CHAPTER-3

RESEARCH METHODOLOGY
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3.1 RESEARCH:

Research in common parlance refers to a search for knowledge. Once can also define research as a scientific and systematic search for pertinent information on a specific topic. In fact, research is an art of scientific investigation. We all possess the vital instinct of inquisitiveness for, when the unknown confronts us, we wonder and our inquisitiveness makes us probe and attain full and fuller understanding of the unknown. This inquisitiveness is the mother of all knowledge and the method, which man employs for obtaining the knowledge of whatever the unknown, can be termed as research.

Research is an academic activity and as such the term should be used in a technical sense. According to Clifford Woody research comprises defining and redefining problems, formulating hypothesis or suggested solutions; collecting, organising and evaluating data; making deductions and reaching conclusions; and at last carefully testing the conclusions to determine whether they fit the formulating hypothesis.

*Research provides the basis for nearly all government policies in our economic system.*

For instance, government's budgets rest in part on an analysis of the needs and desires of the people and on the availability of revenues to meet these needs.

3.2 RESEARCH METHODOLOGY:

The following order concerning various steps provides a useful procedural guideline regarding the research methodology: (1) formulating the research problem; (2) extensive literature survey; (3) developing the hypothesis; (4) preparing the research
design; (5) determining sample design; (6) collecting the data; (7) execution of the project; (8) analysis of data; (9) hypothesis testing; (10) generalisations and interpretation, and (11) preparation of the report or presentation of the results, i.e., formal write-up of conclusions reached. A brief description of the above stated steps will be helpful.

1. **Formulating the research problem:** There are two types of research problems, viz., those which relate to states of nature and those which relate to relationships between variables. At the very outset the researcher must single out the problem he wants to study, i.e., he must decide the general area of interest or aspect of a subject-matter that he would like to inquire into.

2. **Extensive literature survey:** Once the problem is formulated, a brief summary of it should be written down. It is compulsory for a research worker writing a thesis for a Ph.D. degree to write a synopsis of the topic and submit it to the necessary Committee or the Research Board for approval. At this juncture the researcher should undertake extensive literature survey connected with the problem. For this purpose, the abstracting and indexing journals and published or unpublished bibliographies are the first place to go to. Academic journals, conference proceedings, government reports, books etc., must be tapped depending on the nature of the problem. In this process, it should be remembered that one source will lead to another. The earlier studies, if any, which are similar to the study in hand should be carefully studied. A good library will be a great help to the researcher at this stage.

3. **Development of working hypotheses:** After extensive literature survey, researcher should state in clear terms the working hypothesis or hypotheses. Working hypothesis is tentative assumption made in order to draw out and test its logical or empirical consequences.
4. **Preparing the research design:** The research problem having been formulated in clear cut terms, the researcher will be required to prepare a research design, i.e., he will have to state the conceptual structure within which research would be conducted. The preparation of such a design facilitates research to be as efficient as possible yielding maximal information. In other words, the function of research design is to provide for the collection of relevant evidence with minimal expenditure of effort, time and money. But how all these can be achieved depends mainly on the research purpose. Research purposes may be grouped into four categories, viz., (i) Exploration, (ii) Description, (iii) Diagnosis, and (iv) Experimentation.

The preparation of the research design, appropriate for a particular research problem, involves usually the consideration of the following:

(i) the means of obtaining the information;

(ii) the availability and skills of the researcher and his staff (if any);

(iii) explanation of the way in which selected means of obtaining information will be organized and the reasoning leading to the selection;

(iv) the time available for research; and

(v) the cost factor relating to research, i.e., the finance available for the purpose.

5. **Determining sample design:** All the items under consideration in any field of inquiry constitute a ‘universe’ or ‘population’. A complete enumeration of all the items in the ‘population’ is known as a census inquiry.

6. **Collecting the data:** Primary data can be collected either through experiment or through survey. If the researcher conducts an experiment, he observes some quantitative measurements, or the data, with the help of which he examines the truth contained in his hypothesis. But in the case of a survey, data can be collected by any one or more of the following ways:
(i) *By observation:* This method implies the collection of information by way of investigator's own observation, without interviewing the respondents. The information obtained relates to what is currently happening and is not complicated by either the past behaviour or future intentions or attitudes of respondents. This method is no doubt an expensive method and the information provided by this method is also very limited. As such this method is not suitable in inquiries where large samples are concerned.

(ii) *Through personal interview:* The investigator follows a rigid procedure and seeks answers to a set of pre-conceived questions through personal interviews. This method of collecting data is usually carried out in a structured way where output depends upon the ability of the interviewer to a large extent.

(iii) *Through telephone interviews:* This method of collecting information involves contacting the respondents on telephone itself. This is not a very widely used method but it plays an important role in industrial surveys in developed regions, particularly, when the survey has to be accomplished in a very limited time.

(iv) *By mailing of questionnaires:* The researcher and the respondents do come in contact with each other if this method of survey is adopted. Questionnaires are mailed to the respondents with a request to return after completing the same. It is the most extensively used method in various economic and business surveys. Before applying this method, usually a Pilot Study for testing the questionnaire is conducted which reveals the weaknesses, if any, of the questionnaire. Questionnaire to be used must be prepared very carefully so that it may prove to be effective in collecting the relevant information.

(v) *Through schedules:* Under this method the enumerators are appointed and given training. They are provided with schedules containing relevant questions.

7. **Analysis of data:** After the data have been collected, the researcher turns to the task of analyzing them. The analysis of data requires a number of closely related operations such as establishment of categories, the application of these categories to raw data through coding, tabulation and then drawing statistical inferences.
8. **Hypothesis-testing:** After analysing the data as stated above, the researcher is in a position to test the hypotheses, if any, he had formulated earlier. Do the facts support the hypotheses or they happen to be contrary? This is the usual question which should be answered while testing hypotheses.

Various tests, such as Chi square test, *t*-test, *F*-test, have been developed by statisticians for the purpose. The hypotheses may be tested through the use of one or more of such tests, depending upon the nature and object of research inquiry. Hypothesis-testing will result in either accepting the hypothesis or in rejecting it.

9. **Preparation of the report or the thesis:** Finally, the researcher has to prepare the report of what has been done by him. Writing of report must be done with great care keeping in view the following:

1. The layout of the report should be as follows: (i) the preliminary pages; 
   (ii) the main text, and (iii) the end matter.

   *In its preliminary pages* the report should carry title and date followed by acknowledgements and foreword. Then there should be a table of contents followed by a list of tables and list of graphs and charts, if any, given in the report.

   *The main text of the report* should have the following parts:

   (a) **Introduction:** It should contain a clear statement of the objective of the research and an explanation of the methodology adopted in accomplishing the research. The scope of the study along with various limitations should as well be stated in this part.

   (b) **Summary of findings:** After introduction there would appear a statement of findings and recommendations in non-technical language. If the findings are extensive, they should be summarised.
(c) **Main report:** The main body of the report should be presented in logical sequence and broken-down into readily identifiable sections.

(d) **Conclusion:** Towards the end of the main text, researcher should again put down the results of his research clearly and precisely. In fact, it is the final summing up.

At the end of the report, appendices should be enlisted in respect of all technical data. Bibliography, i.e., list of books, journals, reports, etc., consulted, should also be given in the end. Index should also be given specially in a published research report.

2. Report should be written in a concise and objective style in simple language avoiding vague expressions such as ‘it seems,’ ‘there may be’, and the like.

3. Charts and illustrations in the main report should be used only if they present the information more clearly and forcibly.

4. Calculated ‘confidence limits’ must be mentioned and the various constraints experienced in conducting research operations may as well be stated.

### 3.3 SOURCES OF DATA:

Primary data will be collected through personal observations and a questionnaire framed to get the necessary information. The questionnaire contains questions regarding the general and socioeconomic characteristics of the respondents such as age, educational qualifications etc. The next section focuses on home loans, terms rate of interest, procedures, dealings with the bank, perceptions and satisfaction. A sample size of 200 respondents was chosen from the whole universe randomly, people who had primarily taken home loans were administered the questionnaire. The Primary Data also included information collected by personal interview with the Managers of the various banks.
COLLECTION OF DATA THROUGH QUESTIONNAIRES

This method of data collection is quite popular, particularly in case of big enquiries. It is being adopted by private individuals, research workers, private and public organisations and even by governments.

In this method a questionnaire is administered to the persons concerned with a request to answer the questions and return the questionnaire. A questionnaire consists of a number of questions printed or typed in a definite order on a form or set of forms. The questionnaire is mailed to respondents who are expected to read and understand the questions and write down the reply in the space meant for the purpose in the questionnaire itself. The respondents have to answer the questions on their own.

The method of collecting data by mailing the questionnaires to respondents is most extensively employed in various economic and business surveys. The merits claimed on behalf of this method are as follows:

1. There is low cost even when the universe is large and is widely spread geographically.

Methods of Data Collection

2. It is free from the bias of the interviewer; answers are in respondents’ own words.

3. Respondents have adequate time to give well thought out answers.

4. Respondents, who are not easily approachable, can also be reached conveniently.

5. Large samples can be made use of and thus the results can be made more dependable and reliable.

The main demerits of this system can also be listed here:

1. Low rate of return of the duly filled in questionnaires; bias due to no-response is often indeterminate.
2. It can be used only when respondents are educated and cooperating.

3. The control over questionnaire may be lost once it is sent.

4. There is inbuilt inflexibility because of the difficulty of amending the approach once questionnaires have been despatched.

5. There is also the possibility of ambiguous replies or omission of replies altogether to certain questions; interpretation of omissions is difficult.

6. It is difficult to know whether willing respondents are truly representative.

**Main aspects of a questionnaire:** Quite often questionnaire is considered as the heart of a survey operation. Hence it should be very carefully constructed. If it is not properly set up, then the survey is bound to fail. This fact requires us to study the main aspects of a questionnaire viz., the general form, question sequence and question formulation and wording. Researcher should note the

**Essentials of a good questionnaire:** To be successful, questionnaire should be comparatively short and simple i.e., the size of the questionnaire should be kept to the minimum. Questions should proceed in logical sequence moving from easy to more difficult questions. Personal and intimate questions should be left to the end.

**COLLECTION OF SECONDARY DATA**

Secondary data means data that are already available i.e., they refer to the data which have already been collected and analysed by someone else. When the researcher utilises secondary data, then he has to look into various sources from where he can obtain them. In this case he is certainly not confronted with the problems that are usually associated with the collection of original data. Secondary data may either be published data or unpublished data. Usually published data are available in:

(a) various publications of the central, state are local governments;

(b) various publications of foreign governments or of international bodies and their subsidiary organisations;
technical and trade journals;

books, magazines and newspapers;

reports and publications of various associations connected with business and industry, banks, stock exchanges, etc.;

reports prepared by research scholars, universities, economists, etc. in different fields; and

public records and statistics, historical documents, and other sources of published information. The sources of unpublished data are many; they may be found in diaries, letters, unpublished biographies and autobiographies and also may be available with scholars and research workers, trade associations, labour bureaus and other public/private individuals and organisations.

By way of caution, the researcher, before using secondary data, must see that they possess following characteristics:

1. **Reliability of data:** The reliability can be tested by finding out such things about the said data: (a) Who collected the data? (b) What were the sources of data? (c) Were they collected by using proper methods (d) At what time were they collected? (e) Was there any bias of the compiler? (f) What level of accuracy was desired? Was it achieved?

2. **Suitability of data:** The data that are suitable for one enquiry may not necessarily be found suitable in another enquiry. Hence, if the available data are found to be unsuitable, they should not be used by the researcher. In this context, the researcher must very carefully scrutinise the definition of various terms and units of collection used at the time of collecting the data from the primary source originally.

3. **Adequacy of data:** If the level of accuracy achieved in data is found inadequate for the purpose of the present enquiry, they will be considered as inadequate and should not be used by the researcher. The data will also be considered inadequate, if they are related to an area which may be either narrower or wider than the area of the present enquiry.
3.4 SAMPLING PLAN:

The following norms were considered for the choice of respondent in each Bank. Thus the sample cross section comprise the executive. The sampling technique used for present study is random sampling technique used for administrating the questionnaire. The Research was limited to Shimla in Himachal Pradesh. Shimla is the state capital of Himachal Pradesh and also has most number of banks within the state. The respondent of different Banks were approached directly and requested to fill in the questionnaire. Additionally the respondent were assured of confidentiality of there responses. The banks considered were State bank of India, HDFC and LIC. Questionnaire was primarily administered from January, 2011 for over a year. The sample size was of 200 respondents.

Development of questionnaire: the primary data was proposed to be collected with the help of the questionnaire. In order to finalise the questionnaire a rough draft was first prepared and a pilot survey carried out on the same. It judged the applicability of the information so collected in context of the present study. The final draft of the questionnaire was thus prepared.

The questionnaire contains questions regarding the general and socioeconomic characteristics of the respondents such as age, educational qualifications etc. The next section focuses on home loans, terms rate of interest, procedures, dealings with the bank, perceptions and satisfaction. A sample size of 200 respondents was chosen from the whole universe randomly, people who had primarily taken home loans were administered the questionnaire.

The Primary Data also included information collected by personal interview with the Managers of the various banks.

The detailed questionnaire used in the study is a part of the annexure.

Secondary data was collected by visiting the various banks and also interviewing the managers dealing in the home loan products. The annual reports of the
various banks were also studied, data from department of economics and statistics and existing literature on home loans was referred to. Own experience in the field for over 9 years in a leading housing loan provider also helped in analysing the results.

3.5 STATISTICAL TECHNIQUES:

In order to analyse the data so collected various mathematical and statistical tools can be used so that factual position may be ascertained and reliable conclusions may be drawn. Mathematical techniques such as percentage, statistical tools like measures of central tendency and chi square test are applied. The use of SPSS” Statistical package for social sciences has also been done. The association between different variables was done by using the chi square test.

Hypothesis is usually considered as the principal instrument in research. Its main function is to suggest new experiments and observations. In fact, many experiments are carried out with the deliberate object of testing hypotheses.

A Hypothesis may be defined as a proposition or a set of proposition set forth as an explanation for the occurrence of some specified group of phenomena either asserted merely as a provisional conjecture to guide some investigation or accepted as highly probable in the light of established facts.

Basic concepts in the context of testing of hypotheses are.

(a) *Null hypothesis and alternative hypothesis:* In the context of statistical analysis, we often talk about null hypothesis and alternative hypothesis. If we are to compare method $A$ with method $B$ about its superiority and if we proceed on the assumption that both methods are equally good, then this assumption is termed as the null hypothesis. As against this, we may think that the method $A$ is superior or the method $B$ is inferior, we are then stating what is termed as alternative hypothesis. The null hypothesis is generally symbolized as $H_0$ and the alternative hypothesis as $H_a$. 
IMPORTANT PARAMETRIC TESTS

The important parametric tests are: (1) z-test; (2) t-test; (*3) $\chi^2$-test, and (4) $F$-test. All these tests are based on the assumption of normality i.e., the source of data is considered to be normally distributed.

$\chi^2$-test is based on chi-square distribution and as a parametric test is used for comparing a sample variance to a theoretical population variance.

3.6 CHI-SQUARE AS A TEST FOR COMPARING VARIANCE:

The chi-square value is often used to judge the significance of population variance i.e., we can use the test to judge if a random sample has been drawn from a normal population with mean and with a specified variance.

The test is based on $\chi^2$-distribution. Such a distribution we encounter when we deal with collections of values that involve adding up squares. Variances of samples require us to add a collection of squared quantities and, thus, have distributions that are related to $\chi^2$-distribution. If we take each one of a collection of sample variances, divided them by the known population variance and multiply these quotients by $(n - 1)$, where $n$ means the number of items in the sample, we shall obtain a $\chi^2$-distribution.

The $\chi^2$-distribution is not symmetrical and all the values are positive. For making use of this distribution, one is required to know the degrees of freedom since for different degrees of freedom we have different curves.

$(n - 1)$ = degrees of freedom, $n$ being the number of items in the sample.

Then by comparing the calculated value with the table value of $\chi^2$ for $(n - 1)$ degrees of freedom at a given level of significance, we may either accept or reject the null hypothesis. If the calculated value of $\chi^2$ is less than the table value, the null hypothesis is accepted, but if the calculated value is equal or greater than the table value, the hypothesis is rejected.
CHI-SQUARE AS A NON-PARAMETRIC TEST

Chi-square is an important non-parametric test and as such no rigid assumptions are necessary in respect of the type of population. We require only the degrees of freedom (implicitly of course the size of the sample) for using this test. As a non-parametric test, chi-square can be used (i) as a test of goodness of fit and (ii) as a test of independence.

As a test of goodness of fit, $\chi^2$ test enables us to see how well does the assumed theoretical distribution (such as Binomial distribution, Poisson distribution or Normal distribution) fit to the observed data. When some theoretical distribution is fitted to the given data, we are always interested in knowing as to how well this distribution fits with the observed data. The chi-square test can give answer to this. If the calculated value of $\chi^2$ is less than the table value at a certain level of significance, the fit is considered to be a good one which means that the divergence between the observed and expected frequencies is attributable to fluctuations of sampling. But if the calculated value of $\chi^2$ is greater than its table value, the fit is not considered to be a good one.

As a test of independence, $\chi^2$ test enables us to explain whether or not two attributes are associated. For instance, we may be interested in knowing whether a new medicine is effective in controlling fever or not, $\chi^2$ test will helps us in deciding this issue. In such a situation, we proceed with the null hypothesis that the two attributes (viz., new medicine and control of fever) are independent which means that new medicine is not effective in controlling fever. On this basis we first calculate the expected frequencies and then work out the value of $\chi^2$. If the calculated value of $\chi^2$ is less than the table value at a certain level of significance for given degrees of freedom, we conclude that null hypothesis stands which means that the two attributes are independent or not associated (i.e., the new medicine is not effective in controlling the fever). But if the calculated value of $\chi^2$ is greater than its table value, our inference then would be that null hypothesis does not hold good which means the two attributes
are associated and the association is not because of some chance factor but it exists in reality (i.e., the new medicine is effective in controlling the fever and as such may be prescribed). It may, however, be stated here that $\chi^2$ is not a measure of the degree of relationship or the form of relationship between two attributes, but is simply a technique of judging the significance of such association or relationship between two attributes.

**CONDITIONS FOR THE APPLICATION OF $\chi^2$ TEST**

The following conditions should be satisfied before $\chi^2$ test can be applied:

(i) Observations recorded and used are collected on a random basis.

(ii) All the items in the sample must be independent.

(iii) No group should contain very few items, say less than 10. In case where the frequencies are less than 10, regrouping is done by combining the frequencies of adjoining groups so that the new frequencies become greater than 10. Some statisticians take this number as 5, but 10 is regarded as better by most of the statisticians.

(iv) The overall number of items must also be reasonably large. It should normally be at least 50, howsoever small the number of groups may be.

(v) The constraints must be linear. Constraints which involve linear equations in the cell frequencies of a contingency table (i.e., equations containing no squares or higher powers of the frequencies) are known as linear constraints.

**STEPS INVOLVED IN APPLYING CHI-SQUARE TEST**

The various steps involved are as follows:

(i) First of all calculate the expected frequencies on the basis of given hypothesis or on the basis of null hypothesis. Usually in case of a $2 \times 2$ or any contingency table, the expected frequency for any given cell is worked out as under:
Expected frequency of any cell = \[
\frac{(\text{Row total for the row of that cell}) \times 
(\text{Column total for the column of that cell})}{(\text{Grand Total})}
\]

(ii) Obtain the difference between observed and expected frequencies and find out the squares of such differences i.e., calculate \((O_{ij} - E_{ij})^2\).

(iii) Divide the quantity \((O_{ij} - E_{ij})^2\) obtained as stated above by the corresponding expected frequency to get \((O_{ij} - E_{ij})^2/E_{ij}\) and this should be done for all the cell frequencies or the group frequencies.

(iv) Find the summation of \((O_{ij} - E_{ij})^2/E_{ij}\) values

\[
\chi^2 = \sum \frac{(O_{ij} - E_{ij})^2}{E_{ij}}
\]

This is the required \(\chi^2\) value.

The \(\chi^2\) value obtained as such should be compared with relevant table value of \(\chi^2\) and then inference be drawn as stated above.

3.7 MEANING OF INTERPRETATION:

Interpretation refers to the task of drawing inferences from the collected facts after an analytical and/or experimental study. In fact, it is a search for broader meaning of research findings. The task of interpretation has two major aspects viz., (i) the effort to establish continuity in research through linking the results of a given study with those of another, and (ii) the establishment of some explanatory concepts. “In one sense, interpretation is concerned with relationships within the collected data, partially overlapping analysis. Interpretation also extends beyond the data of the study to include the results of other research, theory and hypotheses.”1 Thus, interpretation is the device through which the factors that seem to explain what has been observed by researcher in the course of the study can be better understood and it also provides a theoretical conception which can serve as a guide for further researches.
Interpretation and Report Writing

(i) It is through interpretation that the researcher can well understand the abstract principle that works beneath his findings. Through this he can link up his findings with those of other studies, having the same abstract principle, and thereby can predict about the concrete world of events. Fresh inquiries can test these predictions later on. This way the continuity in research can be maintained.

(ii) Interpretation leads to the establishment of explanatory concepts that can serve as a guide for future research studies; it opens new avenues of intellectual adventure and stimulates the quest for more knowledge.

(iii) Researcher can better appreciate only through interpretation why his findings are what they are and can make others to understand the real significance of his research findings.

(iv) The interpretation of the findings of exploratory research study often results into hypotheses for experimental research and as such interpretation is involved in the transition from exploratory to experimental research. Since an exploratory study does not have a hypothesis to start with, the findings of such a study have to be interpreted on a *post-factum* basis in which case the interpretation is technically described as ‘*post factum*’ interpretation.

**TECHNIQUE OF INTERPRETATION**

The task of interpretation is not an easy job, rather it requires a great skill and dexterity on the part of researcher. Interpretation is an art that one learns through practice and experience. The researcher may, at times, seek the guidance from experts for accomplishing the task of interpretation.

The technique of interpretation often involves the following steps:

(i) Researcher must give reasonable explanations of the relations which he has found and he must interpret the lines of relationship in terms of the underlying
processes and must try to find out the thread of uniformity that lies under the surface layer of his diversified research findings. In fact, this is the technique of how generalization should be done and concepts be formulated.

(ii) Extraneous information, if collected during the study, must be considered while interpreting the final results of research study, for it may prove to be a key factor in understanding the problem under consideration.

(iii) It is advisable, before embarking upon final interpretation, to consult someone having insight into the study and who is frank and honest and will not hesitate to point out omissions and errors in logical argumentation. Such a consultation will result in correct interpretation and, thus, will enhance the utility of research results.

(iv) Researcher must accomplish the task of interpretation only after considering all relevant factors affecting the problem to avoid false generalization. He must be in no hurry while interpreting results, for quite often the conclusions, which appear to be all right at the beginning, may not at all be accurate.

3.8 REPORT WRITING:

Research report is considered a major component of the research study for the research task remains incomplete till the report has been presented and/or written. As a matter of fact even the most brilliant hypothesis, highly well designed and conducted research study, and the most striking generalizations and findings are of little value unless they are effectively communicated to others.

The purpose of research is not well served unless the findings are made known to others. Research results must invariably enter the general store of knowledge. The research should be made public and the results known for further research in the subject

*Interpretation and Report Writing* research report. There are people who do not consider writing of report as an integral part of the research process. But the general
opinion is in favour of treating the presentation of research results or the writing of report as part and parcel of the research project. Writing of report is the last step in a research study and requires a set of skills somewhat different from those called for in respect of the earlier stages of research. This task should be accomplished by the researcher with utmost care; he may seek the assistance and guidance of experts for the purpose.

DIFFERENT STEPS IN WRITING REPORT

Research reports are the product of slow, painstaking, accurate inductive work. The usual steps involved in writing report are: (a) logical analysis of the subject-matter; (b) preparation of the final outline; (c) preparation of the rough draft; (d) rewriting and polishing; (e) preparation of the final bibliography; and (f) writing the final draft. Though all these steps are self-explanatory, yet a brief mention of each one of these will be appropriate for better understanding.

Logical analysis of the subject matter: It is the first step which is primarily concerned with the development of a subject. There are two ways in which to develop a subject (a) logically and (b) chronologically. The logical development is made on the basis of mental connections and associations between the one thing and another by means of analysis. Logical treatment often consists in developing the material from the simple possible to the most complex structures. Chronological development is based on a connection or sequence in time or occurrence. The directions for doing or making something usually follow the chronological order.

Preparation of the final outline: It is the next step in writing the research report. “Outlines are the framework upon which long written works are constructed. They are an aid to the logical organization of the material and a reminder of the points to be stressed in the report.”

Preparation of the rough draft: This follows the logical analysis of the subject and the preparation of the final outline. Such a step is of utmost importance for the
researcher now sits to write down what he has done in the context of his research study. He will write down the procedure adopted by him in collecting the material for his study along with various limitations faced by him, the technique of analysis adopted by him, the broad findings and generalizations and the various suggestions he wants to offer regarding the problem concerned.

**Rewriting and polishing of the rough draft:** This step happens to be most difficult part of all formal writing. Usually this step requires more time than the writing of the rough draft. The careful revision makes the difference between a mediocre and a good piece of writing. While rewriting and polishing, one should check the report for weaknesses in logical development or presentation.

**Preparation of the final bibliography:** Next in order comes the task of the preparation of the final bibliography. The bibliography, which is generally appended to the research report, is a list of books in some way pertinent to the research which has been done. It should contain all those works which the researcher has consulted.

**Writing the final draft:** This constitutes the last step. The final draft should be written in a concise and objective style and in simple language, avoiding vague expressions such as “it seems”, “there may be”, and the like ones. While writing the final draft, the researcher must avoid abstract terminology and technical jargon. Illustrations and examples based on common experiences must be incorporated in the final draft as they happen to be most effective in communicating the research findings to others. A research report should not be dull, but must enthuse people and maintain interest and must show originality. It must be remembered that every report should be an attempt to solve some intellectual problem and must contribute to the solution of a problem and must add to the knowledge of both the researcher and the reader.

**3.9 NEED OF THE STUDY:**

The recent sub prime mortgage crisis began in USA in August 2007 and repercussions were felt on the world economy as a whole. In US there were 4
categories of loans Jumbo, prime, Near-prime and Sub Prime. The subprime loans were packaged and sold as CDO (collateralized debt obligations) the world over as they promised a higher return. The home loan Mortgages were at the centre of it all.

Consumer complaints are the initial filters which identify the basic functioning of the financial institution and its processes. The consumer behavioural patterns and satisfaction surveys reveal and are a mirror to the functioning of the organization also help us in understanding the market dynamics. There have been very few studies on the subject and my research as well as my applied knowledge being a part of a leading financial home loan institution for over 9 years shall help in researching the topic. The research shall help the consumers as well as the financial institutions. Customers perception is what makes all the difference between the choice of banks for a customer when he decides on taking a home loan.

3.10 HYPOTHESIS:

On the basis of review of the existing literature and the demands of present study some of the Hypothesis that are tested in this study are as follows.

(i) There is no association between the loan amount taken and the Age, address of the customer, gender, occupation, income levels and type of bank chosen by the customer.

(ii) There is no association between the type of bank and the Age, gender, occupation and income levels of the customer.

(iii) There is no association between the reasons for taking a home loan and the Age, gender, occupation and type of bank chosen by the customer.

Customers perception is also analysed by comparing services of various private and public sector banks.
3.11 OBJECTIVES OF THE STUDY:

- To study housing finance.
- To understand the process and procedure of a Home loan.
- To study customer satisfaction levels towards banks in Shimla.
- To do a comparative study of Public and Private sector Banks in reference to the home loans.
- To study customers perception of home loans.
- To provide suggestive measures to housing finance institutions and banks.

3.12 LIMITATIONS OF THE STUDY:

- The research study was taken in a limited area only and findings may vary if the area of study is changed.
- Some respondents at times can be biased in their responses and as such analysis and conclusion based on it could vary to some extent.
- The data being time bound is also influenced by macroeconomic conditions and the economy as a whole.

3.13 FUTURE SCOPE OF STUDY:

- Comparative study of marketing techniques evolved by private and public sector banks
- Study of credit policy on various products of home loans deployed by the banks.
- Study on customer service delivered by banks on different products offered by them.