

# UNIVERSITY OF COLOMBO, SRI LANKA

## FACULTY OF MANAGEMENT AND FINANCE

Bachelor of Business Administration in Finance (Level II – Semester VI)  
Examination –December, 2017

### FIN 2309 – Research Methods

- **Three (03) Hours**
  - **Answer All Questions**
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01.

i. If research in the management area cannot be 100% scientific, why bother to do it at all?  
Comment on this statement.

(05 marks)

ii. What is action research? Describe a specific situation where action research would be warranted.

(05 marks)

iii. Companies are very interested in acquiring firms, even where the latter operate in totally unrelated realms of business. Such acquisitions are claimed to “work miracles.” However, given the volatility of the stock market and the slowing down of business, many companies are not sure whether such acquisitions involve too much risk. At the same time, they also wonder if they are missing out on a great business opportunity if they fail to take such risk. Some research is needed here.

Given the situation above, discuss, with reasons, whether they fall in to the category of applied or basic research. Explain with reasons.

(10 marks)

**(Total 20 marks)**

02.

i. "Because literature review is a time-consuming exercise, a good, in-depth interview should suffice to develop a theoretical framework." Discuss this statement.

(05 marks)

ii. "Academic researchers usually develop more complex and elaborate models than applied researchers." Discuss this statement.

(05 marks)

iii. In an applied research context you do not need to explain the relationships between the variables in your conceptual model." Do you agree? Explain.

(05 marks)

iv. It is advantageous to develop a directional hypothesis whenever we are sure of the predicted direction. How will you justify this statement?

(05 marks)

**(Total 20 marks)**

03.

i. What do you mean by operational definition, when and why it is necessary?

(06 marks)

ii. Whenever possible, it is advisable to use instruments that have already been developed and repeatedly used in published studies, rather than developing our own instruments for our studies. Do you agree? Discuss the reasons for your answer.

(08 marks)

iii. "A valid instrument is always reliable, but a reliable instrument may not always be valid." Comment on this statement.

(06 marks)

**(Total 20 marks)**

04.

i. Data editing deals with detecting and correcting illogical, inconsistent, or illegal data in the information returned by the participants of the study. Explain the difference between illogical, inconsistent, and illegal data.

(05 marks)

ii. What is qualitative data? How do qualitative data differ from quantitative data?

(05 marks)

iii. Define reliability and validity in the context of qualitative research.

(05 marks)

iv. Why is it necessary to specify the limitations of the study in the research report?

(05 marks)

**(Total 20 marks)**

05.

i. How would you define the problem in the following case?

Accounting gets radical – The GAAP (Generally Accepted Accounting Principles) do an unacceptable job of accounting for the principal activities of information age companies. Today, investors are in the dark because the accounting is irrelevant. The basic purpose of accounting is to provide useful information to help investors make rational investment, credit, and similar decisions, but today's most important assets and activities – intellectual capital and work knowledge – are totally ignored.

Professor Howel wants to reform the accounting system with the goal of making clear the measurement of how companies produce cash and create value.

(10 marks)

ii. What is the problem statement in the following situation?

Companies benefit through employee loyalty. Crude downsizing in organizations during the recession crushed the loyalty of millions. The economic benefits of loyalty embrace lower recruitment and training costs, higher productivity of workers, customer satisfaction, and the boost to morale of fresh recruits. In order that these benefits are not lost, some companies, while downsizing, try various gimmicks. Flex leave, for instant, is one. This helps employees receive 20% of their salary, plus employer-provided benefits, while they take a 6 to 12 month sabbatical, with a call option on their services. Others try alternatives like more communication, hand holding, and the like.

(10 marks)

**(Total 20 marks)**

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