In this chapter, the materials and the methodology used for conducting the present study has been put forth. Besides, the objectives of the study, hypotheses, scope and dimensions of the study has also been put forth in this chapter.

**Objectives of the Study**

The study has been undertaken keeping in view the following set of objectives:

- To examine the management of resource mobilization to facilitate civic services.
- To critically analyze the utilization of funds.
- To critically analyse the budgeting practices followed by the Municipal Corporations in the state.
- To draw meaningful conclusions and suggest measures for improving the financial health of the Municipal Corporations in the state.

**Hypotheses**

In consonance with the objectives of the study, the following working hypotheses has been set-up to give a proper direction to the study through a hypothetical basis:
❖ Growth in revenues has remained insufficient due to the failure of municipal administration to innovate new sources of revenues.

❖ Lack of prioritization of financial resources has further compounded the problems of Municipal Corporations in the state.

❖ Budgeting practices followed by the Municipal Corporations in the state are unscientific.

**Scope of the Study**

The scope of the study is confined to two Municipal Corporations of the state viz., The Srinagar Municipal Corporation (SMC) and the Jammu Municipal Corporation (JMC).

**Reference Period of the Study**

The reference period of the study has been from 1985-86 to 2005-06. However, to isolate the impact of disturbed conditions in the state in general and in Kashmir Valley in particular, the total time period has been divided into three time periods viz. Pre-Militancy period (1985-86 to 1989-90), Militancy period (1990-91 to 1996-97) and post militancy period (1997-98 to 2005-06). This classification has been followed for JMC as well for comparison purposes. Further, wherever required the study has referred to the data prior to 1985-86 and after 2005-06.

**Dimensions of the Study**

The dimensions of the study were identified after a thorough review of literature. The literature survey was conducted through research articles published in various Journals, magazines, books, research reports and the specific publications of Government,
individuals, institutions, etc. Besides, holding discussions with the experts and persons having intimate knowledge on the subject, the problem was discussed threadbare with the municipal authorities at the helm of affairs. After a thorough review of literature, various dimensions/aspects related to the problem under study were identified for undertaking the study.

The three important dimensions identified for undertaking the present study includes municipal resource mobilization, resource utilization and municipal financial control (municipal budgeting). The first dimension i.e. municipal resource mobilization has been studied among other researchers by Jha (2005), Mathur (1996), Arora and Prabhakar (2005), Gurumukhi and Srinvas (2005), Arabi (2005), Alok (2004), Data (1984). The second dimension i.e. municipal resource utilization along with the first dimension has been studied by Singh (1978), Jha (1991), Kumar (2005), Mishra (2001), Kedia (1996), Jha (1991) Naresh (1998) and others. The third dimension i.e. municipal financial control has been studied by Datta (1970), Singh (1990). Therefore, research efforts has been made to study only these three important aspects/dimensions of municipal finance.

**Research Design**

The research design for the study has been formulated keeping in view the objectives of the study. While formulating the research design, the following scheme has been followed:

1. Historical background, rationale and growth and development of local bodies in India in general and in the State of Jammu & Kashmir in particular has been highlighted. Besides, the conceptual framework of various
aspects of municipal finance has been put forth. All this has been covered in the chapter “Introduction”.

2. The available literature on the different aspects of management of finances of municipal bodies has been critically analysed to identify the research gaps in the area under study have been dealt under the chapter “Review of related literature”. At the end, the chapter brings to light the agenda for future research.

3. The research methodology adopted while conducting research has been put forth. The objectives of the study, hypotheses, scope and dimension of the study has also been put forth under a separate chapter under the name “Research Methodology”.

4. For ensuring an in-depth study of management of resource mobilization in the municipal corporation in the state of J&K with a view to know to what extent these Municipal Corporations have been able to mobilize their revenue potential, an analytical study has been made and interpreted in the light of the set objectives. The whole analysis, pertaining to the area as narrated has been mirrored in the chapter “Results and Discussions-1”. The chapter in fact is one of the operating chapter of the study as it culls out the results and findings of the study.

5. Critical study of management of expenditures in the Municipal Corporations of J&K form the subject matter of chapter V. This chapter under the name “Results and
Discussions- II" is also one of the operating chapter of the study as it culls out the results and findings of the study.

6. Critical analysis of budgeting practices followed by the Municipal Corporations in the state with the purpose to highlight the weakness if any, in their budgeting system has been dealt under the chapter “Municipal financial control”.

7. The findings of the study and conclusions drawn has been summarized in the penultimate chapter. Numerous suggestions and recommendations based on these findings have been put forth for implementation at different levels of implementation. The conclusions, suggestions aimed at improving the financial health of the Municipal corporations in the state of J&K have been captured under the last chapter “Conclusions and Suggestions”.

Sources of Data

In view of the nature and objectives of the study, the present study is purely based on the data collected from secondary sources. The secondary data has been collected from the published and unpublished documents, committee reports, statistical hand books and budget documents of municipal authorities. Survey and project reports, research papers published in various books and journals on different aspects of municipal finance have also served as a source of secondary data.

Besides, for the purpose of augmenting authenticity and validity to the various conclusions drawn on the basis of data analysis, personal
discussions and deliberations were held with the concerned authorities, councilors and the experts in the field.

**Processing and Analysis of Data**

The data collected from secondary sources have been edited, coded, categorized and thereafter, summarized and arranged in a logical order. The collected data so arranged has been analysed with the help of statistical tools to arrive at dependable results. To elicit a true state of affairs keeping in view the objectives of the study, the statistical methods of percentages, summary statistics such as averages and compound annual growth rates (CAGR) have been used. To unravel growth rates, the exponential trend equation of $Y = abx$ has been fitted into the time series data from 1985-86 to 2005-06.

The following formulae have been used:

- Exponential trend equation $Y = ab^x$
- Compound growth rate $[Gr=100(b-1)]$

**Limitations of the Study**

The study is bereft with following limitations

1. Inadequate and non-availability of data posed a serious constraint in making an in-depth analysis of important aspects of the finances of the Municipal Corporations in the state of J&K. Poor maintenance of records was a common feature at all levels including, Municipal Corporations, Commissioners Office, Directorate of local bodies, Secretariat, etc. The records available were incomplete because the Municipal Corporations have not supplied relevant information especially relating to
arrears of taxes and other municipal dues. Also, many of the important reports: Administrative reports, Audit reports and the like, which are vital for making in-depth study were not available. Since the agencies which are supposed to maintain these records/reports were in general found to be very negligent on this count.

2. The difficulty also arose when personal interviews, discussions and deliberations were held with the municipal officials. Many municipal officials considered it a waste of time to share and supply the required information needed for the study. Sometimes, their passive attitude discouraged the researcher in his work. They perhaps did not appreciate the need and significance of such studies. In such circumstances, the researcher has to contend with whatever he could collect from willing officials.