CHAPTER 3
RESEARCH METHODOLOGY

3.1 RESEARCH METHODOLOGY

Research methodology is approach to methodically take care of research issue. It might be comprehended as study of concentrate how research is done deductively. In it we examine different steps that are by & large received by researcher in concentrate his research issue alongside rationale behind them. It is vital for researcher to know not just research strategies/methods yet in addition methodology. Researchers not just need to know how to build up certain records or tests, most effective method to ascertain mean, mode, middle or standard deviation or chi-square, how to apply specific research strategies, however they likewise need to know which of these techniques or methods, are applicable & which are not, & what might they mean & demonstrate & why.

Researchers too need to comprehend suppositions fundamental different strategies & they have to know criteria by which they can choose that specific methods & techniques will be appropriate to specific issues what's more, others won't. This implies it is fundamental for researcher to plan his methodology for his concern as same may contrast from issue to issue. For instance, engineer, who plans building, needs to intentionally assess premise of his decisions, i.e., he needs to assess why also, on what premise he chooses specific size, number & location of entryways, windows & ventilators, utilizes specific materials & not others & so forth. Also, in research researcher needs to uncover research decisions to assessment before they are actualized. He needs to indicate obviously & definitely what decisions he chooses & why he chooses them so they can be assessed by others moreover.

3.2 RESEARCH DESIGN

The imposing issue that takes after assignment of characterizing research issue is preparation of design of research venture, prominently known as "research design". Decisions with respect to what, where, when, how much, by what implies concerning request or research consider constitute research design. "A research design is game plan of conditions for accumulation & examination of data in way that intends to consolidate pertinence to research reason with economy in procedure." Actually, research design is calculated structure inside which research is led; it constitutes outline for gathering, estimation & examination of data. All things considered design
incorporates blueprint of what researcher will do from composing hypothesis & its operational ramifications to last investigation of data.

This examination includes investigation of information accessible on accounting standards & accounting standards setting system examination is more about accounting hypothesis than accounting numbers. universe of examination fundamentally is first to contrast Indian Standard Setting technique & some international frameworks & second to contrast Indian Accounting Standards & current International Accounting Standards.

3.3 DATA COLLECTION

The accessible writing on Indian accounting standards & accounting standards somewhere else on planet happen to be essential wellspring of data. For collecting information about Indian bookkeeping standards, Office of Institute of Chartered Accountants of India was gone to. productions of ICAI & month to month magazine issued by ICAI shaped principle wellsprings of data for information about Indian accounting standard setting framework. For collecting data about accounting standard setting hones in different nations, different books with international versions & magazines & different publications on accounting accessible in to great degree resourceful library of Indian Institute of Management framed principle wellspring of information. Aside from these essential sources yearly reports of some driving Indian organizations gathered from singular investors, dialogs with specialists in accounting field, class discourse on applicable point in different workshops sorted out in I.I.M.A., examination material utilized by accounting students in I.I.M.A & exploration ventures done in past in India & in different nations on comparable subject supplemented information gathered from essential sources.

3.4 HYPOTHESIS

HYPOTHESIS 1
H0: There is no significant correlation between effect of IFRS on Business Operations & impact of IFRS on Performance Measurement.
H1: There is significant correlation between effect of IFRS on Business Operations & impact of IFRS on Performance Measurement.

HYPOTHESIS 2
H0: There is no significant correlation between impact of IFRS on Business Operations & benefits of IFRS as compare to Indian GAAP.
H1: There is significant correlation between impact of IFRS on Business Operations & benefits of IFRS as compare to Indian GAAP.

HYPOTHESIS 3
H0: There is no significant correlation between impact of IFRS on Business Operations & IFRS & Compliance with Domestic Accounting.
H1: There is significant correlation between impact of IFRS on Business Operations & IFRS & Compliance with Domestic Accounting.

HYPOTHESIS 4
H0: There is no significant correlation between benefits of IFRS as compare to Indian GAAP & IFRS & Accounting Technicalities.
H1: There is significant correlation between benefits of IFRS as compare to Indian GAAP & IFRS & Accounting Technicalities.

3.5 SAMPLING
Sampling is determination of piece of total or population to speak to entire population. piece of population chose is known as example. Along these lines, in sampling procedures rather than each unit of universe, just piece of universe is examined & conclusions are drawn on that reason for whole universe. There are diverse strategies for sampling which are utilized for examines reason, for example, likelihood sampling & non-likelihood sampling. Here, scientist has utilized Stratified Random Sampling to gather data from both primary & secondary data sources.

3.6 SOURCES FOR DATA COLLECTION
Primary data
With end goal of primary data source, analyst has picked sharpening people from Institute of Chartered Accountants of India inside territory of India. For gathering more stratified examples inside territory of Gujarat, scientist has additionally chosen four major urban communities of India i.e. Ahmadabad, Pune, Hyderabad & Rajkot by having wellspring of data from WIRC of ICAI.

Secondary
With end goal of secondary data source, organizations recorded on National Stock Exchange (NSE) NIFTY - 50 & Bombay Stock Exchange (BSE) SENSEX 30 are considered. Specialist has made examination of NIFTY 50 & SENSEX 30 organizations as on 31st March, 2015 just to have regular organizations which are there in two records.

3.7 DATA COLLECTION TOOLS
Primary Data: For motivation behind collecting primary data, analyst has influenced pilot to consider by surrounding & sending line polls to 25 rehearsing contracted bookkeepers & 25 academicians in subject of Accountancy. Based on pilot think about, scientist has composed last poll containing inquiries on various sets & issues by utilizing Google Forms. Survey has been sent to 725 Chartered Accountants honing in zone corporate financial announcing & having background for same of Gujarat, in four major urban communities like Ahmedabad, Pune, Hyderabad & Rajkot. Out of aggregate 725 polls sent, 205 respondents have given their criticisms for same i.e. 53 respondents from Ahmedabad, 50 respondents from Pune, 52 respondents from Hyderabad & 50 respondents from Rajkot.

- Mean
- Standard Deviation
- Standard Error
- t-test for Equality of Means

Sample Size (205)

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3.8 PROBLEM FORMULATION

Financial Reporting is currently days thought to be one of key viewpoint if there should arise occurrence of organization & nation all in all in persistently changing business condition. After presentation of International Financial Reporting Standards on planet economy, roughly 143 nations have either embraced IFRS in Toto or proposed to merge their household GAAP according to IFRS. IASB has supplanted IASC in 2001. Since 2001, much research has been finished by specialists in region of International Accounting & Harmonization of accounting rehearses everywhere throughout world. Research for nations like U.S., European Union, China, Australia with respect to pre & post IFRS has been managed by scientists & they have tended to different issues so far as adoption & convergence are concerned. India has taken choice to merge its Indian GAAP into IFRS in 2006. Administration of Corporate Affairs (MCA) has given commitment of preparing new bookkeeping models to Institute of Chartered Accountants of India (ICAI). MCA has additionally constituted National Financial Reporting Authority u/s 132 of Companies Act, 2013 to screen & implement compliance with accounting benchmarks. MCA has initially given guide to convergence from 2011 however by one means or another it recorded so again MCA has given guide to convergence & according to which India is at long last going to report according to united accounting principles from first April, 2016 which is known as Indian Accounting Standards (IND AS). Fundamentally at whatever point we are adopting some new practices, there is requirement for pre adoption ponder & once we have received, there is requirement for post adoption consider. Much examination has been improved situation outside nations by individual & scholarly specialists yet less or very nearly insignificant report has been improved situation Indian setting to address this regularly changing & ever green marvel in subject of Corporate Financial Reporting. By thinking about all these above contentions, analyst has chosen investigation of same. Also, as result of this at last analyst has chosen examine think about titled as "A Study on Issues identified with uniting Indian Accounting Standards into International Financial Reporting Standards".

Another idea dependably includes great & negative perspectives like two sides of coin. Same is valid with IFRS which is all around perceived as another idea. good perspectives are openings & ominous are dangers or difficulties related with its usage. Capital market development, financial development driver, change in precision & reliability of accounting information, help of merger or obtaining, better
corporate administration, better hazard management, sparing costs & accommodating apparatus for accounting professionals & so on are open doors areas though fair value guideline, time value of money, weight of preparing workers, maintenance of key representatives, cost of preparing, prerequisite of progress in company law, banking law, SEBI direction & so forth are major challenges in change of Indian accounting benchmarks (IAS) to IFRS.

IFRS have turned out to be required in number of nations of world & numerous more are prepared to embrace these in coming couple of years. No complete research has so far been done to discover openings & difficulties in progress of IAS to IFRS. That is reason not much writing has been produced on this idea. present research is designed to discover out difficulties shaping hindrances in usage of IFRS in India.

3.9 TECHNIQUES IN IMPLEMENTING IFRS

- Fair Value Accounting

The utilization of fair value accounting can convey unpredictability & subjectively to financial articulations it is exceptionally hard to land at fair value & valuation specialists additionally feel trouble to move from historical method to fair value method. Besides, changes in accordance with fair value bring about additions or losses which are reflected in income proclamations. Regardless of whether this can be incorporated into registering distributable profit is likewise far from being obviously true issue. fair value financial detailing under International Financial Reporting Standards (IFRSs) got mixed in current monetary strife in US that shook worldwide financial markets & establishments. According to fair value accounting banks & different elements would require to receive stamp to market valuation of financial assets & investment property.

The spotlight for IAS 18 is on development of standard, distinction amongst income & income under asset/liability display, & acknowledgment criteria for income for both sale of merchandise & rendering of administrations. There are clarifications & applications to delineate importance of fair value as connected to estimation of income. Moreover, there are handy cases for few industry-particular issues identified with income acknowledgment for broadcast communications, pharmaceutical, retail, & aircraft organizations. extent of work incorporates revelation prerequisites, consideration of communication between IAS 18 & different norms & translations, furthermore, expected future developments
• **Taxation**

IFRS merging would influence majority of things in financial statements & thusly tax liabilities would likewise experience change. Along these lines taxation laws should address treatment of tax liabilities emerging on merging from Indian GAAP to IFRS. entire redesign in Tax Laws is major test looked by Indian Law Makers. It includes awesome changes in Tax Laws keeping in mind end goal to make tax experts to perceive IFRS-Compliant financial statements. Along these lines taxation laws should address treatment of tax liabilities emerging on joining from Indian GAAP to IFRS, this is another test coming about because of usage of IFRS, it is critical that taxation laws perceive IFRS objection financial statements else it would copy administrative work for organizations.

• **Training**

One of greatest obstacles in actualizing IFRS is that absence of training offices & scholarly courses on IFRS in India. IFRS establishment as of now offering Online IFRS program, recognition & endorsement courses & furthermore Institute of Chartered Accountants of India (ICAI) has begun IFRS Training programs for its individuals, Chartered Accountants & other interested gatherings. In any case, there exists extensive gap between Trained Professionals required & prepared professionals accessible.

• **Auditing**

Another influenced division is review firms in India who need to review fair value accounting as per IFRS without satisfactory direction at show these review firms are doing review according to cost idea accounting. IFRS are executed without satisfactory review direction by ICAI; it won't be advocated to anticipate from examiners to release their duty according to new Organizations Act, 2013. This might be especially trying for less all around situated review firms, which regularly may have less resources accessible through subsidiary or network firms found in purviews in which backers as of now report as per IFRS. Review firms would require considering components of their frameworks of value control, for example, their practices identified with employing, allotting personnel to engagements, proficient improvement & progression exercises. Indian review firms may experience challenges in building up approaches & strategies, & employing what's more, training
personnel, to give themselves sensible affirmation that their personnel would have learning proper to perform audits of IFRS.

- **Other administrative changes**

  Notwithstanding immediate tax suggestions secured by ICDS, controllers would likewise need to roll out adjusting improvements to different controls, for example, backhanded taxes especially when India is moving towards Goods & Service Tax (GST). Worldwide experience demonstrates that organizations would require satisfactory preparation time to design smooth transition & to impart effect of transition to key partners, for example, Board, banks, financial specialists & experts. This is especially pertinent since effect on sales, earnings & net worth for few organizations may not be unimportant. While controllers need to do their bit, there is requirement for functioning level headed discussion among organizations, industry affiliations, banks, financial specialists & examiners on effect & difficulties identifying with transition