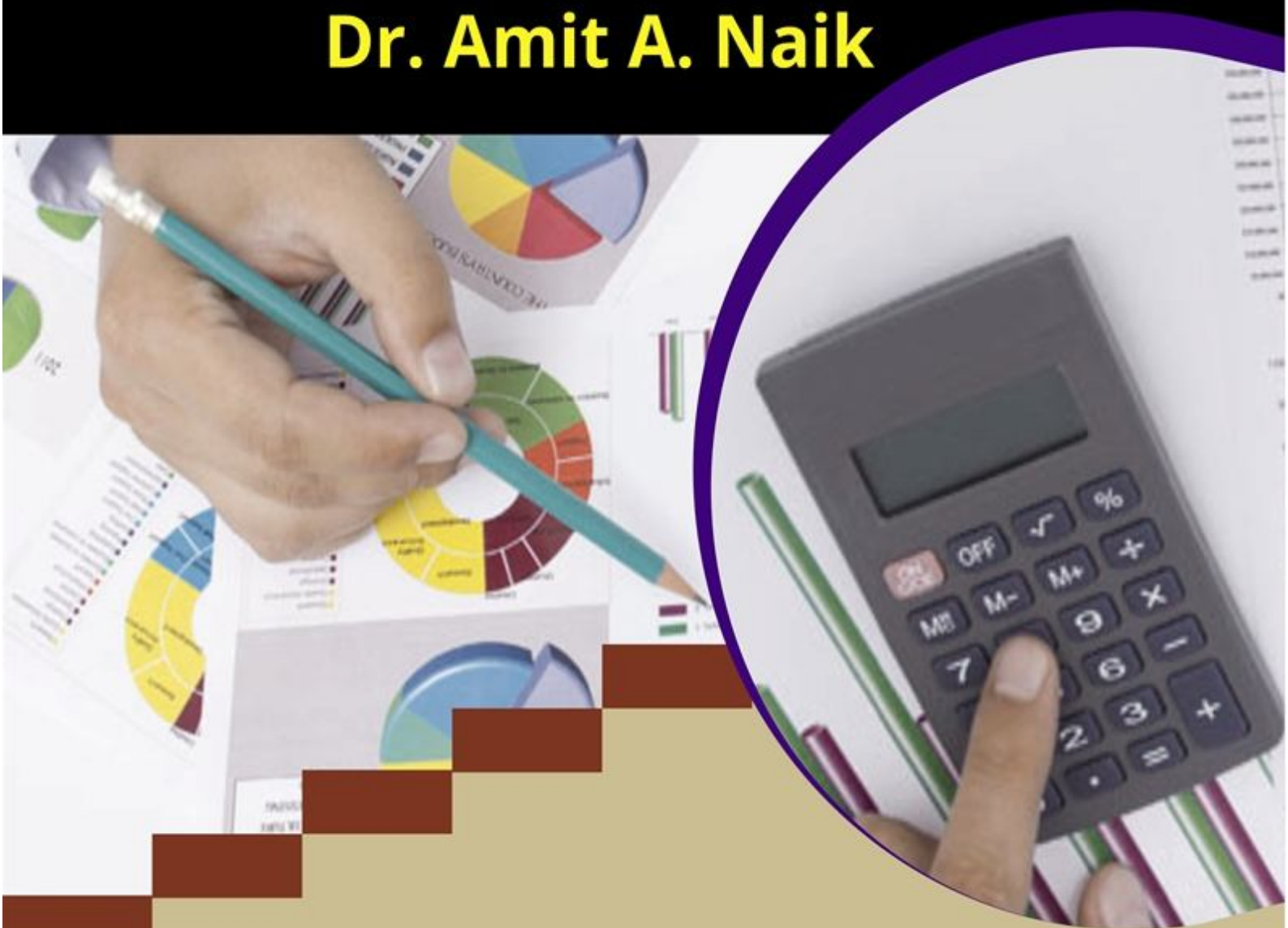


RESEARCH METHODOLOGY IN ACCOUNTING AND FINANCE

Dr. Amit A. Naik

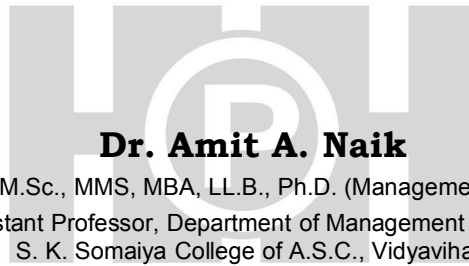


Himalaya Publishing House

ISO 9001:2008 CERTIFIED

Research Methodology in Accounting and Finance

(As per the New Syllabus of Mumbai University for S.Y.BAF, Semester IV, 2017-18)



Dr. Amit A. Naik

M.Sc., MMS, MBA, LL.B., Ph.D. (Management),
Assistant Professor, Department of Management Studies,
S. K. Somaiya College of A.S.C., Vidyavihar.



Himalaya Publishing House

ISO 9001:2008 CERTIFIED

© **Author**

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording and/or otherwise without the prior written permission of the publisher.

First Edition : 2018

-
- Published by** : Mrs. Meena Pandey for **Himalaya Publishing House Pvt. Ltd.**,
“Ramdoot”, Dr. Bhalerao Marg, Girgaon, Mumbai - 400 004.
Phone: 022-23860170, 23863863; **Fax:** 022-23877178
E-mail: himpub@vsnl.com; **Website:** www.himpub.com
- Branch Offices** :
- New Delhi** : “Pooja Apartments”, 4-B, Murari Lal Street, Ansari Road, Darya Ganj,
New Delhi - 110 002. Phone: 011-23270392, 23278631; Fax: 011-23256286
- Nagpur** : Kundanlal Chandak Industrial Estate, Ghat Road, Nagpur - 440 018.
Phone: 0712-2738731, 3296733; Telefax: 0712-2721216
- Bengaluru** : No. 16/1 (Old 12/1), 1st Floor, Next to Hotel Highlands, Madhava Nagar,
Race Course Road, Bengaluru - 560 001.
Phone: 080-22286611, 22385461, 4113 8821, 22281541
- Hyderabad** : No. 3-4-184, Lingampally, Besides Raghavendra Swamy Matham, Kachiguda,
Hyderabad - 500 027. Phone: 040-27560041, 27550139
- Chennai** : New-20, Old-59, Thirumalai Pillai Road, T. Nagar, Chennai - 600 017.
Mobile: 9380460419
- Pune** : First Floor, “Laksha” Apartment, No. 527, Mehunpura, Shaniwarpeth
(Near Prabhat Theatre), Pune - 411 030. Phone: 020-24496323, 24496333;
Mobile: 09370579333
- Lucknow** : House No. 731, Shekhupura Colony, Near B.D. Convent School, Aliganj,
Lucknow - 226 022. Phone: 0522-4012353; Mobile: 09307501549
- Ahmedabad** : 114, “SHAIL”, 1st Floor, Opp. Madhu Sudan House, C.G. Road, Navrang Pura,
Ahmedabad - 380 009. Phone: 079-26560126; Mobile: 09377088847
- Ernakulam** : 39/176 (New No. 60/251), 1st Floor, Karikkamuri Road, Ernakulam,
Kochi - 682011. Phone: 0484-2378012, 2378016; Mobile: 09387122121
- Bhubaneswar** : Plot No. 214/1342/1589, Budheswari Colony, Behind Durga Mandap,
Laxmisagar, Bhubaneswar - 751 006.
Phone: 0674-2575129; Mobile: 09338746007
- Kolkata** : 108/4, Beliaghata Main Road, Near ID Hospital, Opp. SBI Bank,
Kolkata - 700 010. Phone: 033-32449649, Mobile: 7439040301
- Guwahati** : House No. 15, Behind Pragjyotish College, Near Sharma Printing Press,
P.O. Bharalumukh, Guwahati - 781009, (Assam).
Mobile: 09883055590, 08486355289, 7439040301
- DTP by** : **Sneha Gaonkar**
- Printed at** : Rose Fine Art, Mumbai. On behalf of HPH.

PREFACE

Research Methodology is a very interesting, important and a requisite subject for any course as it gives insight on how to handle research which is an inevitable part of any professional, social, political or economical study. This subject is newly introduced for Accounting and Finance students which is more relevant to the dynamic world of money related activities. Hence, it is indeed a pleasure to offer the First Edition of the book on “**Research Methodology in Accounting and Finance**” to the teachers and students of Accounting and Finance course (Second Year, Semester IV). This book has covered and is written as per the syllabus prescribed by the University of Mumbai with effect from 2017-18.

The clarification and to include every detailed aspect of the syllabus has been considered. The book has been presented in a simple point-wise manner. The subject matter has been presented in an easier language. The entire contents of the book are completely based upon the reference books those are prescribed by the University of Mumbai. The designing of the book is made to be student-friendly to help them understand the basic concepts. We earnestly appeal to the teachers and the students for their constructive feedback for further enhancement of the book.

I would like to thank all my colleagues and students of S.K. Somaiya, Vidyavihar for their immense inputs and support. A special thanks to Himalaya Publishing House Pvt. Ltd. for their support.

I am also thankful to my family members and friends for patience and encouragement.

Dr. Amit A. Naik

SYLLABUS

Research Methodology in Accounting and Finance

Modules at a Glance

Sr. No.	Modules	No. of Lectures
1	Introduction to Research	15
2	Research Design in Accounting and Finance	15
3	Data Collection and Processing	15
4	Interpretation and Report Writing	15
Total		60

Sr. No.	Modules/Units
1	Introduction to Research
	Introduction and Meaning of Research, Objectives of Research, Features and Importance of Research in Accounting and Finance, Objectives and Types of Research – Basic, Applied, Descriptive, Analytical and Empirical Research. Formulation of Research Problem: Meaning and Selection Review of Literature
2	Research Design in Accounting and Finance
	Meaning of Introduction, Need, and Good Research Design. Hypothesis: Formulation, Sources, Importance and Types Different Research Designs.
3	Data Collection and Processing
	Data Collection: Introduction and Meaning, Types of Data Primary Data: Observation, Experimentation, Interview, Schedules, Survey, Questionnaires, Limitations of Primary data Secondary Data: Sources and Limitations, Factors Affecting the Choice of Method of Data Collection. Sampling: Significance, Methods, Factors Determining Sample Size Data Presentation: Significance in Research, Stages in Data Processing: Editing, Coding, Classification, Tabulation, Graphic Presentation Statistical Analysis: Tools and Techniques, Measures of Central Tendency, Measures of Dispersion, Correlation Analysis and Regression Analysis. Use of Computer and Internet in Data Collection and Processing
4	Interpretation and Report Writing
	Meaning and Techniques of Interpretation, Research Report Writing: Importance, Essentials, Structure/ Layout, Types

PAPER PATTERN

Maximum Marks: 75

Questions to be Set: 05

Duration: 2½ Hours

All questions are compulsory, carrying 15 Marks each.

Question No.	Particulars	Marks
Q.1	Objective Questions: (A) Sub-questions to be asked (10) and to be answered (any 08) (B) Sub-questions to be asked (10) and to be answered (any 07) (*Multiple Choice/True or False/Match the Columns/Fill in the Blanks)	15
Q.2	Full Length Question OR Full Length Question	15 15
Q.3	Full Length Question OR Full Length Question	15 15
Q.4	Full Length Question OR Full Length Question	15 15
Q.5	(A) Theory Questions (B) Theory Questions OR Short Notes: To be Asked (05) To be Answered (03)	08 07 15

Note:

Theory question of 15 Marks may be divided into two sub-questions of 7/8 and 10/5 Marks.

CONTENTS

UNIT I		
1.	Research Introduction	1 – 6
2.	Research Classification	7 – 12
3.	Research Formulation	13 – 19
UNIT II		
4.	Research Design	20 – 28
5.	Hypothesis	29 – 35
UNIT III		
6.	Data Collection and Processing	36 – 54
7.	Sampling	55 – 66
8.	Data Presentation and Analysis	67 – 89
UNIT IV		
9.	Interpretation	90 – 93
10.	Research Report Writing	94 – 103
	Keywords	104 – 106

UNIT I

Research Introduction

1

Chapter

After reading the chapter, the students should be able to understand:

Introduction and Meaning of Research, Objectives of Research, Features and Importance of Research in Accounting and Finance, Objectives

“In much of society, research means to investigate something you do not know or understand.”

– Neil Armstrong

INTRODUCTION AND MEANING OF RESEARCH

The economy of a country is controlled by several factors, *viz.*, population size, industrial activities, agriculture, policies of its government, culture of the people, educational system, infrastructural facilities, etc. In the process of satisfying the basic needs (food, clothing and shelter) people engage themselves in various activities such as agriculture, housing, and textile industries. Each of the above industries is backed various industries, E.g., a textile industry is supported by a machine tool, agriculture and chemical industries. Major portion of the product each industry is consumed by the public and portion of it is fed as raw materials/equipment to other industries. Over and above these industrial activities, education and training of required manpower for these industries are taken care by educational institutions. In addition to these activities, there are many services organizations, *viz.*, health, transportation, postal, legal, insurance, banking, etc., catering to the needs of the society.

In the course of time, institutions, associations and cognate bodies, have been established to deal with various development problems through research, with financial aids from governments and industry. Today there are research institutions, which have been set up to deal exclusively with research in different subjects, *viz.*, finance, library and information science.

This unit generates a general view around research and its methodologies from all its important aspects and angles.

Meaning

One can visualize the fact that a detailed study is required in each practical situation for better results. Any effort which is directed to such study for better results is known as a research.

Research in simple terms refers to search for knowledge. It is a scientific and systematic search for information on a particular topic or issue. It is also known as the art of scientific investigation.

In other words research is an organized set of activities to study and develop a model or procedure/technique to find the results of a realistic problem supported by literature and data such that its objectives(s) is (are) optimized and further make recommendations/inferences for implementations.

Several researchers and social scientist have defined research in different ways.

Definition

Webster's Third International Dictionary of the English Language defines research as "studious inquiry or examination, especially critical and exhaustive investigation or experimentation, having for its aim the discovery of new facts, and their correct interpretation, the revision of accepted conclusions, theories, or laws in the light of newly discovered facts, or practical applications of new or revised conclusions, theories, or laws"

In the Encyclopedia of Social Sciences, Research is defined as "the manipulation of things, concepts or symbols for the purpose of generalization to extend, correct or verify knowledge whether that knowledge aids in the construction of a theory or in practice of an art."

Busha in his publication Research Methods in Librarianship says that Research is "a systematic quest for knowledge that is characterized by disciplined enquiry. Efficient and effective approach to expand knowledge is the conduct of special, planned and structured investigations."

Research is the process for looking for a specific answer to a specific question in an organized, objective, reliable way - Payton, 1979

In order to understand research in deepest form it can be from what research is not about. That it is not

- mere information gathering;
- mere transformation of facts from one location to another;
- mere searching for information;
- a catch-word used to get information; and
- playing with words and presenting already published or searched data.

'Research' as an acronym, each letter of the word, standing for a particular aspect as given below:

R = Rational way of thinking

E = Expert and exhaustive treatment

S = Search and solution

E = Exactness

A = Analysis

R = Relationship of facts

C = Critical observation, careful planning, constructive attitude and condensed generalization

H = Honesty and hard-working

Thus, research is an original addition to the available knowledge, which contributes to its further advancement. It is an attempt to pursue truth through the methods of study, observation, comparison and experiment. In sum, research is the search for knowledge, using objective and systematic methods to find solution to a problem.

OBJECTIVES OF RESEARCH

The purpose of the research is to discover answers to questions through the application of scientific procedure. In order to be specific, the research must be identified by taking the system requirements into account. In the process of identifying the objectives of the research, the researcher must finalize the following:

- To formulate, i.e., develop a study to understand the topic from all angles.
- To be descriptive, i.e., to accurately picturize all the characteristics of a particular process, individual, group, situation or institution
- To diagnose, i.e., to analyse the frequency with which something occurs
- To test hypothesis of a causal relationship between variables, i.e., hypothesis based research studies.

In social set up, research is carried out with the help of

- research questions,
- hypothesis, and
- boundary of the study.

Research questions – Problems which are resolve till date or not addressed by anyone else like, purpose of the research, place of the research, present state of the research and possible ways and means to finding solution to the research problem under study.

Hypothesis – It is a presumption or assumption about population/situation under study drawn by researcher himself

Boundary of the study – It is a limit set by research himself to restrict his work or to concentrate on specific area in given/available set-up and resources.

The objectives of the study may be classified into qualitative or quantitative.

The quantitative objectives aim to optimize certain measure of performances of the system of study, e.g., a study to estimate the demand of a product with a high precision.

The qualitative objectives aim to significance of hypotheses of a study of importance, e.g., a study of impact of level of education of sales force of a company on its sales revenue.

FEATURES AND IMPORTANCE OF RESEARCH IN ACCOUNTING AND FINANCE

If you can't count it, you can't manage it

Accounting and finance is very deeply rooted profession in almost every facet of management, company matters and day to day activities of any person or group.

4 • Research Methodology in Accounting and Finance

Accounting research is research on the effects of economic events on the process of accounting, and the effects of reported information on economic events. It encompasses a broad range of research areas including financial accounting, management accounting, auditing and taxation.

Academic accounting research “addresses all aspects of the accounting profession” using the scientific method, while research by practicing accountants focuses on solving problems for a client or group of clients. Academic accounting research can make significant contribution to accounting practice, although changes in accounting education and the accounting academia in recent decades has led to a divide between academia and practice in accounting.

Whereas, research in finance is not a new to us, Research in finance helps financial experts and those other individuals involved to study how the financial industry is affected by market changes and trending.

Features

The research on finance and financial management mainly revolved around following features

- **Estimating financial requirement:** without finance it is difficult to carry out any activities in real time as well as in near future. Financial requirements can be estimated properly with a proper research.
- **Financial Management:** To deal with financial areas with profit maximization objective
- **Deciding Capital Structure:** research helps in understanding capital structure of organisation or department under study
- **Selecting a Source of Finance:** Selecting source of finance is a ever going and continuous process and through research activities it can always under scanner
- **Selecting a Pattern of Investment:** Investment from an individual or institutional point of view is always necessary and through understanding previous data and pattern
- **Proper Cash Management:** different techniques of cash management can be used and find out with the help of research and its practices
- **Implementing Financial Controls:** To put proper control on spending and applying finance management research is very helpful
- **Proper Use of Surpluses:** How, Where and in what manner surplus should be utilized and allotted is decided easily by under taking research activities.

Importance

Financial and accounting research has an important role to play in providing guidance and shaping the way forward through the current fog of uncertainty that is troubling this industry.

In the asset management space, financial research can contribute towards guiding sound investment decisions. Greater emphasis on risk management techniques and the optimal allocation of assets is needed to enable asset managers to ride out the volatility presently being experienced,

Finance and accountancy are two dynamic fields in which continuous research is need of an hour as data evolved and data changing is huge than any other field. These two inter related fields have occupied every aspect of business and personal life. As the financial services industry continue to offer homogeneous products and services, it will become necessary to use research, product development and technology to create a distinct differentiation in product offerings. Disintermediation is forcing financial services companies to lower costs by using more efficient technologies and to move into new

product and service areas. How will it be possible to supply a rapidly growing population with differentiated product offerings that tap and align themselves to the consumers need and create value for them? To achieve this it will be necessary to create a unit whose efforts are focused specifically on aligning and matching products with consumer needs and using research and product development to deliver these products and services to them. Organizations that excel in research and development continuously strive to identify better processes and product management techniques to ensure that they are market leaders.

Different research topics studied under financial management are:

- Ratio analysis
- Portfolio management
- Inflation
- Deflation
- Economic growth model
- Balance of payment
- Primary market study
- Secondary market study
- Capital budgeting
- Study of financial parameters of organizations
- Economic evaluation of alternatives

QUESTIONS

I. Fill in the Blanks

1. The defining characteristic of scientific research is the _____.
2. The _____ approach relies on direct observation and experimentation in the acquisition of new knowledge.
3. Scientists define key concepts and terms in the context of their research studies by using _____ definitions.
4. What are the three general goals of scientific research _____, _____, _____.

Answers: 1. scientific method; 2. empirical; 3. operational;
4. description, prediction, and understanding/explaining

II. Multiple Choice Questions (MCQs)

1. “Research is an organized and systematic enquiry”, defined by

(a) Marshall	(b) P.V. Young
(c) Emory	(d) Kerlinger
2. “A systematic step-by-step procedure following logical process of reasoning” called

(a) Experiment	(b) Observation
(c) Deduction	(d) Scientific method
3. Scientific method is committed to _____

(a) objectivity	(b) ethics
(c) proposition	(d) neutrality

6 • Research Methodology in Accounting and Finance

4. One of the methods of logical reasoning process is called
 - (a) Induction
 - (b) Deduction
 - (c) Research
 - (d) Experiment
5. An essential Criterion of Scientific study is
 - (a) Belief
 - (b) Value
 - (c) Objectivity
 - (d) Subjectivity
6. Social Science deals with _____
 - (a) Objects
 - (b) Human beings
 - (c) Living things
 - (d) Non living things
7. What is the purpose of doing research?
 - (a) To identify problem
 - (b) To find the solution
 - (c) Both a and b
 - (d) None of these
8. If a study is “reliable”, this means that
 - (a) it was conducted by a reputable researcher who can be trusted.
 - (b) the measures devised for concepts are stable on different occasions.
 - (c) the findings can be generalized to other social settings.
 - (d) The methods are stated clearly enough for the research to be replicated.
9. Which of the following should you think about when preparing your research?
 - (a) Your sample frame and sampling strategy.
 - (b) The ethical issues that might arise.
 - (c) Negotiating access to the setting.
 - (d) All of the above
10. What practical steps can you take before you actually start your research?
 - (a) Find out exactly what your institution’s requirements are for a dissertation.
 - (b) Make sure you are familiar with the hardware and software you plan to use.
 - (c) Apply for clearance of your project through an ethics committee.
 - (d) All of the above.

Answers: 1. (c); 2. (d); 3. (a); 4. (a); 5. (c);
6. (b); 7. (c); 8. (c); 9. (d); 10. (d).

III. Write Short Notes

1. Define research and bring out its importance
2. What is need and purpose of research?
3. What are the objectives of research?
4. State the significance of research.
5. What is the importance of knowing how to do research?

IV. Long Answer Type Questions with Hint

1. Explain what is research? Also explain application of research in general and to accounting and finance in specific.
2. Explain in detail features and importance of research in Accounting Finance?



Research Classification

2

Chapter

After reading the chapter, the students should be able to understand:

Types of Research – Basic, Applied, Descriptive, Analytical and Empirical Research.

“The classification of facts, the recognition of their sequence and relative significance is the function of science, and the habit of forming a judgment upon these facts unbiased by personal feeling is characteristic of what may be termed the scientific frame of mind.”

– Karl Pearson

TYPES OF RESEARCH

The research is of various types:

- 1. Basic Research:** Also referred to as pure or fundamental research, studies phenomena to get a fuller understanding of it. This is essentially to obtain knowledge of a natural phenomenon whose applications may or may not have any bearing on any application in the immediate future or even after a long time. Generally this type of research demands a very high order of intellectual caliber; intuition also plays an important role in this type of research.
 - ❖ Used for formulation of theory or formation of new theories, principles
 - ❖ Non-commercial application
 - ❖ Thorough knowledge of subject
 - ❖ E.g. Battery charging with the help of physics laws
- 2. Applied Research** is to acquire knowledge on the practical application of the theoretical base already built up which is expected to solve a critical problem. Applied Research is usually conducted for industries or governments by universities or by specialized research laboratories or institutions. Applied Research is always for development purposes. It is generally referred to as Research and Development (R&D).

8 • Research Methodology in Accounting and Finance

- ❖ To solve day to day problem
- ❖ Difficult to complete in particular time frame
- ❖ Has commercial application or purpose
- ❖ Normally sponsored and resource (fund) dependent
- ❖ Can lead to patent and copyright
- ❖ E.g., Pharma/Space/IT/Product-related research

3. **Historical Research:** Historical research is “the systematic collection and objective evaluation of data related to past occurrences in order to test hypotheses concerning causes, effects, or trends of those events which may help to explain present events and anticipate future events”.

A mere collection of facts including their description does not constitute historical research. Facts can serve as a base. Facts have to be related and a total picture drawn, to become meaningful and contiguous one.

- ❖ Mere chronological (timescale-based) arrangement is not historical research
- ❖ It is an understanding of scenario from series of incidences.
- ❖ It leads to find reasons behind past happenings.
- ❖ E.g. study of epics like Ramayana and Mahabharata for TV serial or movie making, biographical research; histories of institutions and organizations;

4. **Empirical Research:** This research exclusively relies on the observation or experience with hardly any regard for theory and system. Such research is data based, which often comes up with conclusions that can be verified through experiments or observation. It is also known as experimental type of research, in which it is important to first collect the facts and their sources, and actively take steps to stimulate the production of desired information.

In this type of research, the researcher first formulates a working hypothesis, and then gathers sufficient facts to accept or reject (and not prove and disprove) the stated hypothesis. He/she formulates the experimental design, which according to him/her would manipulate the variables, so as to obtain the desired information. This type of research is thus characterized by the researcher’s control over the variables under study. In simple term, empirical research is most appropriate when an attempt is made to find that certain variables influence the other variables in some way.

- ❖ Hypothesis (supposition) based data collection research
- ❖ Collected data will decide to accept hypothesis or reject
- ❖ Extensive resources are required to carry out this research
- ❖ Statistical techniques are used to analyze (understand hidden meaning) data

5. **Experimental Research:** In many areas or problems there are many variables are involved or influential. It is not always possible or feasible to study all variables at the same time so to study limited variables this type of research is conducted.

In this type one variable (under study) keep open whereas other variables are kept constant and then open variable effect is studied. It aims in determining in whether and in what manner variables are related to each other and their tendency to influence each other.

The relationship between dependent and independent variables is observed and describe in connecting hypothesis. The variable which is influenced is known as dependent and the

variable which influence other is known as independent variable. Like investment decision (independent) and investment returns (dependent).

In experimental research two groups are formed experimental and controlled. Experimental group is exposed to an experimental variable or stimulus. Control group is not exposed to the experimental variable. The difference between two groups outcome is attributed to the effect of the experimental variable.

The results obtained by using the experimental or empirical studies are considered to be the most powerful evidences for a given hypothesis.

6. **Exploratory Research:** When researcher has little or no knowledge about the problem under study, he undertakes preliminary study to know the problem like a doctor's initial investigation of a patient suffering from an unfamiliar disease for getting some clues for identifying it. It is sort of a pilot study to affirm his future steps.

The objective of this is to

- ❖ Generate new ideas
- ❖ To get to know something about unknown happenings
- ❖ To check feasibility of research
- ❖ To formulate study or to get direction

In many cases after investing resources on research activities, researcher may find, it is not worth continuing and in order to avoid such wastage, it is always advisable to undertake a pilot research to get direction.

This type of research is not hypothesis testing-oriented rather it is more formation-oriented and objectives are to provide more definite information.

7. **Descriptive Research:** It is a fact finding work with sufficient interpretation. It is simpler and specific than explorative type of research. Descriptive study focuses on theoretical point. In this type data is collected to test basic concepts. The accuracy of data collection is must to get real idea about basic concepts under study.

- ❖ This type is more focused and specific towards research problem under study.
- ❖ The problem under study should be clear and not debatable.
- ❖ It only develops relationship between variables and not testing of their relationships like in hypothesis.
- ❖ This method is applicable to problem which specifies certain criteria and data is clearly available for accurate objectives.
- ❖ This type needs basic statistical techniques like central tendencies, percentages for comparison mainly.
- ❖ If the criteria are not satisfied then this method is not useful

8. **Ex Post Facto Research:** This type of research is quite often used for descriptive research studies in social sciences and business research. The most distinguishing feature of this method is that the researcher has no control over the variables here. He/She has to only report what is happening or what has happened. Majority of the ex post facto research projects are used for descriptive studies in which the researcher attempts to examine phenomena, such as the consumers' preferences, frequency of purchases, shopping, etc. Despite the inability of the researchers to control the variables, *ex post facto* studies may also comprise attempts by them to discover the causes of the selected problem.

10 • Research Methodology in Accounting and Finance

- ❖ Data collection is after an event or incident happens
 - ❖ It is more of investigative type of research
 - ❖ E.g., officer visits crime scene or place to collect clues and to reach conclusion
 - ❖ Personal skill play an important role
9. **Case Study Research:** The method of exploring and analyzing the life or functioning of a social or economic unit, such as a person, a family, a community, an institution, a firm or an industry is called case study method.

The objective of case study method is to examine the factors that cause the behavioral patterns of a given unit and its relationship with the environment. The data for a study are always gathered with the purpose of tracing the natural history of a social or economic unit, and its relationship with the social or economic factors, besides the forces involved in its environment. Thus, a researcher conducting a study using the case study method attempts to understand the complexity of factors that are operative within a social or economic unit as an integrated totality.

- ❖ In order to attempt this some subject knowledge is required
- ❖ Case study approach is the most human-oriented approach
- ❖ Different research can come up with different results for same case
- ❖ Multidisciplinary knowledge leads to overall understanding of case

Approaches to Research

There are two main approaches to research, namely quantitative approach and qualitative approach.

The **quantitative approach** involves the collection of quantitative data, which are put to rigorous quantitative analysis in a formal and rigid manner. This approach further includes experimental, inferential, and simulation approaches to research.

On the other hand, the **qualitative approach** uses the method of subjective assessment of opinions, behavior and attitudes. Research in such a situation is a function of the researcher's impressions and insights. The results generated by this type of research are either in non-quantitative form or in the form which cannot be put to rigorous quantitative analysis. Usually, this approach uses techniques like in depth interviews, focus group interviews, and projective techniques.

There is one more approach other than these two and it is **mixed approach** as for any research it is very difficult to apply exclusively only one approach. Many number of times objectives and effectiveness of research is more important than the approach and so combination of approaches is the best way to adopt.

Difference between Qualitative and Quantitative methods of data collections/approaches

Sr. No.	Factors	Qualitative	Quantitative
1.	Basis	Concept based	Number based
2.	Method	Focus groups, in-depth interviews	Surveys, observations, structured interviews
3.	Nature	Subjective: Define problem from sufferers point of view	Objective: Observed effects of a program/condition/problem

4.	Effectiveness	More in-depth info on a few cases	Less in depth but more breadth of info for large number of cases
5.	Testing	No statistical test	Based on stats techniques
6.	Validity	More depends upon research skills n experiences	Depends upon methodology, measurement device/instrument
7.	Resources required	Less for planning and more for analysis	High for planning and less for analysis
8.	Applicability	Less generalized	More generalized
9.	Responses	Semi structured or unstructured	Structured and fixed responses

QUESTIONS

I. Multiple Choice Questions (MCQs)

- Research is classified on the basis of _____ and methods
 - purpose
 - intent
 - methodology
 - techniques
- Research undertaken for knowledge sake is
 - Pure Research
 - Action Research
 - Pilot study
 - Survey
- Example for fact finding study is
 - Pure Research
 - Survey
 - Action Research
 - Long-term Research
- Facts or information are analyzed and critical evaluation is made in
 - survey
 - action research
 - analytical research
 - pilot study
- Research conducted to find solution for an immediate problem is _____
 - Fundamental Research
 - Analytical Research
 - Survey
 - Action Research
- Fundamental Research is otherwise called
 - Action Research
 - Survey
 - Pilot study
 - Pure Research
- Motivation Research is a type of _____ research
 - quantitative
 - qualitative
 - pure
 - applied
- Research related to abstract ideas or concepts is
 - Empirical research
 - Conceptual Research
 - Quantitative research
 - Qualitative research
- A research which follows case study method is called
 - Clinical or diagnostic
 - Causal
 - Analytical
 - Qualitative
- Research through experiment and observation is called
 - Clinical Research
 - Experimental Research
 - Laboratory Research
 - Empirical Research

12 • Research Methodology in Accounting and Finance

11. In an experimental design, the dependent variable is:
- (a) The one that is not manipulated and in which any changes are observed.
 - (b) The one that is manipulated in order to observe any effects on the other.
 - (c) A measure of the extent to which personal values affect research
 - (d) an ambiguous concept whose meaning depends on how it is defined.

Answers: 1. (b); 2. (a); 3. (b); 4. (c); 5. (d);
6. (d); 7. (b); 8. (b); 9. (a); 10. (d); 11. (b).

II. Write Short Notes

1. Differentiate between basic and applied research
2. Highlight the different research approaches.
3. Explain historical research
4. What is *ex post facto* type of research

III. Long Answer Type Questions with Hint

1. Explain in detail any five types of research
2. Differentiate between different approaches to research
3. Explain what is qualitative and quantitative research with proper example

