Promotion of the Efficient Use of Renewable Energies in Developing Countries

Educational Competences Scan – Finance and Economics in Cambodia

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<thead>
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<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMPED</td>
<td>Cambodian Education and Waste Management Organization</td>
</tr>
<tr>
<td>ESP</td>
<td>Education strategy plan</td>
</tr>
<tr>
<td>IRRI</td>
<td>International Rice Research Institute</td>
</tr>
<tr>
<td>MoEYS</td>
<td>Ministry of Education</td>
</tr>
<tr>
<td>NAR</td>
<td>Net admission rate</td>
</tr>
<tr>
<td>NER</td>
<td>Net enrolment rate</td>
</tr>
<tr>
<td>SME</td>
<td>Small and medium sized enterprise</td>
</tr>
</tbody>
</table>
1 Introduction

1.1 General

The Kingdom of Cambodia (Khmer: transliterated: Preăh Réachéanachâkr Kâmpûchea) is a country in Southeast Asia with a population of almost 15 million people, with Phnom Penh being the capital city [www.wikipedia.org].

The country shares a border with Thailand to its west and northwest, with Laos to its north-east, and with Vietnam to its east and southeast. In the south it faces the Gulf of Thailand. The geography of Cambodia is dominated by the Mekong river (colloquial Khmer: Tonle Thom or "the great river") and the Tonlé Sap ("the fresh water lake"), an important source of fish. The low geography of Cambodia's fertile areas means much of the country sits nearly below sea level, and consequently the Tonle Sap River reverses its water flow in the wet season, carrying water from the Mekong back into the Tonle Sap Lake and surrounding flood plain.

Cambodia's main industries are garments and tourism. In 2006, foreign visitors had surpassed the 1.7 million mark. In 2005, oil and natural gas deposits were found beneath Cambodia's territorial water, and once commercial extraction begins in 2009 or early 2010, the oil revenues could have a profound impact on the future of Cambodia's economy [www.wikipedia.org].

![Cambodia Map](www.wikipedia.org)

Figure 1: Cambodia [www.wikipedia.org]
1.2 Economy

Despite recent progress, the Cambodian economy continues to suffer from the effects of decades of civil war, internal strife and rampant corruption. The per capita income is rapidly increasing, but is low compared with other countries in the region. Most rural households depend on agriculture and its related sub-sectors. Rice, fish, timber, garments and rubber are Cambodia's major exports, and the United States, Singapore, Japan, Thailand, China, Indonesia and Malaysia are its major export partners.

War and brutal totalitarianism in the 1970s created famine in Cambodia. Desperate farm families consumed their rice seeds and many traditional varieties became difficult to find. In the 1980s the International Rice Research Institute (IRRI) reintroduced more than 750 traditional rice varieties to Cambodia from its rice seed bank in the Philippines. These varieties had been collected in the 1960s. In 1987, the Australian government funded IRRI to assist Cambodia to improve its rice production. By 2000, Cambodia was once again self-sufficient in rice.

The recovery of Cambodia's economy slowed dramatically in 1997–98, due to the regional economic crisis, civil violence, and political infighting. Foreign investment and tourism also fell off drastically. Since then however, growth has been steady. In 1999, the first full year of peace in 30 years, progress was made on economic reforms and growth resumed at 5.0%. Despite severe flooding, GDP grew at 5.0% in 2000, 6.3% in 2001, and 5.2% in 2002. Tourism was Cambodia's fastest growing industry, with arrivals increasing from 219,000 in 1997 to 1,055,000 in 2004. During 2003 and 2004 the growth rate remained steady at 5.0%, while in 2004 inflation was at 1.7% and exports at $1.6 billion US dollars. As of 2005, GDP per capita in PPP terms was $2,200, which ranked 178th (out of 233) countries.

The population often lacks education and productive skills, particularly in the poverty-ridden countryside, which suffers from a lack of basic infrastructure. Fear of renewed political instability and corruption within the government discourage foreign investment and delay foreign aid, although there has been significant assistance from bilateral and multilateral donors. Donors pledged $504m to the country in 2004,[20] while the Asian Development Bank alone has provided $850m in loans, grants, and technical assistance.

The tourism industry is the country's second-greatest source of hard currency after the textile industry. 50% of visitor arrivals are to Angkor, and most of the remainder to Phnom Penh.[22] Other tourist hotspots include Sihanoukville in the southeast which has several popular beaches, and the nearby area around Kampot including the Bokor Hill Station. [www.wikipedia.org].

1.3 Education

Modern education progressed very slowly in Cambodia. The French colonial rulers did not pay attention to educating Khmer. It was not until the late 1930s that the first high school opened. However, after gaining independence from France, the government of Prince
Norodom Sihanouk made substantial progress in the field of education in the 1950s and 1960s. Elementary and secondary education was expanded to various parts of the country, while higher learning institutions such as vocational institutions, teacher-training centers and universities were established. Unfortunately, the progress of these decades was obstructed by the civil war following the overthrow of Prince Sihanouk in the 1970 and then destroyed by the Khmer Rouge regime.

1.3.1 **Curriculum Reform and Expansion of the System**

Political and socio-economic changes have led to successive reforms of the country’s education system. Before 1975, the country adopted a French-based education system that required 13 years of education (6+4+2+1) with 4 or 5 major examinations. After 1979, the Ministry of Education, in consideration of the country’s urgent needs, executed a 10-year education system (4+3+3) and then expanded it to an 11-year education system from 1986 to 1996.

The Ministry has continued to improve the education system. The curriculum was reformed, new textbooks were developed and new teaching skills were provided to teachers to prepare ground for the introduction of a new 12-year education system (6+3+3) in the 1996-97 school year. The new system has increased the number of learning hours for every grade in the cycle of primary education.

In the framework of this new 12-year education system, one school year lasts 38 learning weeks, with 5 learning days per week, 6 periods of learning per day, and each period of learning lasting 45 minutes. Under the old curriculum, one school year lasted only 32-33 weeks, and pupils attended only 4 hours of learning per day. In consideration of the shortage of classrooms, the ministry allowed schools to teach only 5 periods per day and each period of learning lasted only 40 minutes.

According to a survey jointly launched in March 1999 by the Department of Planning, MoEYS, and World Bank Project, the new curriculum should apply 1,140 periods of learning which is equal to 855 teacher-pupil contact hours. The teaching and learning hours stipulated by MoEYS are 950 periods of learning hours or 633 teacher-pupil contact hours though, in practice, only 825 periods of learning hours of 533 teacher-pupil contact hours are available.

In fact, the amount of practical teaching and learning hours are far lower than what is stipulated by the ministry as a good number of schools teach levels of less than 5 periods of learning units per day. Many prolonged holidays also affect effective learning hours [http://www.moeys.gov.kh].

1.3.2 **Primary school**

Statistical data for the 2004-05 school years show the total number of primary school as 6,180 with 2,682,129 students. This includes 1,266,420 girls amounting to 47% of the total indicating that at this level the enrolment of boys and girls is similar with effectively no gen-
nder gap at primary schools. The number of primary school staff is 60,841 (22,934 female) of which the teaching staffs are 50,140 (20,678 female or 41.24%) MoEYS is seeking measures to ensure a better proportion of teaching to non-teaching staff.

Enrolment of pupils increased from 2.4 millions in 2000-01 to 2.7 millions in 2002-03, but has slightly decreased due to the declined population growth over the last 5-6 years.

In the school year 2004-05, the net admission rate (NAR) for primary education was 81%, which is lower than the target set of 90%, and is an area of significant concern as grade 1 provides the students for all subsequent grades. The NAR for girls was 79% compared to the target of 90%.

The net enrolment rate (NER) of 91.9% in 2004-05 nearly reached the target of 92%, and it was for girls 90.7% compared to a target of 91%. The targets of NER for primary education in the school year 2004-05 were 95% (urban), 92% (rural) and 76% (remote areas). The graphic (Figure 2) below shows that schooling for primary education in rural and remote areas surpasses the target set, but is lower than the planned target for the urban areas. Comparing the school year 2000-01 with the school year 2004-05, the NER rose by more than 20% in remote areas and by 8% in rural areas, while the increase in urban areas during the same period was around 5%.

Figure 2: Primary school enrolment number [www.moeys.gov.kh]
1.3.3 Lower Secondary Education

By similar policies and strategies as in primary education there has been an increase of 92 schools so that in 2004-05 there are 578 lower secondary schools. The total number of student enrolled was 528,940, including 230,048 girls.

The lower secondary school net enrolment rate (NER) set in education strategy plan ESP 2004-08 for the school year 2004-05 was 50% for urban areas (49% girls), 35% for rural areas (35% girls) and 15% for remote areas (15% girl). The sector performance results show that the planned target has not been reached.

There have been significant increases in the student numbers in lower secondary schools, with enrolments increasing from 233,278 students in 1999-2000 to 528,940 in 2004-05, a 126% increase over the period. This has led to an improved NER of 26.10% (girls 9.30%), which is higher than 2003-04, but lower than the ambitious target set of 40%.

Although in the recent years, school facilities have been expanded for grades 7-9, it is not in line with the demand. There are only 749 communes with lower secondary schools from a total of 1,621. In remote areas the NER is at 3.9%, i.e. more than 95% of children aged 12-14 are not enrolled in lower secondary schools, which implies that there still exists an acute shortage of secondary school education in these areas.

Education in the lower secondary level works adequately even though there is a shortage of specialized teachers in some schools in disadvantaged areas, usually rural and remote provinces.

Most of school management are effective due to community participation. However, 20% of new schools still have a problem lacking experienced, thus not adequately trained, school principals. The student-focused approach is not well implemented in most schools due to overcrowded classes, a shortage of textbooks, learning/teaching materials and libraries.

The significant growth in pupil quantity is causing a drop in the quality of lower secondary education and there is an unbalance between quantity and quality development. The 2004-05 school year statistics shows that 871 of 1,621 communes did not have a lower secondary school.
1.3.4 Upper Secondary Education

232 upper secondary schools existed in 2004-05 compared to 212 in 2003-04. The total number of students is 177,129, including 66,324 girls.

The NER is 9.3% (7.9% girls), which is higher than the previous school year and lower than the target set of 15% (14% girls). The enrolment has only slightly increased comparing it to 2003-04. Reasons are probably poverty, labor market needs and few dormitories for girls from remote areas. At present, 45 out of 185 districts have no upper secondary school. 46 districts did not have upper secondary schools in the school year 2004-05.
1.3.5 Higher Education

The total number of higher education institutions was 44 in 2004-05, 13 public and 31 private institutions. These were spread over 11 provinces/municipalities and provided an opportunity for local students to continue their studies in higher education.

![Students in public higher education schools](image1)

**Figure 5:** Students in public higher education schools

![Students in private higher education](image2)

**Figure 6:** Students in private higher education
The Royal Government of Cambodia implemented a privatization policy which affects positively on higher education system. For the last recent years, private institutions have reduced the student load into public higher education. In 2004-05, the total number of fee-paying students in higher education institutions was 38,722.

At the same time, MoEYS tried to facilitate the access of people to higher education in order to strengthen the human resource development for the future of the country. MoEYS has provided scholarship to elite students, poor students, female students and students from the remote areas and has built dormitories especially for the poor students and also for female students.

2 Scope of the Educational Competences scan

A scan of education related to finance and management understanding was performed within the target groups such as trainers, community stakeholders. The results of the scan will serve as input for the economic related sections of the training manuals and further processing of the project.

3 Targets Selection

After several discussions about most suitable groups for Educational Competences Scan – Finance and Economics questionnaire, COMPED has decided to deliver 70 copies of the questionnaire to craftsmen and enterprises. These people lived in Phnom Penh and Pursat province. Before the selection, COMPED visited some of the craftsmen and enterprises in their shops and working places, informing them about the request for having a confident mood in order to obtain valuable results. If they would like to participate in the educational competence scan within the project “Promotion of efficient uses of Renewable Energies in Developing Countries” (REEPRO), they had to spent some time on the questionnaire. Anyway, the staffs of COMPED were continuing explaining the project to the interested persons. In the end COMPED was able to reach only 60 people different from what we had thought, 70 inquired persons.

4 Procedure of the Questionnaire

The questionnaire of Educational competence scan was received on 8 April 2007 and completely translated to Khmer by COMPED on 17 April 2007. After that, the survey was performed by COMPED staff from 18 April to 30 April 2007. COMPED has searched many locations suitable for the interviews, and finally three locations were selected: a car garage station on Depot Market, a furniture shop in the Boeung Trabak commune and an iron smith shop in Preak Leap, all situated in Phnom Penh. We reached interviewees at their place and asked them to spend some time to complete the questionnaire. All interviewees received a brief explanation about the questionnaire. Some of target persons were not interested in the survey being busy and thinking COMPED was searching improper information about them. Most of the interviewed persons, felt happy to join the survey and asked back when and how they could use renewable energy. Most of them were interested in photovoltaic solar installa-
tions. Finally 20 persons were interviewed in Phnom Penh and 40 in the Pursat province because there are most of the craftsmen located e.g. sculptors, marble makers, ice sellers, wood sellers, and electricity contractors.

5 Results

However, the questionnaires were completely finished and the COMPED staff had very fruitful discussions. Most of the interviewees are interested in renewable energy sources. Photovoltaic PV solar was the major interest for Cambodian people. Otherwise, the REEPRO project is well accepted especially in rural areas.

5.1 General data

**Number of interviewees:** 60 persons were interviewed. 24 (40%) were female and 36 (60%) were male. 17 (28.33%) interviewees aged between age 40-50 were male and 5 (8.33%) female, 7 (11.66%) of the interviewed with an age of 21-29 years were male and 13 (21.66%) female. Between the age of 30-40 years were 12 persons (20%) male and 6 (10%) female. The average was 37 years, while the youngest and oldest interviewees were 24 and 48 years, respectively.

<table>
<thead>
<tr>
<th>Table 1: General information on interviewees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numbers</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td><strong>Ages</strong></td>
</tr>
<tr>
<td>&lt;40 years old</td>
</tr>
<tr>
<td>40-50 Years old</td>
</tr>
<tr>
<td>&gt;50 years old</td>
</tr>
<tr>
<td>Youngest</td>
</tr>
<tr>
<td>Oldest</td>
</tr>
<tr>
<td><strong>Average age</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 2: Work experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work experiences in present post</td>
</tr>
<tr>
<td>Minimum</td>
</tr>
<tr>
<td>Maximum</td>
</tr>
<tr>
<td><strong>Average</strong></td>
</tr>
<tr>
<td>&lt;10 years</td>
</tr>
<tr>
<td>10-20 years</td>
</tr>
<tr>
<td>&gt; 20 years</td>
</tr>
<tr>
<td><strong>Experience in previous work</strong></td>
</tr>
</tbody>
</table>

**Occupation:** as mentioned before in the comment to enterprises and craftsmen in Phnom Penh and Pursat province, almost all of the interviewees are sculptors with 24 (40%) of the persons, followed by lime stone makers with 17 (28.33%) persons. Car garage owners were 5 (8.33%) persons, while iron smith shop owners were 4 (6.66%) persons, and wood sell-
ers, ice sellers and furniture shops are the same as 3 (5%) persons, regarding to electricity contractor is the lowest with 1 (1.66%) person.

![Pie chart showing present occupation of interviewees]

**Figure 7: Present occupation of interviewees**

*Work experiences:* 1 person among of the 60 interviewees had the longest experience with 25 (1.66%) while the most (31 persons = 51.66%) have experience of less then 10 years, followed by 27 persons (46.66%) which have experience between 10-20 years.

![Pie chart showing main working fields]

**Figure 8: Main working fields**

5.2 Field and level of education

*Educational level:* Most of the interviewees have completed secondary school with 25 persons (41.66%), followed by tertiary education with 18 persons (30%) and primary school with 14 persons (23.33%). 2 persons (3.33%) possessed a bachelor degree and one person had a master’s degree (1.66%).

**Table 3: Professional education level**
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<table>
<thead>
<tr>
<th>Professional Education</th>
<th>Numbers</th>
<th>%</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocational education</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary school</td>
<td>14</td>
<td>23.33%</td>
<td>sculptor, lime stone maker, wood seller, ice seller</td>
</tr>
<tr>
<td>Secondary school</td>
<td>25</td>
<td>41.66%</td>
<td>own car garage, sculptor, lime stone maker, wood seller, ice seller, furniture shop</td>
</tr>
<tr>
<td>Tertiary</td>
<td>18</td>
<td>30%</td>
<td>own car garage, sculptor, lime stone maker, wood seller, furniture shop, electricity contractor, iron smith</td>
</tr>
<tr>
<td>University education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor degree</td>
<td>2</td>
<td>3.33%</td>
<td>own car garage, iron smith shop</td>
</tr>
<tr>
<td>Master degree</td>
<td>1</td>
<td>1.66%</td>
<td>iron smith shop</td>
</tr>
<tr>
<td>Doctor degree</td>
<td>0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Field of education: Fields of vocational and university education of the interviewed persons are shown in Figure 9. It can be seen that at least 13.33% of the interviewed persons had a teaching background, 18.33% related to the human sciences, 33.33% had other types of education, e.g. as tailor, sculptor, carpenter. 35% possessed an education in business/management.

![Field of education](image)

Figure 9: Field of education (vocational and university)

Figure 10 provides information about the attendance of the interviewees at special training courses. 30% or 18 persons attended special courses on accounting, management and finances from one to three months. 12 persons or 20% attended one week to 1 month courses. 30 persons or 50% of the interviewees possessed only little knowledge and understanding about finance, accounting and management by own studies, training and improvement or by someone else but did not attend any courses.
5.3 Level of knowledge, experience and competence in financing and management

5.3.1 Budget planning and follow-up and calculation of opportunity costs:

Results of the survey showed that all interviewees have knowledge about the accounting, management, and financing. Although the existence of courses is known and some persons attended training courses; their experiences in these matters are generally limited. As a result, many of the interviewees have no experiences in terms of budget planning, calculation and company bookkeeping. Most of them understood what was meant but had limited experience. The reason is because they used the type of their record that is usually done in the business.

Table 4: Experiences and knowledge in Budget planning and follow-up and calculation of opportunity costs

<table>
<thead>
<tr>
<th>Budget planning and follow-up and calculation of opportunity costs</th>
<th>No experiences</th>
<th>Some experiences</th>
<th>Good experience and knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>calculation of future income flows (discounting)</td>
<td>33</td>
<td>26</td>
<td>1</td>
</tr>
<tr>
<td>calculating fixed costs and variable costs</td>
<td>27</td>
<td>30</td>
<td>3</td>
</tr>
<tr>
<td>pricing products</td>
<td>20</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>raising loans for business purposes</td>
<td>14</td>
<td>28</td>
<td>18</td>
</tr>
<tr>
<td>calculating annual installments of debt and interest costs</td>
<td>28</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>calculating opportunity costs</td>
<td>9</td>
<td>37</td>
<td>14</td>
</tr>
<tr>
<td>information of different lenders and their interest rates</td>
<td>4</td>
<td>11</td>
<td>45</td>
</tr>
</tbody>
</table>
5.3.2 Company Bookkeeping

Only persons who had been dealing with financial tasks before had good knowledge about this topic, especially persons who worked for company before. Obviously, almost all of the interviewees have no experiences with this topic.

Table 5: Experiences and knowledge in company bookkeeping

<table>
<thead>
<tr>
<th>Company bookkeeping</th>
<th>No experiences</th>
<th>Some experiences</th>
<th>Good experience and knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have experience in SME bookkeeping?</td>
<td>41</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Do you know the double entry bookkeeping system?</td>
<td>56</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Do you have experience in balance sheet preparation for a company?</td>
<td>49</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Do you have experience in income statement preparation for a company?</td>
<td>50</td>
<td>8</td>
<td>2</td>
</tr>
</tbody>
</table>

Figure 11: Experiences in company bookkeeping

5.3.3 Financial Terminology

More than half of the interviewees gave positive answers to question related to financial terms. All of them handle this terms in their daily business, even if they don’t know the exact meaning.
Table 6: Financial terms

<table>
<thead>
<tr>
<th>Do you know what the following terms mean?</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakeven point</td>
<td>57</td>
<td>3</td>
</tr>
<tr>
<td>Capital</td>
<td>59</td>
<td>1</td>
</tr>
<tr>
<td>Cost of sales, cost of goods sold</td>
<td>47</td>
<td>13</td>
</tr>
<tr>
<td>Discounted cash flow</td>
<td>55</td>
<td>5</td>
</tr>
<tr>
<td>Fixed cost</td>
<td>53</td>
<td>7</td>
</tr>
<tr>
<td>Invested capital</td>
<td>52</td>
<td>8</td>
</tr>
<tr>
<td>Return on investment (ROI)</td>
<td>38</td>
<td>22</td>
</tr>
<tr>
<td>Risk</td>
<td>56</td>
<td>4</td>
</tr>
<tr>
<td>Sunk costs</td>
<td>52</td>
<td>8</td>
</tr>
</tbody>
</table>

Figure 12: Understanding of financial terms

5.4 Company Management

It can be estimated that some of the interviewed persons (16.66%) have experience in project management as well as 20% have experience in personnel administration while approx three quartes (70%) have experience in leading people in projects.

Table 7: Company management

<table>
<thead>
<tr>
<th>Company Management</th>
<th>No experiences</th>
<th>Some experiences</th>
<th>Good experience and knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you have experience in project management?</td>
<td>30</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Do you have experience in personnel administration?</td>
<td>31</td>
<td>17</td>
<td>12</td>
</tr>
<tr>
<td>Experience in leading people in that project</td>
<td>6</td>
<td>12</td>
<td>42</td>
</tr>
</tbody>
</table>
Figure 13:  Company management

Figure 14:  Project sizes ever managed

All of the interviewees have experiences in project management or personnel administration; most of them have managed projects or teamwork with less than 10 members. The average number of persons led in project was 4 persons.

6  Conclusions

All persons of the target groups received professional school education. Most of them left school after the primary, secondary or tertiary level. Only few interviewees obtained higher degrees, like bachelor or master.

Craftsmen have huge experience in their present occupation of 9 years in average and even 10 years in their preliminary work. One half of them trained themselves, on their own ac-
count, in special training courses, like finance, management and accounting. The people, who attended courses, now seem to have experience in these sectors. Even if they don’t use all obtained knowledge in their daily work, they know the business and financial related terms, as shown in Figure 11.

Although many have some knowledge about the meaning of financial terms, they have very spare information about company bookkeeping and budget planning. Especially the questions related to bookkeeping were answered that they would have no experience. The reason could be that their business is too small for this kind of system. Only people working in big companies are trained in this topic having adequate knowledge and experience.

Experiences in company management are not uniform. Half of interviewed persons have no experience in project management, though 70 % managed personnel in projects.

Most participants of the target group are people, working and leading their small business. Biggest project ever managed had budgets of less than 5000 Dollar.

The questionnaire shows, that most of the people have a rather spare experience in finance and economics; at least they don’t have comprehensive knowledge. Since many of the topics do not obviously concern their daily work, their experience and knowledge must be low. As a result of the survey it can be seen, that it is important to improve the knowledge in financial and economic matters. With more experience in these topics, the people could enlarge their business and deal with big companies with a less danger of making faults, caused by the lack of knowledge.
7 Appendices

7.1 Appendix 1: Questionnaire

Educational competence scan – finance and economics

1 Field and level of education

Male ☐ Female ☐

Age ___ years

Present occupation ______________________

Main work tasks ____________________________________________________________

Work experience in present post _________ years

Previous fields of work experience _______________ _______________ _______________

Education level:

☐ Primary school (grades 1-6)

☐ Secondary school (grades 7-8)

☐ Tertiary education (grades 9-11)

☐ Vocational education

☐ University education:

   ☐ Batchelor’s degree

   ☐ Master’s degree

   ☑ Doctor’s degree

Field of education (vocational / university)

☐ engineering / technical

☐ economics

☐ business / management

☐ humanities

☐ natural sciences

☐ social sciences

☐ other
In addition to the above mentioned education have you taken any special courses in the following fields (give the length of courses):

Accounting
☐ one day  ☐ 2 days – week  ☐ >1 week – month  ☐ several months

Management
☐ one day  ☐ 2 days – week  ☐ >1 week – month  ☐ several months

Financing
☐ one day  ☐ 2 days – week  ☐ >1 week – month  ☐ several months

2. Level of knowledge, experience and competence in finance and economics:

2.1 Budget planning and follow-up and calculation of opportunity costs:
(3 = good knowledge/experience, 2 = some experience, 1 = no experience)

Do you have experience in net present value calculation of future income flows (discounting)?
   3  2  1

Do you have experience in calculating fixed costs and variable costs?
   3  2  1

Do you have experience in pricing products (e.g. electricity)?
   3  2  1

Do you have experience in raising loans for business purposes?
   3  2  1

Do you have experience in calculating annual instalments of debt and interest costs?
   3  2  1

Do you have experience in calculating opportunity costs?
   3  2  1

Do you have information of different lenders and their interest rates?
   3  2  1

2.2 Company bookkeeping
(3 = good knowledge/experience, 2 = some experience, 1 = no experience)

Do you have experience in SME bookkeeping?
   3  2  1
Do you know the double entry bookkeeping system?
3 2 1

Do you have experience in balance sheet preparation for a company?
3 2 1

Do you have experience in income statement preparation for a company?
3 2 1

Do you know what the following terms mean?

Breakeven point  Yes  No
(The amount of revenue from sales which exactly equals the amount of expense. Breakeven point is often expressed as the number of units that must be sold to produce revenues exactly equal to expenses. Sales above the breakeven point produce a profit; below produces a loss.)

Capital  Yes  No
(Money invested in a business by its owners. On the bottom or right side of a balance sheet. Capital also refers to buildings, machinery, and other fixed assets in a business. A capital investment is an investment in a fixed asset with a long-term use.)

Cost of sales, cost of goods sold  Yes  No
(The expense or cost of all items sold during an accounting period. Each unit sold has a cost of sales or cost of the goods sold. In businesses with a great many items flowing through, the cost of sales or cost of goods sold is often computed by this formula: Cost of Sales = Beginning Inventory + Purchases During the Period - Ending Inventory.)

Discounted cash flow  Yes  No
(A system for evaluating investment opportunities that discounts or reduces the value of future cash flow.)

Fixed cost  Yes  No
(A cost that does not change as sales volume changes (in the short run.) Fixed costs normally include such items as rent, depreciation, interest, and any salaries unaffected by ups and downs in sales.)

Invested capital  Yes  No
(The total of a company's long-term debt and equity.)

Present value  Yes  No
(A concept that compares the value of money available in the future with the value of money in hand today. For example, $78.35 invested today in a 5% savings account will grow to $100 in five years. Thus the present value of $100 received in five years is $78.35. The concept of present value is used to analyze investment opportunities that have a future payoff.)
Return on investment (ROI) Yes No

(A measure of the effectiveness and efficiency with which managers use the resources available to them, expressed as a percentage. Return on equity is usually net profit after taxes divided by the shareholders' equity. Return on invested capital is usually net profit after taxes plus interest paid on long-term debt divided by the equity plus the long-term debt. Return on assets used is usually the operating profit divided by the assets used to produce the profit. Typically used to evaluate divisions or subsidiaries. ROI is very useful but can only be used to compare consistent entities -- similar companies in the same industry or the same company over a period of time. Different companies and different industries have different ROIs.)

Risk Yes No

(The possibility of loss; inherent in all business activities. High risk requires high return. All business decisions must consider the amount of risk involved.)

Sunk costs Yes No

(Money already spent and gone, which will not be recovered no matter what course of action is taken. Bad decisions are made when managers attempt to recoup sunk costs.)

2.3 Company management

(3 = good knowledge/experience, 2 = some experience, 1 = no experience)

Do you have experience in project management?

3  2  1

Do you have experience in personnel administration?

3  2  1

Size of the largest project led in dollars (estimate): ___________

Number of people led in that project: 1-3, 3-5, 6-10, more
8 References

Survey of questionnaires through 60 households

Websites
www.wikipedia.org
http://www.moeys.gov.kh/en/education/espr05/2-1education.htm#1.6