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# **Chapter – I**

Introduction and Methodology

## CHAPTER NO. - I

### INTRODUCTION AND METHODOLOGY

#### 1.1 INTRODUCTION :-

In the 20th century, the problem of local finance has assumed great importance because the local governments are expected to perform several important functions with the resources available to them.

The functions of local governments are increasing. Therefore, the public expenditure of local government has been increasing continuously. But the problem is that, with the rising list of functions, the list of sources of revenue could not rise. Therefore, the problem of public finance is very difficult for local governments.

The present study will examine the growth and changing composition of public expenditure of Panchayat Samiti, Kankavli.

#### 1.2 OBJECTIVES OF THE STUDY :-

The present study was undertaken with a view to attaining the following objectives.

- (1) To examine the trends in the growth of public expenditure of the selected Panchayat Samiti.
- (2) To study the changing composition of the same for the period of last 17 years.
- (3) To understand the causes of the changing composition and to suggest suitable measures for improving the efficiency of public money of Panchayat Samiti in question.

1.3      METHODOLOGY OF STUDY :-

The present study being historical was purely dependent upon secondary data. For this study, Kankavli Panchayat Samiti was deliberately selected. We selected last 17 years i.e. 1970-71 to 1988-89 for the present study because prior to 1970-71's data were not available from Panchayat Samiti records.

After collecting the data, it was tabulated and calculations were made with a view to drawing conclusions. The statistical techniques of simple averages, simple growth rates as also that of compound growth rates have been used for analysing the data for our purposes. Thus, the methodology for the present study included collection of historical data from the secondary sources, tabulation of the same and application of appropriate statistical techniques for the same.

1.4      CHAPTER SCHEME :-

The Chapter Scheme of this Research Work is as follows :-

- (I)      Introduction and Methodology.
- (II)     Theoretical review of the growth of public expenditure.
- (III)    Growth of public expenditure of Panchayat Samiti, Kankavli.
- (IV)    Composition of public expenditure of Panchayat Samiti, Kankavli.
- (V)    Main findings and suggestions.