Research Methodology

Parametric tests – Anova

The anova tests the null hypothesis that samples in two or more groups are drawn from the same population. To do this, two estimates are made of the population variance. These estimates rely on various assumptions. The ANOVA produces an F-statistic, the ratio of the variance calculated among the means to the variance within the samples. If the group means are drawn from the same population, the variance between the group means should be lower than the variance of the samples, following the central limit theorem. A higher ratio therefore implies that the samples were drawn from different populations.

Selection of Sample:

In pursuing a new field of study, it is always desirable to confine the research work to a limited area so that detailed and intensive data may be collected by adopting case study method. It is only on the imperial base provided by the descriptive case studies of particular area that sophisticated theoretical studies can be undertaken in future and meaningful insights and tentative hypothesis be inducted for organizing studies with wider coverage.

Collection of Data:

To accomplish the objectives of the proposed study, both primary and secondary data will be collected.

- Primary data
  - This will be collected through questionnaire and personal interviews with the officers of the selected companies and investors.
  - The questionnaire will contain different questions on interim reporting.
  - It will also include the items of information which will be required to be published in the annual report of a company.
The main aim of questionnaire will be to know the opinions of Indian investors and views of officers of companies about the disclosure of item of interim reporting.

Direct contact with the prospective and present investors will be established for analysis of ‘perceptions of investors’. The questionnaire will printed and distributed among different investors across the country to obtain ideal answer for the research questions.

**Secondary data**

- This will be collected through published financial and annual reports of the selected companies and from the web site of [www.nseindia.com](http://www.nseindia.com), [www.sebi.com](http://www.sebi.com), [www.moneycontrol.com](http://www.moneycontrol.com).
- The data thus collected will be tabulated, classified and grouped for the purpose of interpretation, analysis and finding conclusions in order to analyze the data.
- The various financial techniques such as common size analysis, comparative analysis and trend analysis will be used in the proposed study.
- A number of statistical techniques such as mean, standard deviation, co-efficient of variation, indices, chi-square, t-test, correlation, regression etc. are to be used to compute the result of proposed study.

**Research Design**

It is an empirical study and will be an explorative research.

**Period of Study:**

The time period of the proposed study is limited to five years from 2006-07 to 2010-11.

**NSE and Nifty**

The National Stock Exchange of India Ltd. (NSE), set up in the year 1993, is today the largest stock exchange in India and a preferred exchange for trading in equity, debt and derivative instruments by investors. NSE has set up a sophisticated electronic trading, clearing and settlement platform and its infrastructure serves as a role model for the securities industry. The standard set by NSE in terms of market practices; products and technology have become industry
benchmark and are being replicated by many other market participants. It provides a screen-based automated trading system with a high degree of transparency and equal access to investor irrespective of geographical location. The high level of information dissemination through the online system has helped in integrating retail investors across the nation. The exchange has a network in more than 350 cities and its trading members are connected to the central servers of the exchange in Mumbai through a sophisticated telecommunication network comprising of over 2500 VSATs. NSE has around 850 trading members and provides trading in over 1000 equity shares and 2500 debt securities. Besides this, NSE provides trading in various derivative products such as index futures, index option, stock futures, stock options and interest rate futures.
Sample size

I have selected fifty NSE Nifty companies and their names are:

ABB Ltd. (Electrical equipment) , ACC Ltd. (Cement and cement products) , Ambuja Cements Ltd. (Cement and Cement Products) , Bajaj Auto Ltd. (Automobiles - 2 and 3 Wheelers) , Bharat Heavy Electricals Ltd. (Electrical Equipment) , Bharat Petroleum Corporation Ltd. (Refineries) , Bharti Airtel Ltd. (Telecommunication – Services) , Cipla Ltd. (Pharmaceuticals) , Dr. Reddy's Laboratories Ltd. (Pharmaceuticals) , GAIL (India) Ltd. (Gas) , Glaxosmithkline Pharmaceuticals Ltd. (Pharmaceuticals) , Grasim Industries Ltd. (Cement and Cement Products) , HCL Technologies Ltd. (Computers – Software) , HDFC Bank Ltd. (Banks) , Hero Honda Motors Ltd. (Automobiles - 2 and 3 Wheelers) , Hindalco Industries Ltd. (Aluminium) , Hindustan Petroleum Corporation Ltd. (Refineries) , Hindustan Unilever Ltd. (Diversified) , Housing Development Finance Corporation Ltd. (Finance – Housing) , I T C Ltd. (Cigarettes) , ICICI Bank Ltd. (Banks) , Infosys Technologies Ltd. (Computers – Software) , Larsen & Toubro Ltd. (Engineering) , Mahanagar Telephone Nigam Ltd. (Telecommunication – Services) , Mahindra & Mahindra Ltd. (Automobiles - 4 wheelers) , Maruti Udyog Ltd. (Automobiles - 4 wheelers) , NTPC Ltd. (Power) , National Aluminium Co. Ltd. (Aluminium) , Oil & Natural Gas Corporation Ltd. (Oil Exploration/Production) , Punjab National Bank (Banks) , Ranbaxy Laboratories Ltd. (Pharmaceuticals) , Reliance Communications Ltd. (Telecommunication – Services) , Reliance Energy Ltd. (Power) , Reliance Industries Ltd. (Refineries) , Reliance Petroleum Ltd. (Refineries) , Satyam Computer Services Ltd. (Computers – Software) , Siemens Ltd. (Electrical Equipment) , State Bank of India (Banks) , Steel Authority of India Ltd. (Steel and Steel Products) , Sterlite Industries (India) Ltd. (Metals) , Sun Pharmaceutical Industries Ltd. (Pharmaceuticals) , Suzlon Energy Ltd. (Electrical Equipment) , Tata Consultancy Services Ltd. (Computers – Software) , Tata Motors Ltd. (Automobiles - 4 Wheelers) , Tata Power Co. Ltd. (Power) , Tata Steel Ltd. (Steel and Steel Products) , Unitech Ltd. (Construction) , Videsh Sanchar Nigam Ltd. (Telecommunication – Services) , Wipro Ltd. (Computers – Software) , Zee Entertainment Enterprises Ltd. (Media & Entertainment),
Research Area

My research area is INDIA.

Sampling Type

The sampling type is Convinion Sampling.

Importance of the study

The study will help to know the real picture of the BSE Sensex Companies about interim financial reporting. The importance of study is:-

- The companies will know the requirements of the investors and they will try to satisfy them. That will help to them.
- In the aspect of investors the study is import and also. They will get awareness about the matter and it will improve their ability.
- For the view of management the study will help in decisions making.
- The Study is also important for creditors, government and public.

Limitations of the Study

The proposed Study Interim financial Reporting Practices in India (An Empirical study of selected NSE NIFTY Companies) Suffers with a few draw backs like:

- The study could not cover all Companies due to shortage of resources and human limitations.
- Most of the information so obtained is based of secondary data. Hence, the limitation of reliability and short comings of Secondary data affects the result of the study adversely.
- The Study also suffers with the General human limitation.
- There may be any sampling error because the sample if very small. So the shortcomings of small samples may be affecting the conclusions.
- There is also the limit of time that is 5 years commencing 1st April 2006.
- The study could not cover all Companies due to shortage of resources and human limitations.
Scope of the Study

The study will be divided into seven chapters and the details of these chapters is given below.

Chapterization:

INTERIM FINANCIAL REPORTING PRACTICE IN INDIA
(AN EMPIRICAL STUDY OF SELECTED NSE NIFTY COMPANIES)

I. Introduction

II Research Methodology

III Accounting Standards for IFR

IV Interim Financial Reporting Practices

V Investor’s Perception on IFR

VI Desirable IFR

VII Suggestions and Conclusion

Bibliography