



Research Approval

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4. Module Name and Code:	MGT590 Business Research: Designs and Procedures	
5. Name of Project Supervisor: Dr. Katina Grigoraskos, Psy.D		
6. Action Research Topic:		
Financial performance of the petroleum group in Lao PDR		
7. What is the aim and objectives of your study?		
<p>The study aims to study the financial statement and compare the financial ratio to the industrial average of the petroleum group in Lao PDR. In this study, the secondary data obtained from the collection of information in the financial statements and documents related to the company were used to analyse the joint financial statements, trend analysis, and financial rates.</p> <p>Research question:</p> <ol style="list-style-type: none"> 1. What is the financial performance? 2. What is the financial analysis? 3. How many methods to analyse the financial performance of the company? 4. What is the financial position? 5. What is the financial ratio? 6. Why is the financial performance important for the company? 7. What strategies for improving financial performance of the company? 8. How do the company deal with variables that affect financial performance? 		



8. Brief review of relevant literature and rationale for study. Include in your rationale how the research will impact on the organisation.

The main aim of this study is to investigate the factors that mostly affect financial performance of petroleum group in Lao PDR. This aim will be achieved by the following objectives:

- To identify the effect of leverage, size, liquidity, management competence index on the financial performance of petroleum group in Lao PDR.
- To provide some conclusions and recommendations for petroleum group in Lao PDR to deal with variables that affect financial performance in order to enhance their company financial performance.
- To measuring financial performance and comparing the company's financial ratios and industrial average using the secondary data collected from the company's financial statement between 2012-2015.
- To provide an overview of the petroleum group's financial position.
- Recognize the financial position and stability of the petroleum group.
- Recognize the results of the analysis of the financial situation, the different financial management capabilities of the petroleum group.
- Able to see the differences, growth trends, and business environment of the petroleum group.
- Recognize changes in the financial structure and operating patterns of the petroleum group in Lao PDR.

Relevant literature:

Performance is the function of the ability of an organization to gain and manage the resources in several different ways to develop competitive advantage (Iswatia, & Anshoria, 2007). There are two kinds of performance, financial performance and non-financial performance. Financial performance emphasizes on variables related directly to financial report. Company's performance is evaluated in three dimensions. The first dimension is company's productivity, or processing inputs into outputs efficiently. The second is profitability dimension, or the level of which company's earning are bigger than its costs. The third dimension is market premium, or the level of which company's market value is exceeding its book value (Walker, 2001).

Performance is a difficult concept, in terms of both definition and measurement. It has been defined as the result of activity, and the appropriate measure selected to assess corporate performance is considered to depend on the type of organization to be evaluated, and the objectives to be achieved through that evaluation. Researchers in the strategic management field have offered a variety of models for analyzing financial performance. However, little consensus has emerged on what constitutes a valid set of performance criteria. For instance, researchers have suggested that studies on financial performance should include multiple criteria analysis. This multidimensional view of performance implies that different models or patterns of relationship between corporate performance and



its determinants will emerge to demonstrate the various sets of relationships between dependent and independent variables in the estimated models (Ostroff and Schmidt, 1993).

It has also been the primary concern of business practitioners in all types of organizations since financial performance has implications to organization's health and ultimately its survival. High performance reflects management effectiveness and efficiency in making use of company's resources and this in turn contributes to the country's economy at large. (Naser, and Mokhtar, 2004).

Financial analysis is the process of finding out the truth about the financial status and performance of any company from the financial statements of that company as well as the facts from the analysis to be included in the decision. Which the analyst can use a variety of tools to perform analysis such as Financial ratios, Fund flow, Vertical analysis, Trend analysis, etc. (Phetsari Koumsab 2012).

Corporate financial analysis refers to the audit of a company's financial health, examining the financial strength within the company, comparing financial statements, and The performance of other companies in the same industry which allows administrators to find the weaknesses and strengths from conducting quantitative work to finding strategies that will be useful and improve the further work process. Financial analysis should have at least 2 years of financial statements in order to compare and study the changing trends, once the information has been collected, it is possible to analyze the financial statements. (Dr. Krisda Sektrakul 2013).

Sudaphan Srisutham (2016) studied "Comparison of financial performance between Exim Co., Ltd. and Transport Joint Stock Company Limited." The purpose is to study the financial performance and compare the performance of the two companies by using secondary data and joint venture financial statement analysis, trend analysis, and financial ratios. The study found that Transport Joint Stock Company Limited had higher operating expenses than Exim and had a lower liquidity ratio. But the Transport Joint Stock Company Limited has better asset management and collection systems than Exim. As for the profitability ratio, Exim has better profitability than Transport Joint Stock Company Limited.

9. Outline of research approach, study design and methods. Include justification for choices and append data requirements table.

Research Methods:

1. The type of data needed

- Primary data: will directly collect original data through surveys and then analyze it.
- Secondary data: will analyze data that someone else already collected such as previous studies, publications and other statistic.

2. Method for collecting data:

The quantitative data will be used. includes income statement and statement of position from 2012-2015 of the sample group to analyse financial ratios, common size analysis, and trend analysis, by focusing on numerical data to explain the differences in operating results of each companies and to compare the financial ratio of two features: The analysis compares the trend ratio, the vertical ratio of each companies in each year and the analysis of the financial ratio in 2012-2015 of each companies compared to the average of the sample group.



10. Please provide a detailed description of the study sample, covering selection, number, age, and if appropriate, inclusion and exclusion criteria.

The sample group of this study are 5 fuel companies in Lao PDR including: Lao State Fuel Company (LSFC), Petroleum Trading Lao Public Company, PTT Lao Co., Ltd., Petro Vietnam Oil Lao Co., Ltd, and Petrolimex (Lao) Co., Ltd

11. What study materials will you use? (Please give full details here of validated scales, bespoke questionnaires, interview schedules, focus group schedules etc and attach all materials to the application).

This study will focus to study only the companies with the highest fuel import of companies, including Lao State Fuel Company (LSFC), Petroleum Trading Lao, PTT Lao Co., Ltd., Petro Vietnam Oil Lao Co., Ltd, and Petrolimex (Lao) Co., Ltd

12. What resources will you require? (e.g. psychometric scales, equipment, such as video camera, specialised software, access to specialist facilities, such as microbiological containment laboratories).

The research will be conducted in magazines, newspapers, economic reports, decrees, laws, textbooks, scientific research papers, websites, and documents from various relevant sources.

13. The information supplied is, to the best of my knowledge and belief, accurate. I clearly understand my obligations and the rights of the participants. I agree to act at all times in accordance with University's regulations for undertaking research.

Date of submission.....

Signature of applicant.....

Signature of project supervisor

Date received Date approved Signed

Comments