



Guidance for Developing Accounting Knowledge through Community Involvement in Don Mueang District, Bangkok

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Abstract

The study on guidance for developing accounting knowledge through community involvement in Don Mueang District, Bangkok has the following objectives 1) to study the problems and obstacles in accounting practices of the Don Mueang District community in Bangkok, 2) to develop accounting knowledge of the Don Mueang District community in Bangkok and 3) to propose guidance for developing and enhancing accounting knowledge of the community. This study employs a Participatory Action Research approach, involving data collection through in-depth interviews, organizing forums, training and knowledge exchange sessions, summarizing results, and feedback sessions. The key informants in this study includes the community leaders, committee members, and 10 community members who participate in all study activities.

The study found that the problems in the community's accounting practices stem from a lack of knowledge and understanding of accounting principles, despite training and development efforts from various organizations. This is due to the complexity of the material, a lack of consistent practice leading to forgetting, and a lack of reliable documentation for accounting practices. However, the results of developing accounting knowledge through community involvement showed that the community gained a better understanding of Generally Accepted Accounting Principles. They used simple and straightforward language to make comprehension easier and applied their knowledge by using simple accounting processes, enabling the community to grasp the core principles of accounting. For developing and enhancing accounting knowledge, it is recommended to continuously organize projects that promote and develop knowledge by first studying the community's needs before designing the projects. Emphasis should be placed on developing knowledge through creating participation at every stage. This can be achieved through a mentoring process in collaboration with educational institutions, where participants think together, act together, and follow up, evaluate, and adjust to achieve continuous development. The goal is to establish accounting systems and procedures by and for the community, ensuring sustainability in actual practice.

Keywords: *Accounting Knowledge, Community Involvement, GAAP, Participatory Action Research*

1. Introduction

Effective accounting process is crucial for strengthening and sustaining the community. Good and systematic accounting reflects strong community management and can build credibility among community members and other users. To promote and enhance accounting knowledge in the community, various organizations such as the Community Organizations Development Institute (CODI) and the Cooperative Promotion Department have provided continuous training and education. These efforts have led to some improvement in community accounting practices. However, many communities still face challenges in accounting due to a lack of consistent practice after training, insufficient knowledge and skills, and a lack of understanding in practical application. Therefore, creating community involvement in developing accounting knowledge is an effective approach to addressing these issues. This involves continuous participation in

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learning and practicing, ensuring the community gains the necessary skills and understanding to implement effective accounting systems that benefit and sustain the community.

Community involvement means the process by which people participate in decision-making and take joint actions in activities that affect their own livelihoods. Through collaborative thinking, doing, and shared responsibility, this process leads to acceptance and practical implementation. Wannalo (2018) studied a community business involvement in accounting reveals that accounting involves the collection, recording, classification, and summarization of monetary events over a period of time. Bookkeeping must comply with the financial reporting standards of each type of business. Accounting is one of the responsibilities that community businesses must undertake to know the performance results over a period. Financial information derived from accounting is useful in decision-making. The main problem affecting community business accounting is that accountants lack knowledge and proficiency because they do not have formal accounting education. To mitigate this problem, participatory methods in determining appropriate accounting practices for community businesses are essential. This involves aligning with the community's needs through processes that encourage community businesses to collaborate, take responsibility, and make decisions together. Such involvement results in practical and accepted practices that meet the needs for future planning, leading to the survival and sustainable happiness of community businesses.

Therefore, this study focuses on developing community accounting knowledge using participatory processes. These processes start from developing research questions through field research to collect existing data and accounting practices, planning joint knowledge development activities, and organizing workshops to apply accounting principles in collaboration with the community's existing knowledge and resources. The study involves summarizing and interpreting the results from activities, fostering understanding, and exchanging knowledge to ensure the community can utilize the knowledge gained for community management and daily life. Community involvement in developing accounting systems not only enhances the accuracy and reliability of financial data but also promotes transparency and trust among community members, resulting in stable and sustainable community businesses in the long run.

2. Objectives

1. To study the problems and obstacles in accounting practices of the Don Mueang District community in Bangkok.
2. To develop accounting knowledge of the Don Mueang District community in Bangkok.
3. To propose guidance for promoting and enhancing accounting knowledge in the community.

3. Literature Review

General Knowledge of Financial Accounting

Financial accounting refers to the process of recording, measuring, and disclosing financial information in accordance with generally accepted accounting principles (GAAP) or financial reporting standards. It involves the preparation of financial statements, including the statement of financial position, the income statement and other comprehensive income, the cash flow statement, the statement of changes in equity, and accompanying notes. These reports are intended for external users, such as investors and creditors, to support economic decision-making (Sriwitoorn, 2021).

The process of financial accounting begins with the occurrence of business transactions, such as receipts and payments, or the buying and selling of goods. Relevant supporting documents—such as receipts, delivery notes, and tax invoices—must be collected. These documents are then recorded in the general journal or special journals, including the purchase journal, sales journal, and cash journal, using the double-entry accounting system. The recorded entries are then posted to the ledger accounts categorized into five main



types under GAAP: assets, liabilities, equity, revenues, and expenses. These accounts are subsequently used to prepare the trial balance, income statement, and statement of financial position (Henchokchaichana, 2016).

Basic Knowledge of Cost Accounting

Cost accounting involves the analysis of cost-related data to support managerial planning, control, and decision-making. It primarily focuses on collecting and analyzing historical cost data for calculating the cost of goods sold and inventory valuation. Furthermore, cost accounting also contributes to cost estimation and forecasting for future decisions. Therefore, accurate and timely cost data collection is essential for supporting managerial decisions. A cost accountant must understand these principles and be able to apply cost accounting methods effectively to various business contexts (Komaratt, 2016).

Concepts of Participatory Action Research (PAR)

Participatory Action Research (PAR) emphasizes the involvement of stakeholders in all stages of the research process. According to Wiratchai and Khemmani (2003), PAR is based on the understanding of context, requiring the researcher to identify needs and problems through community analysis. This horizontal participation involves stakeholders not only as co-researchers but also as active participants in analyzing problems, identifying root causes, planning actions, implementing solutions, and monitoring and evaluating outcomes for future scalability.

Related Research

Iang-on et al. (2022) studied the development of accounting knowledge among community enterprises in Laem Ngop District, Trat Province. The study found that the current accounting practices were limited to simple, manual income-expense recording using calculators. There was no preparation of financial statements such as the statement of financial position or the income statement. The study also identified four major issues: (1) limited accounting knowledge of bookkeepers, (2) inadequate documentation and document management, (3) lack of tools and accounting information systems, and (4) insufficient coordination and support from external agencies.

Prapaisri and Nanthaphan (2020) explored the development of the accounting profession in the digital era. They emphasized the importance of adapting to technological changes and enhancing skills in critical thinking, modern management, and information leadership. Accountants are expected to become key drivers of organizational success, possess strong leadership and data management capabilities, and maintain comprehensive knowledge in related areas. Furthermore, continuous improvement in accounting standards, tax regulations, and staying updated with financial news is crucial for keeping pace with the evolving profession and technology.

4. Materials and Methods

The study on guidance for developing accounting knowledge through community involvement in Don Mueang District, Bangkok has the following objectives 1) to study the problems and obstacles in accounting practices of the Don Mueang District community in Bangkok, 2) to develop accounting knowledge of the Don Mueang District community in Bangkok and 3) to propose guidance for developing and enhancing accounting knowledge of the community. This is qualitative research using the participatory action research (PAR) approach. The research begins with field visits to develop research questions based on the needs and learning of the community. Every step of the research emphasizes community participation, including summarizing study results and findings for practical application and further expansion by local agencies. The scope of the study includes:

4.1 Key Informants in this study include community leaders, committee members, and community members in the Don Mueang District. This consists of the communities of South Airport Front, Tan Khu, Kaona, and Kosum Ruam Jai 3, totaling 10 people. The qualifications include being responsible for



community accounting or being involved in community management. These individuals play a crucial role in driving changes in accounting practices, elevating them to standardized, principled, accurate, transparent, and verifiable levels, earning increased trust from both within and outside the community.

4.2 Research Instruments employed to align with the activities of this study include:

1. In-depth Interviews: Utilizing semi-structured interviews designed based on concepts, theories, and related research in financial and cost accounting.
2. Focus Groups: Conducting focus group meetings from the development of research questions, summarizing results, and extracting knowledge.
3. Participant Observation: Researchers observed the behavior and accounting processes in the community area, recording the number of times activities were attended.
4. Document Analysis: Studying financial reports prepared by the community, including guidelines from related information sources.
5. Training Workshops: Conducted by the project leader, who is an accounting instructor. These workshops emphasized participatory action through real community case studies, allowing participants to express their opinions, engage in practical activities, and seek answers together. Additionally, workshops were held to provide feedback on accounting knowledge development guidelines for the community to relevant agencies for further knowledge expansion and research application.

4.3 Data Analysis This study is qualitative research using content analysis to analyze data from interviews and focus group discussions. The researcher transcribes the conversations, identifies key points, categorizes the information according to related topics, and uses descriptive analysis to explain the data in-depth through narrative analysis. This includes linking data from multiple sources and comparing information between different groups, such as community leaders, committee members, and participating members. A trustworthiness of data is conducted by the key informants and by the interviewees to verify the accuracy of the transcribed information. Data triangulation involves using information from multiple sources to compare consistency. The results of the analysis are presented with example quotes from interviews or reflections from informants.

5. Results and Discussion

5.1 Problems and Obstacles in Accounting Preparation

The communities involved in the research and serving as key informants have varied and diverse backgrounds in accounting based on their individual knowledge and understanding. Most of them record income and expenses occurring in the community using their own language and writing styles, but they lack systematic and clear documentation for accounting purposes. The problems in knowledge development include having opportunities for training from various agencies, but the content is often difficult and not easily understood, making it impractical to apply effectively. Additionally, there is a lack of time for practice and repetition, leading to eventual forgetfulness. They believe that simply recording income and expenses in a notebook is sufficient for understanding and remembering details. However, when they are required to provide explanations or justifications to community members or supporting agencies, they face difficulties in doing so.

When comparing the methods and formats used by each community, it was found that they all keep accounts by recording income and expenses, but use their preferred language and terminology. However, there are differences in various aspects; for example, some individuals create tables divided into columns similar to a cash receipt journal and a cash payment journal, with balance calculations, while others record

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transactions without summarizing the figures. These problems reflect the existing knowledge base of each person according to their understanding. Therefore, it is an important issue that requires the development of knowledge to have a standardized and systematic accounting method. This would allow for comparison and transfer of knowledge to other interested communities or groups and serve as credible evidence for funding agencies, both government and private sectors.

5.2 Development of Accounting Knowledge in the Don Mueang Community, Bangkok

The study aimed at developing accounting knowledge in the community. The needs of the community and the activities they conduct were used as the initial data. The content and knowledge suitable for the community were then designed by applying Generally Accepted Accounting Principles and using easily understandable language. The findings from the knowledge development process are summarized into pre-training knowledge and post-training knowledge as follows:

From the collection of community knowledge before the training and development, it was found that, in terms of financial accounting, the community recorded whom the money was received from, the amount, and the activities the money was spent on, without systematic documentation or recording of details. The community committee members discussed and were aware of the community's income and expenses, with most of the funds coming from government support, but they had no knowledge of generally accepted accounting principles. In terms of cost accounting, before the training, the community had some knowledge of what constitutes the costs of producing goods.

One informant explained further, "Cost is the expense we pay to buy fish sauce, sugar, or even just taking things from the kitchen without purchasing them. If we don't buy them, we don't include them in the cost because it's complicated."

However, they lacked knowledge of actual cost principles and did not calculate all costs, particularly labor costs and depreciation of assets. They also were not familiar with fixed costs and variable costs. The budgets they previously prepared included only income and expenses in a format required for budget proposals.

After undergoing the learning process, training, and exchanges between the community and accounting experts, the community gained knowledge and the ability to perform accounting and analyze transactions. They started recording income and expenses and reflected that participating in the accounting knowledge training project significantly improved their understanding. They learned the meaning and importance of accounting, gained a better understanding of accounting items, and received comprehensive knowledge from the training. They now see the overall picture of community accounting, including recording transactions in the general journal with proper principles, understanding debit and credit principles better, and knowing the steps to record each transaction. They also understand the categories of accounts, such as current assets, non-current assets, current liabilities, non-current liabilities, equity, income, and expenses. Furthermore, they have applied this knowledge in their daily lives and have shared it with other community members and other interested communities, leading to better understanding of income, expenses, and closing financial statements.

Cost accounting knowledge within the community reveals that they understand costs as everything paid, including cash, assets, stocks, debts, services, etc. This knowledge can be applied to planning, budgeting, investment, or production, enabling an understanding of true costs. After learning, one can create budgets and calculate costs to estimate gross profit. This broader understanding of "cost" encompasses more aspects.

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One primary contributor mentioned “Before producing or selling any product, one must calculate costs and plan production, including the necessary components. Previously, without planning, one would invest in purchasing materials and proceed without consideration. Labor costs were also not accounted for. If there were leftover materials, they would be used for household purposes, and some items, like sugar, were taken from the kitchen without considering them as part of the product cost. Additionally, the depreciation of assets used in production was never considered as an expense or cost of the product sold.”

In addition to the aforementioned study results from participants, this research also found significant changes among several researchers. For instance, one primary contributor experienced a change in the way they produce goods after participating in the research project and attending shared learning and training sessions. When they applied the concept of cost accounting, they discovered that what seemed profitable from selling sweets was actually a loss when considering all necessary costs. As a result, they began thinking about how to reduce raw material costs by surveying market prices. They found that buying in bulk was cheaper than purchasing from a retailer. For example, instead of buying flour in 1-2 kg quantities, they ordered in bulk. Pandan leaves, previously bought in bunches at 10 baht each, were now purchased by the kilogram at 25-35 baht, lasting multiple uses. They also studied methods to preserve pandan leaves for longer periods. Instead of buying individual coconut milk cartons at convenience stores, they switched to wholesale purchases at markets. This bulk purchasing not only provided raw materials at lower costs but also saved on transportation costs. Consequently, the overall production cost per piece of sweets decreased. Additionally, Aunt Daeng applied the knowledge to calculate packaging, changing from selling 5 pieces per box at 25 baht to 4 pieces per box at the same price. This adjustment was market-researched and found feasible since the previous pricing was quite low. As a result, the profit from selling sweets increased.

5.3 Proposing Guidance to Promote and Develop Accounting Knowledge in the Community

It was found that to promote and develop accounting knowledge in the community, there should be an assessment of the community's needs and existing knowledge before implementing any projects. This ensures that the initiatives are aligned with the community's capabilities and necessities, benefiting the community effectively. Additionally, the process should emphasize increased participation to make the community feel a sense of ownership over the knowledge and projects. Clear guidance for promoting and developing accounting knowledge should be established. Furthermore, collaboration between the community, government, and educational institutions should be fostered to develop, monitor, evaluate, and address issues together, creating a continuous academic service system that supports the community. This approach will lead to practice and the development of practical skills. Finally, there should be plans to expand the impact from one community to others to ensure strength and sustainability.

6. Conclusion

According to the study on guidance for developing accounting knowledge through community participation in the Don Mueang District, Bangkok, there are interesting findings that can be summarized and discussed to expand to other communities or further studies. This will provide true benefits in promoting and developing accounting knowledge in the community in two main aspects:

1. Development of knowledge through participatory processes.
2. Promotion, monitoring, and evaluation by relevant agencies.



The study found that if any project or activity aimed at community development aligns with the community's needs and addresses issues that truly help solve community problems, it usually receives cooperation from the community and is seriously implemented. This is consistent with the study by Yodsarak (2019), which explored concepts of public participation in community development. The study presented five key concepts:

1. Concepts of public participation in community development.
2. Importance of public participation principles.
3. Guidance for managing public participation.
4. Levels of public participation.
5. Benefits of public participation in community development.

Promotion, monitoring, and evaluation by relevant agencies are essential tasks in community development. These activities follow a systemic approach that creates support processes through collaboration with network partners for sustainable development (Rakpuangchon, 2007). All systems that provide support must be interrelated.

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