

CHAPTER 3

RESEARCH METHODOLOGY

Introduction

This chapter outlines the methodological framework adopted for this research which explains why the study is done in the manner it is. It also provides a description of the sample selection, data collection procedures and the type of analysis to be carried out.

As mentioned in Chapter 1, a survey via questionnaire will be carried out to find out whether practitioners of chartered accountancy firms or public practices favour the three-tier system of differential reporting as suggested in UNCTAD to be implemented in Malaysia and the implementation issues that are likely to be encountered.

A survey was chosen to conduct the study because opinion sought from practitioners would enable MASB to consider the relevance of Differential Reporting in Malaysia as a way forward to exempt small companies from unduly burdensome requirements of some accounting standards.

In depth interviews are not conducted or chosen because the subject being researched is somehow very new to many. Therefore, it would be more appropriate to find out through survey questionnaire about their awareness on the subject matter first before proceed to conduct personal interviews.

Questionnaires were used as it allows respondents the flexibility in term of time to response and form an opinion on the questions being asked. It also allows the respondents to make the necessary references on the subject that is being researched on, since this subject is quite new to the accounting fraternity. Questionnaire also offers confidentiality to respondents that prefer

to remain anonymous when their opinions are being sought unlike personal interviews.

3.2 The Survey

Where does Malaysia go from SOP 1, Exempt Enterprises? In other words, should MASB consider adopting differential reporting for accounting by SMEs using those guidelines as proposed in UNCTAD? To answer this question, the source is the results of a questionnaire survey. Standard questionnaire design procedures were used.

In this survey, the questionnaires have been divided into 2 sections whereby specific questions (Appendix) were asked on:-

- Section A : Audit firm's profile
- Section B : Opinions on Differential Reporting from practitioners

3.3 Sample for the Survey

In an attempt to get a fair opinion on the subject matter of this research, structured questionnaire were sent to approximately 980 accountants in the public practices through out Malaysia via post, fax, emails and also friends working in public practices.

The questionnaire was mainly targeted at those practicing in chartered accountancy firms registered with the Malaysian Institute of Accountants (MIA). It is felt that these practitioners understand the needs of SMEs better and will be able to give a frank opinion on the subject matter. The list of

respondents was downloaded from the MIA website. A total of 8 questions in Section B in were posed to respondents.

In order to achieve the desired results, questionnaires were also delivered personally and distributed through the researcher's colleagues as well as friends working in the audit firms or public practices.

3.4 Data Collection for the Survey

Out of the 8 questions posed to respondents in Section B, only two questions used the 5-point Likert Scale and the other questions used the three likely responses (three option responses). The sequence was from 1 indicating strong disagreement, to 5 indicating strong agreement, with 3 as neutral.

Opportunity for open-ended responses was made available in the questionnaire by way of additional space for comments, thus not restricting the respondents' expression of opinions. These responses will be edited and categorised for subsequent data analysis in Chapter Four.

Despite the untiring endeavors to obtain the completed questionnaires back, in the form of telephone call reminders and conveyance of urgent messages by e-mail, the response from respondents was poor. The overall response rate was 10.4% (102 practitioners) and the usable response rate was 9.6% (94 practitioners), which will be used for the analysis. There are altogether 8 questionnaires that are not complete and were discarded.

The number of responses from the researcher's personal contact through friends working in the public practices was the highest compared to the other mode of distributing the questionnaire. There were zero response

rates where the questionnaires were just faxed and posted. In fact most of the practitioners indicated that they were not interested at all to participate in the survey when follow-up telephone calls were made to them. The reasons given were the subject matter that was being asked were not applicable to their practice and a handful of them were not aware of the topic being researched on and commented that it was too technical for them. Some of them even quoted that they were very busy and pre-occupied with their current portfolio's assignments because apparently this is the 'peak period' of their practice.

Generally, most of them fail to realise that such researches could actually benefit them in the future. In the researcher's opinion, the apathetic attitude of the Malaysian public is a major cause of the poor response and decline in researches using this survey method in Malaysia.

3.5 Conclusion

Having collected the data, the results of the questionnaires are presented and explained in detail in the next chapter.