REVIEW OF LITERATURE

1. Richard P (1996), A longitudinal survey on capital budgeting practices, Journal of business finance & accounting, 23(1), Jan 1996, pp. 79-92, in their study provide a more consistent and comprehensive analysis of how the capital budgeting practices has evolved in recent years in large UK companies.

2. Binder John JandChaput Scott J (1996), A positive analysis of corporate capital budgeting practices, Review of quantitative finance & accountancy, 6 (1996), pp. 245-257, in their article cost benefit analysis suggested that Discounting cash flow methods will be used more frequently for large projects.

3. Colin Drury andMilkeTalvas (1996), UK capital budgeting practices: some additional survey evidence, European journal of finance2, pp. 371-388, has focused a light on some of unresolved issues on capital budgeting in UK and examined the impact of company size on the use of financial appraisal techniques.

4. Kester et.al. (1996), Capital budgeting practices of listed firms in Singapore, Singapore Management Review, pp 9-23, has studied Capital Budgeting Practices of Listed Firms in Singapore. They took a sample size of 211 companies and the survey resulted in 54 responses. They found that the responding executives in Singapore considered IRR and payback to be equally important for evaluating and ranking capital investment projects.

5. Rao U (1996); Capital budget practices: A comparative study of India and select South East Asian Countries, ASCI Journal of Management, Volume 25, pp 30-46, survey of 74 Indian companies revealed that 51% use IRR as project appraisal criterion. Firms typically use (92% or more) multiple evaluation methods. ARR and PBP are widely used as supplementary decision criteria.

6. BabuPrabhakara C and Sharma Aradhana (1996), Capital budgeting Practices in Indian Industry, ASCI Journal of Management, Volume 25, 1996, had done an empirical study on capital budgeting practices in Indian Industry. The authors have conducted a survey of 73 companies in and around Delhi and Chandigarh. They used personal interview method. It has been found by them that 90% of companies have been using capital budgeting methods. Around 73% of the companies have been using DCF methods.

capital budgeting practices in Indian context and observed that 25% of sample companies
invested for expansion and diversification and firms were making regular investments for
replacement and maintenance.

Region: Australia, Hong Kong, Indonesia, Malaysia, Philippines and Singapore, Financial
Practice and Education, Vol 9, No.1, pp 25-33, survey 226 CEOs from Australia, Hong Kong,
Indonesia, Malaysia, Philippines, and Singapore and find that Discounted Cash Flow techniques
such as NPV/IRR are the most important techniques for project appraisal except in Hong Kong
and Singapore.

9. **Stanley B (2000)**, Integrating traditional capital budgeting concepts into an international
decision-making environment, The Engineering Economist, 2000, volume 45, Number 4, pp
309-325, has analyzed the capital budgeting policies of 146 multinational companies in light of
current financial theory.

budgeting: evidence from the United Kingdom, Journal of Business Finance & Accounting, 27(5)
& (6), June/July 2000, 0306-686X, pp 603-626, has done a study of The Theory Practice Gap in
Capital Budgeting: Evidence from the United Kingdom to consider the extent to which modern
investment appraisal techniques are being employed by the most significant UK corporations.

11. **Cooper et.al. (2001)**, Capital budgeting models: Theory Vs. Practice; Business Forum, 2001,
Vol. 26, Nos. 1,2, pp. 15-19, has done a study to assess the current level of capital budgeting
sophistication in Corporate America. A survey questionnaire was sent to the CFOs of the Fortune
500 companies. They received response from 113 companies having a response rate of 23%. As
per the results of their study, the most commonly used primary capital budgeting evaluation
 technique is the IRR (57%).

surveyed 392 chief financial officers (CFOs) about their companies’ corporate practices. Of
these firms, 26% has sales less than $100 million, 32% had sales between $100 million and
$1billion, and 42% exceeded $1billion.

things changed?” Journal of Business and Management, Vol. 8 (4), pp. 355-364, this study
focused on the changed trend in using the capital budgeting techniques, in past years importance
was given to the traditional method of capital budgeting like PBP, ARR etc but changing trend
shows the diversification of traditional techniques to modern techniques like NPV, PI & IRR.

14. AnandManoj (2002), Corporate Finance Practices in India: A Survey; Vikalpa; Vol. 27, No. 4,
October- December 2002, pp. 29-56, surveyed 81 CFOs of India to find out their corporate
finance practices vis-à-vis capital budgeting decisions, cost of capital, capital structure, and
dividend policy decisions. It analyzed the responses by the firm characteristics like firm size,
profitability, leverage, P/E ratio, CFO’s education, and the sector.

How Have Things Changed?, Journal of Business and Management, Volume 8, Number 4,
Winter 2002, have examined the capital budgeting decision methods used by the Fortune 1000
tories. According to him, management alignment between corporate America and academia
and even alignment of theory and practice. Firms with larger capital budgets tend to favour NPV
and IRR.

16. MekonnenA. (2002), Evaluating the capacity of standard investment appraisal methods,
Tinbergen Institute Discussion Paper, 30 July 2002, has made an attempt to evaluate the capacity
of standard investment appraisal methods indicating the existence of gap between theory and
practice of capital budgeting.

17. Stanley B (2003), Are there any differences in capital budgeting procedures between industries?
An empirical study, The Engineering Economist, 50, pp 55-67, has studied the use of capital
budgeting procedures between industries. Three hundred two Fortune 1000 companies responded
to a survey organized by Stanley along industry.

groups of companies. The state of the art and a comparison with earlier studies”, International
Journal of Production Economics, Vol. 84 (1), pp. 51-69, according to earlier studies on capital
budgeting techniques like payback period & average rate of return were the most used methods
for evaluating the capital projects.

small business management 2004 42(4), pp. 427-433, had done a survey of capital budgeting
practices of the firms in Cyprus. He found that only 30.19% of the sample firms use capital
budgeting techniques for all their investment decisions, while 50.94% of the firms use evaluation methods for only some types of investment above a certain cost level.

20. **Eva Liljebom and Mika Vaihekoski (2004)**, investment evaluation methods and required rate of return in finish publicly listed companies, January 8, 2004, conducted a survey of 144 companies listed on the Helsinki Stock Exchange to examine the practice of the use of investment evaluation methods and required rate of return in Finnish. The results show that the Finnish companies still lag behind US and Swedish companies in their use of the NPV, and the IRR method, even though it has become more commonly used during the last ten years.

21. **Lord Beverley R. and Boyd Jennifer R. (2004)**, Capital Budgeting in New Zealand Local Authorities: An Examination of Practice, Accepted for Presentation at the Fourth Asia Pacific Interdisciplinary Research in Accounting conference, 4 to 6 July 2004, Singapore, surveyed half of the New Zealand local authorities to find out how they undertook capital budgeting.


24. **Partington G. and Peat M. (2006)**, “Cost of Capital Estimation and Capital Budgeting practice in Australia,” Available from: surveyed Australian firms which revealed that real options techniques have gained a toehold in Australian capital budgeting but are not yet part of the mainstream. Projects are usually be evaluated using NPV.

25. **Gupta Sanjeev et al. (2007)**, “Capital Budgeting Practices in Punjab-based Companies, The ICFAI Journal of applied finance, February 2007, Vol. 13, No.2, pp. 57-701, has made an attempt to explore which capital budgeting techniques is used by industries in Punjab, and the influence of factors such as size of capital budget, age and nature of the company, and education and experience of the CEO in capital budgeting decisions.


28. **Kishore Ravi M. (2009)**, Financial Management: Comprehensive text Book with case studies, New Delhi: Taxmann Publications p. Ltd., the entire financial management is presented in two parts by the author in this book. All latest developments of the subject have taken into consideration. The book is a comprehensive work on the subject, which meets the requirements of all levels of professional and research courses.

29. **V.K Saxena and Vashist C. D. (2010)**, Essentials of Financial Management, New Delhi: Sultan Chand & Sons Educational Publishers, chapter capital budgeting of this book covers all the learning objectives. It helps students, investors and researchers in most efficient manner in understanding the meaning of capital budgeting, selection criteria of a project, various concepts along with its limitations.

30. **Vongai Maroyi & Huibrecht Margaretha Van D P (2012)**, A survey of capital budgeting techniques used by listed mining companies in South Africa, African journal of business management, 6(32), pp.9279-9292, the authors explored the capital budgeting techniques used by South African mines listed on the Johannesburg Securities Exchange (JSE) and the reasons behind their use were also investigated. The main objective of this research was to find out the most commonly used capital budgeting techniques.

31. **Ghahremani M. et.al. (2012)**, Capital budgeting technique selection through four decades: with a great focus on real option, International journal of business and management, 7(17), pp. 98-117, this paper aims to provide a review and analysis on capital budgeting techniques from 1970-2012 in developing & developed countries regarding the most effective factors on selecting techniques.
32. **Rakesh H M (2013)**, a study on capital budgeting practices in listed companies of Bombay stock exchange, tactful management research journal, 2(2), pp.1-5, From December 2012 to March 2013, the survey was conducted by using a questionnaire sent to 5,163 people in charge of capital budgeting at firms listed on the Bombay Stock Exchange by focusing on capital budgeting practices.

33. **Mbabazi Mbabazize Peter & Daniel Twesige (2014)**, capital budgeting practices in developing countries: A case of Rwanda, Research journal’s Journal of finance, 2 (3) , pp. 1-19, this study focuses on the capital budgeting practices in Rwanda by looking on the capital budgeting techniques and the cash flow estimation. The findings of this research show that firms in Rwanda are adopting the use of discounted cash flow techniques though are still some inconsistencies on the acceptability as most firms are still using wrong discount rates in discounting the expected cash flows.

34. **Weerakun Banda Yatiwelle Koralalage (2014)**, The use of capital budgeting techniques in large businesses: Evidence from Sri Lanka, International Journal of Arts & Commerce, 3(9), pp. 77-84, this research article examines the use of capital budgeting techniques & investigates a number of variables & associations relating to capital budgeting practices in large listed companies in Sri Lanka. From the study it was found that Net present value, Accounting rate of return, Payback period, Internal rate of return & Profitability index are used to evaluate investment project.

35. **Yadav Anuradha (2015)**, “Capital Budgeting Procedures and Practices of Unsung Entrepreneur in Delhi”, International Journal of Science and Research (IJSR), 4(1), pp. 37-41, in this paper the author investigated the extent to which capital budgeting practices & procures are employed by unsung entrepreneur of Delhi work in this area has been focusing on corporate firms, paying little attention to nonprofitorganisations.


37. **Kimunguyi Sammy et al. (2015)**, “Effect of Budgetary process on Financial Performance of Ngos in Health sector in Kenya.” International Journal of Business and social science, 6(12), pp. 163-172, the main objective of this research was to establish the effect of budgetary process on
financial performance of NGO’s in health sector in Kenya, applying priority based budgeting theory.

38. Tomasz Wnuk-Pel (2015), “Factors determining the selection of capital budgeting methods in companies operating in Poland.” StowarzyszenieKsięgowych w Polsce, 84(140), pp. 217-240, this paper aimed to explore the extent of the use of capital budgeting methods.


40. Prof. Tatikonda Neelakantam (2015), Advancements in Capital Budgeting Evaluation Practices: A Conceptual Analysis, 9, pp.6-15, this study investigates the evaluation in capital budgeting practices on the basis of advancements; all the concepts are properly analyzed through this study to find out the most used capital budgeting method. Study concluded that the modern methods are very helpful in decision making about the long term investment for companies.


42. Sihlaer William W. et.al (2015), Financial Management: Theory and Practice, Mumbai: Jaico Publishing House, according to this book, financial management is designed to help the chief executive of a smaller enterprise & particularly of a rapidly growing business, ensuring that the company’s financial management is in harmony with the company’s strategy. Through structured framework of book all the concepts are systematically covered.