

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

This section briefly outlines the impact of taxation based on the review of prior literature discussed in the previous chapter. Five sectors were selected in conducting this study. They are manufacturing, property, tourism, free-trade zone and the Multimedia Super Corridor. However, due to lack of data on free-trade zone no analysis is done. This chapter will also provide a description of the data collected. As discussed in Chapter 1, this study attempts to identify the impact of taxation in selected sectors. The study uses secondary data to determine the impact of taxation on Malaysian economy and uses the method known as Descriptive Studies.

3.2 SELECTION OF DATA

Data were collected from the Malaysian Economic Report, Bank Negara Annual Report Malaysian Budgets from 1998 to 2002 and Budget Commentary 2003. The Economic Reports and Bank Negara Annual Reports were obtained from the Ministry of Finance and Bank Negara, respectively. Data pertaining to property were obtained from the National Property Information Center (NAPIC) of the Valuation and Property Services Department. The Budget Commentary for 2003 were selected to identify the tax measures introduced by the government to promote the

selected sectors. Due to limitation of time, as mentioned earlier, only five sectors were selected. Moreover, as taxation covers a wide area, this study is confined to the above-mentioned sectors.

3.3 TABULATION OF DATA

Tabulation is prepared to organize data by groups, categories, or classes, thus facilitating comparisons. The purpose of tabulation is to allow the inspection of performance of various categories in a particular sector in a given time period.

3.4 STATISCAL METHODS

In this study, secondary data were used to make comparisons. Pie chart is plotted by using the data compiled to compare the Gross Payments and Receipts of the Services account. A bar chart combined with line chart is used to compare the Federal Government's income and expenditure. To compare the number of tourist arrivals against the supply of hotel rooms bar chart were used.