, Cambodia, and Myanmar have already converged their local accounting standards with the IFRS. The other three countries (Indonesia, Laos, and Vietnam) are preparing to

adopt local standards consistent with the IFRS. In Thailand, companies listed on the Stock Exchange of Thailand have used the IFRS since 2011 but other business organisations still apply the domestic accounting standards (Klose & Sabangban, 2011).

The establishment of the AEC presents the Thai accounting profession with both opportunities and threats. The main opportunity for the Thai accounting profession after 2015 is that there will be greater freedom within ASEAN for Thai accounting firms to use their human resources and skills to expand their businesses to other ASEAN member countries. The accounting professionals will also enjoy the flexibility of working within the ASEAN countries. On the other hand, the possibility of a "brain drain", with accounting professionals from lower income countries moving to higher income countries, and the problem of competition for skilled labour combined with demands for the higher quality of life existing in some of the ASEAN countries, pose a threat to the Thai accounting profession.

However, an accounting professional in an AEC member country who wishes to work in another member country must have the qualifications accepted by the other AEC member country. In response to this, the Minister of Education of Thailand in 2010, called on the country's universities to improve and increase the standard of their accounting students (Virunjanya, 2011) and to develop the management of learning in universities to increase the competency of their students. For accounting education at the under-graduate level, Thai universities now have to offer a curriculum following the eight standards of the IES which are applicable in all ASEAN member countries.

The IES is established by the International accounting Education Standards Board, which is an independent body setting standards in the area of professional accounting education. The IES is one of the most important standards influencing the development of accounting education to prepare students to join the accounting profession, and consists of eight frameworks, namely (1) the entry requirements into a programme of professional accounting education; (2) the contents of a professional accounting education programme and professional skills; (3) professional values; (4) ethics and attitudes; (5) practical experience requirements for aspiring professional accountants; (6) the assessment of professional capabilities and competence; (7) continuing professional development; and (8) the competency requirement for audit professionals.

The competencies of accounting students include not only the technical skills and knowledge traditionally needed by the accounting professionals, but must also encompass an ability to respond to

environmental changes and stakeholder needs (Black, 2012). In addition, the American Accounting Association (1986) defines the ideal accounting student's competencies as including "Creative Thinking, Learning to Learn, Lifelong Learning, and Communication skills". In Thailand, the universities have been tasked by the Minister of Education with producing accounting graduates who are competent in the IES standards, with particular emphasis on ethical competencies including Morals, Discipline, Honesty, Sacrifice, and Conformity. Further, their knowledge must include both theoretical and practical aspects, as well as specific knowledge in the regulations relevant to their field. They must be capable of Problem-Solving including having skills in Analysis, Synthesis, Evaluation, and Decision-Making. Their Relationship and Responsibility competencies should include Leadership, Teamwork, Self-Development and Knowledge of their Responsibility.

3. Literature Review and Development of Research Hypotheses

There is little literature about the development of accounting education in Thailand in preparation for the AEC. In 2013, the ASEAN Federation of Accountants investigated the factors necessary to get accountants ready for the commencement of the AEC. They found that accountants in the ASEAN member countries wish to be trained in the technical skills relevant to the IFRS, Risk Management, Internal Auditing, Communication, and Analysis (AFA, 2013). Suttipun (2014) investigated the readiness of Thai accountants for membership in the AEC and the factors influencing their readiness. Based on a sample of 410 Thai accountants, the study found that age and awareness of the AEC affect the readiness of Thai accountants for forthcoming membership in the AEC.

Nguyen and Gong (2012) examined accounting reform and the convergence of Vietnamese accounting standards with the international standards. They found that Vietnamese accountants have poor competency compared with other AEC countries such as Singapore, Malaysia, Thailand, and Indonesia. Steelyana (2012) studied the competency of Indonesian accountants in the light of the establishment of the AEC. He found that the quality of the competency of Indonesian accountants needs to be developed and improved. Pongtanee (2008) investigated the importance placed by organisations and authorities on certain characteristics of accounting graduates in Thailand namely,

Knowledge, Skills, Values, and Personality. She found that organisations place the most emphasis on accounting graduates' Values and Morality, followed by their Skills, Knowledge and Personality respectively.

Nassar, Al-Khadash, and Mah'd (2013) investigated the problems, strategies, and techniques encountered in developing accounting education and the accounting profession in Jordan using accounting instructors employed in both public and private universities. They found that the inadequate use of computer applications in accounting during the teaching process and the inadequate salaries of the accounting instructors are the most important factors which need to be addressed in order to improve the accounting education and the accounting profession in Jordan. In addition, poor university infrastructure, lack of accountancy textbooks in the domestic language, local auditing and accounting standards and local professional accountancy examinations are also found to be obstructing the development of accounting education and the accounting profession in Jordan. Albu, Albu, and Girbina (2012) analysed the perceptions and stereotypes of accounting students in Romania and drew several important implications for accounting education. Using questionnaires completed by Romanian accounting students, they found that the stereotypes held of accountants in developed and developing countries are different and that there is a continuous process of change and improvement which provides opportunities for academia and professional bodies.

Sinlarat (2011) studied factors which influence the development of Thai education and found relationships between Educational Development and Ethics, Knowledge, Capability, Relationships and Responsibility, as well as with issues relating to Analysis, Communication, and Technical Skills. This finding is consistent with the standards set by the Thai Minister of Education in 2010 for undergraduate study to develop and improve the quality of education and students in the five areas of Ethics; Knowledge; Capability; Relationships and Responsibility; and Analysis, Communication and Technical Skills. Kunklaw (2014) also found a positive relationship between Thai accounting professionals' readiness for the AEC and their Capability competency, but found no relationship with other competencies.

In order to prepare accounting professionals for AEC, Kaewphap (2011) suggests that the teaching of accounting should be in accordance with the Thailand Qualifications Framework for Higher Education (TQF:HEd) and that the standards for accounting professionals should be those determined by the Federation of Accounting Professions

(FAP). She also states that it is important to integrate the teaching methods in response to both the TQF:HEd and the FAP in order to produce accounting graduates who are well-qualified and on par with accounting professionals internationally. Kanitpong (2010) used the 'diamond model' as a tool to analyse the competitiveness of Thailand and the challenges it faces in the AEC. He found that among the AEC member countries, Singapore, Malaysia, and Thailand are the first, second, and third respectively overall in competitiveness. However, Kanitpong suggests that Thailand must overcome its weaknesses and reinforce its strengths by 2015 in order to maintain its competitiveness in the region in the long run.

To test which competencies influences the readiness of Thai accounting students for the AEC, the following five main hypotheses are developed. Under the category "Ethical Competencies", Suttipun (2014), Steelyana (2012), and Sinlarat (2011) found a relationship between this competency and the readiness for AEC. On the other hand, AFA (2013) and Pongtanee (2008) were unable to find any relationship between these variables. In view of the inconsistent findings in previous studies, the following hypothesis is proposed:

H₁: There is a significant positive relationship between Ethical Competency and the level of readiness of Thai accounting students for the AEC.

Many prior studies (e.g. AFA, 2013; Steelyana, 2012; Pongtanee, 2008; and Sinlarat, 2011) have found that there is a significant relationship between Knowledge Competency and the readiness for the AEC. Knowledge Competency includes new accounting theories, concepts, practices, standards such as the IFRS, Risk Management, and other knowledge related to the AEC. However, Suttipun (2014) did not find any relationship between Knowledge Competency and the readiness of Thai accountants for the AEC. Nevertheless, this study tests the hypothesis that:

H₂: There is a significant positive relationship between Knowledge Competency and the level of readiness of Thai accounting students for the AEC.

Capability competency consists of the skills of Analysis, Synthesis, Evaluation, and Decision-Making. In prior studies, Suttipun (2014)

did not find any relationship between Capability and the readiness of Thai accountants for the AEC; however, AFA (2013), Kunklaw (2014), Steelyana (2012), Pongtanee (2008) and Sinlarat (2011) found a relationship between Capability and the readiness for the AEC. Therefore, this study tests the hypothesis that:

H₃: There is a significant positive relationship between Capability competency and the level of readiness of Thai accounting students for the AEC.

The IES includes Leadership, Teamwork, Self-Development, and Knowledge responsibility within the Relationship competency. Steelyana (2012) found a correlation between the Relationship competency of Indonesian accountants and their readiness for the AEC. Pongtanee (2008), Kunklaw (2014), and Sinlarat (2011) also found a relationship between the readiness for the AEC and the Relationship competency. On the other hand, AFA (2013) found no significant correlation between these variables. Nevertheless, this study tests the hypothesis that:

H₄: There is a significant positive relationship between Relationship competency and the level of readiness of Thai accounting students for the AEC.

Finally although some prior studies (e.g. Suttipun, 2014; Pongtanee, 2012; Sinlarat, 2011) did not find any relationship between the Analysis competency (including Communication and Technology) and readiness for the AEC, Steelyana (2012) found a relationship between Analysis competency and the readiness of accountants for the AEC in Indonesia. AFA (2013) also found a relationship between Analysis competency and the readiness of accountants for the AEC. Therefore, this study examines the hypothesis that:

H₅: There is a significant positive relationship between Analysis competency and the level of readiness of Thai accounting students for the AEC.

4. Research Design

The description of the research design used in this study is separated into three parts, sample selection and data collection, dependent and

independent variables used in the study, and data analysis including the equations used in the study.

4.1. Sample Selection and Data Collection

A survey questionnaire was used to investigate the competencies of Thai accounting students and their readiness for the AEC. This study also tests for the relationships between the competencies of Thai accounting students and their level of readiness for the AEC. The respondents were the accounting students in the School of Business Administration, Faculty of Management Sciences (FMS), Prince of Songkla University, Thailand in January 2012. The accounting students from the FMS were selected as the respondents to investigate their readiness towards the AEC because it is one of the institutions in Thailand providing the IES in its curriculum of accounting programme since 2009. Therefore, the students who participated in this study have been exposed to the curriculum that was developed following the IES. This study aimed to use the whole population of 377 FMS accounting students as the sample.

The questionnaire used to collect the data was adapted from prior studies relating to accounting education in developing countries where the conditions were similar to those prevailing in Thailand (Nassar et al., 2013; Downing & Thackrey, 1971; Kunklaw, 2014; Sinlarat, 2011). There were three sections in the questionnaire: students' demographic information including gender, age, study year, and academic results; students' competencies; and students' level of readiness for the AEC. To encourage participation in the survey, the questionnaire was short, with closed-ended questions. The questionnaires were distributed to the 377 FMS accounting students between 16th and 25th January 2012. However, only 351 (93.10 per cent) complete responses to the survey were received, and used in the final analysis.

4.2 Dependent and Independent Variables

The level of readiness of the accounting students for the AEC is the dependent variable in this study. The measurement of their readiness was based on the studies of the International Accounting Education Standards Board (2013) and Downing and Thackrey (1971), and consists of four elements: physical; intelligence; environmental; and emotional. The level of readiness was measured by a 5-point Likert scale ranging from 1 (low readiness), 2 (medium low readiness), 3 (medium readiness),

4 (medium high readiness), and 5 (high readiness) (See Wilmshurst & Frost, 2000). The students were quizzed to investigate their readiness towards the AEC on physical, intelligence, environmental, and emotional elements.

The competencies of the accounting students used as the independent variables in this study are divided into five competencies based on the IES and the initiative of the Thai Minister of Education (Kunklaw, 2014; Sinlarat, 2011). They consist of Ethical competency, Knowledge competency, Capability competency, Relationship competency, and Analysis competency (See Appendix A). The score of the accounting students' competencies was measured by a 5-point Likert scale ranging from 1 (the lowest competency), 2 (low competency), 3 (moderate competency), 4 (high competency), and 5 (higher competency).

4.3. Data Analysis

Prior to distributing the questionnaires to the accounting students, the questionnaires were sent to two accounting lecturers to ensure the questions and instructions were clear and not ambiguous. Cronbach's Alpha was used to test the reliability of the questionnaire in this study, and the coefficient reliability indicates a value of 0.868 for independent variables and 0.726 for dependent variable which values are higher than 0.7 (Sekaran & Bourgie, 2010). Thus, it can be concluded that the instrument measuring the variables in this study is valid and reliable. The data entries were assessed twice by the researcher and an assistant researcher. The two sets of data were compared and adjusted where differences were found in the data derived from the first and second assessments. The final data were analysed using the statistical software programme, SPSS version 21. The equation of the multiple regression model used is shown below:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + \text{error}$$

- Where Y = The level of readiness
X₁ = Ethical competencies
X₂ = Knowledge competencies
X₃ = Capability competencies
X₄ = Relationship competencies
X₅ = Analysis competencies

5. Results and Discussions

A total of 351 completed questionnaires were used in the final analysis. Table 1 shows the background information of the respondents. There were 76 first year students, 89 students in the second year, 78 in their third year, and 108 in their final year. There were 51 male students and 300 female students. The most common age group of the respondents was 19-22 years old (93.4 per cent). The majority of the respondents (52 per cent) attained academic results with Cumulative Grade Point Average (CGPA) between 3.00 and 3.49 over 4.00.

Table 1: General Information of the Respondents

Topic	Frequency	Per cent
Students' year		
Year 1	76	21.6
Year 2	89	25.4
Year 3	78	22.2
Year 4	108	30.8
Sex		
Male	51	14.5
Female	300	85.5
Age		
17-18 year old	14	3.7
19-20 year old	151	43.3
21-22 year old	175	50.1
23-24 year old	10	2.6
25 and above	1	0.3
Academic results (CGPA over 4.00)		
Below 2.00	12	3.4
2.00 - 2.99	126	36.8
3.00 - 3.49	178	52.0
Above 3.50	35	7.8
Total	351	100

Table 2 shows the descriptive analysis of all the main variables. As the results show, the mean values of the scores for the Ethical, Knowledge, Capability, and Relationship competencies are at the high level (between 3.62 and 4.07). However, the mean score for Analysis competency is at only a moderate level (3.25) which is the lowest among all the competencies. The Analysis competency consists of English language skills, Other ASEAN language skills, and Technology skills.

The lowest score of Analysis competency is Other ASEAN language skills (2.54), followed by English language skills (2.77). This is consistent with Education First (2013) which found that the English language communication skills of Thai students during the period 2009 to 2011 was at a very low proficiency level, lower than Singapore, Malaysia, Indonesia, and even Vietnam. These results are also consistent with the findings of Wattanawirai and Sithipolvanichgul (2012) that even though Thai accounting professionals have high knowledge and skills in the accounting area, they have problems with English language communication and technology skills relating to accounting software.

Table 2: Descriptive Analysis of Variables

Competency/ Readiness	Mean	Standard Deviation	Level
Ethical competency	3.62	0.980	High
Moral and ethical issues of accountants	4.04	0.698	
Responsibility of accounting students	3.45	0.828	
Ability about control emotion	3.78	0.693	
Neutrality	3.21	0.631	
Knowledge competency	3.71	0.800	High
Knowledge of the IFRS	4.21	0.768	
Knowledge about Accounting occupation	4.06	0.695	
Knowledge about ASEAN Economic Community	3.35	0.863	
Knowledge about Change Management	3.21	0.778	
Capability competency	3.99	0.605	High
Perception of competition between accountants	4.05	0.705	
Perception of negotiation skills	3.88	0.852	
Perception of political issues in ASEAN	3.80	0.770	
Perception of accounting standards in ASEAN	4.23	0.725	
Relationship competency	4.07	0.709	High
Respect for human rights and values	4.05	0.693	
Work happiness	4.25	0.706	
Teamwork skills	4.18	0.778	
Knowledge about culture of ASEAN member	3.80	0.772	
Analysis competency	3.25	1.060	Moderate
English language skills	2.77	0.912	
Other ASEAN language skills	2.54	0.852	
Technology skills for communication	4.11	0.695	
Technology skills of accounting software	3.58	0.824	
The readiness of accounting students	3.86	0.651	Medium-high

On the other hand, the level of the student's readiness for the AEC is indicated as being at a medium high level (3.86). This result is consistent with the study of Kanitpong (2010) who found that Thailand is at a moderate state of readiness for the AEC, while Singapore and Malaysia are at a higher level of readiness.

To examine the relationships between the variables used in this study consisting of the five competencies of the accounting students and their level of readiness for the AEC, a correlation matrix was used. The results tabulated in Table 3, show that there is a significant positive correlation between all the competencies and readiness for the AEC at the 0.01 level.

Table 3: Correlation Matrix

Variable	Ethical	Knowledge	Capability	Relationship	Analysis	Readiness
Ethical	1					
Knowledge	0.539*	1				
Capability	0.595*	0.688*	1			
Relationship	0.569*	0.485*	0.528*	1		
Analysis	0.642*	0.508*	0.598*	0.445*	1	
Readiness	0.527*	0.554*	0.565*	0.503*	0.317*	1

Note: * Significant at the 1% level.

To further test the relationship between the competencies of the accounting students, and their level of readiness for the AEC, a multiple regression model was used. The results in Table 4 show that there is a significant positive relationship between the Capability, Knowledge, Ethical, and Relationship competencies of the accounting students and their level of readiness for the AEC at the 0.01 level. As indicated by R^2 of 0.491, these competencies explain almost 50 per cent of the changes in the dependent variable, namely the level of readiness for the AEC. Therefore, Thai accounting students should improve the Capability, Knowledge, Ethical, and Relationship competencies to increase their level of readiness for the implementation of the AEC. The results are consistent with the prior study by Steelyana (2012) who also found a relationship between the competencies of Indonesian accountants and their readiness for the AEC. This consistency arises because all ASEAN countries are aware that they have to improve the readiness of their people for the AEC, especially those employed in the eight professions which will form the core of the free service areas, namely, Engineering,

Nursing, Medicine, Dentistry, Architecture, Surveying, Tourism, and Accounting. On the other hand, the finding does not indicate any relationship between Analysis competency and the readiness of the accounting students for the AEC. This means that the readiness of Thai accounting students is not related to the Analysis competency. The result of this study is consistent with Sinlarat (2011).

Table 4: Multiple Regression Model

Model C DV: Readiness for the AEC	Unstandardised B	Std. error	Standardised Beta	T	Sig
(Constant)	0.798	0.360	-	2.214	0.028
Capability	0.377	0.078	0.327	4.855	0.000*
Analysis	-0.073	0.066	-0.082	-1.110	0.268
Knowledge	0.217	0.053	0.241	4.064	0.000*
Ethical	0.183	0.048	0.251	3.825	0.000*
Relationship	0.204	0.063	0.201	3.260	0.001*

R = 0.701, R Square = 0.491, F = 25.130*

Notes: * Significant at the 1% level.

6. Conclusion

This is an exploratory study and it aims to investigate the competencies of Thai accounting students, and their readiness for the AEC, and to test for the relationships between the competencies of Thai accounting students and their level of readiness for the AEC. This study finds that the Ethical, Knowledge, Capability, and Relationship competencies of the respondents are at the High level, while their Analysis competency is at only the Moderate level. On the other hand, the level of readiness of the respondents is found to be at the Medium High level. The level of readiness for AEC is found to be positively related to the students' Capability, Knowledge, Ethical, and Relationship competencies, but not related to the students' Analysis competency.

This study contributes to the knowledge in the field of accounting education. The study indicates the strengths and weaknesses of Thai accounting students who will have to face competition from accounting professionals of other AEC countries in the future. Therefore, Thai universities have a duty to train their students, and to develop and to improve the quality of their accounting programmes. For example, the content of the accounting education curriculum should be improved

and developed to better equip the Thai accounting profession to face international competition. Moreover, Thai universities should not concentrate solely on their students' skill and knowledge relating to accounting. They should also impart to their students knowledge on the culture and beliefs of the people in other member countries of the AEC. This is because Thai accounting students who are ignorant of other countries' cultures and beliefs, may face difficulty in working and living together with people from other countries.

The results of this study indicate that Thai accounting students are still weak in English Language Communication skills and IT skills in accounting software. Therefore, if the Thai Government wishes to close the gap between Thailand and the other AEC nations, it needs to concentrate on improving the proficiency in the English language and IT skills for accounting software among students, not only in the classroom, but also out of the classroom. The Thai universities should also take concrete steps to cultivate these skills in their accounting students.

This study also enhances understanding of the development of accounting education in AEC countries for students, teachers, and researchers. In addition, it sheds light on the preparedness of Thai accounting students for international competition between ASEAN member countries after 2015. The present study indicates the state of readiness of Thai accounting students for the AEC and points the way towards improving Thai accounting education to match the standards in other AEC member countries.

However, the study has some limitations. There may be other competencies and factors influencing Thai accounting students readiness for the AEC which were not considered in this study. This is because the factors used were based on the Thai Education Standards initiative in force since 2011. The inclusion of first year students who are still early in their accounting education is another limitation of this study. This is because their level of maturity might be different from the more senior students. This study also lacks a comparison of factors affecting accounting education, and the readiness of students from other Thai universities and other ASEAN member countries. Therefore, comparative studies of factors influencing the development of accounting education and the readiness of accounting students in other ASEAN countries are also recommended.

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Appendix A

The Measurement of Competencies Based on the IES

Ethical competency

- Moral and ethical issues of accountants
- Responsibility of accounting students
- Ability about control emotion
- Neutrality

Knowledge competency

- Knowledge of the International Financial Reporting Standards (IFRS)
- Knowledge about accounting occupation
- Knowledge about ASEAN Economic Community
- Knowledge about change management

Capability competency

- Perception of competition between accountants in ASEAN
- Perception of negotiation skill
- Perception of political issues around ASEAN member
- Perception of accounting standards of each ASEAN member
- Relationship competency

Respect about human right and value

- Work happiness
- Teamwork skill
- Knowledge about culture of ASEAN member

Analysis competency

- English language skill
- Other ASEAN language skill
- Technology skill for communication
- Technology skill about accounting software

