A Critical Reflection on the Philosophical Basis of Financial Accounting Research Paradigms

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ABSTRACT

This Contemporary financial accounting research has paid limited attention to the underlying philosophical foundations, resulting in contributions that add little to the development of accounting theory and conceptual frameworks. In science policy, it is widely recognized that addressing complex, real-world problems require interdisciplinary research (IDR). For instance, funding programs like Horizon 2020 actively promote interdisciplinary collaboration. However, the epistemological foundations that enable successful IDR to remain poorly understood. This article aims to explore the epistemology of interdisciplinary research, particularly in the context of solving practical problems. It highlights the cognitive and epistemic challenges researchers face when engaging in IDR. A review of educational literature indicates that higher education lacks a coherent understanding of IDR epistemology, which hinders effective teaching and application. The article further explores the philosophical underpinnings of financial accounting research; namely, ontology, epistemology, and axiology. A lack of interest in the epistemology of IDR is attributed to a dominant scientific paradigm—referred to as the "physics paradigm"which overlooks the profound epistemological challenges posed by IDR in science education, research, and philosophy of science. As an alternative, the "engineering paradigm" of science is proposed. This paradigm posits that the aim of science is to generate knowledge as a means to perform epistemic tasks. It views theories, models, laws, and concepts not as objective representations of reality, but as epistemic tools shaped by their construction processes. Research paradigms in financial accounting—such as the functionalist, interpretive, and critical (radical humanist and radical structuralist) paradigms—are shaped by underlying ontological and epistemological assumptions. These philosophical positions also influence the choice of research methodology. Therefore, a strong grasp of philosophical foundations is essential for researchers, particularly those exploring the social dimensions of accounting. Epistemology addresses the nature, scope, and justification of knowledge, while ontology concerns the nature of reality and existence. This article refers to the taxonomy of financial accounting research developed by Hopper and Powell, offering a framework to guide future studies.

Emphasizing philosophical clarity will enhance the quality and theoretical development of financial accounting research.

Keywords: *Epistemology, Ontology, Axiology, Interdisciplinary Research (IDR)*

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INTRODUCTION

The term financial accounting, a business language, refers to recording, summarizing, analyzing, and introducing financial information to a third party, e.g., shareholders, creditors, lenders, customers, and the government. Financial statements consist of the statement of comprehensive income, statement of financial position, cash flow statement, the statement of changes in equity, and the notes forming the part of financial statements. As a result, it's easy to see how financial accounting, at its core, is intended to hold management accountable to capital owners. This definition also has an impact on the evolution of financial accounting research. The priory was restricted to capital markets and multinationals.

Despite the growing body of literature in financial accounting, limited attention has been given to the philosophical foundations that guide this research—particularly the ontological and epistemological assumptions underlying various paradigms. Most existing studies focus on empirical outcomes within a positivist framework, often neglecting the deeper philosophical questions that shape research design, methodology, and interpretation. Additionally, there is a lack of clarity regarding which research methodologies are most appropriate or consistent with these underlying philosophical positions in the context of financial accounting. Thus, the study heeds the call to explore how the different research methodologies relate to financial accounting research. Therefore, it aimed to discover relation between accounting and non-accounting variables. The mainstream approach/positivist paradigm was used in the majority of financial accounting research up until now. Financial Accounting Research has been confined to the context of ontology and epistemology, research methodologies, and conceptual theories. The results of positive paradigm accounting research are rarely seen to get along with the foundation for the growth of accounting concepts and practices. As a result, it is possible to conclude that research that ignores philosophical issues will fail to produce a good "body of knowledge."

The development of knowledge based on beliefs and assumptions is termed research philosophy (Dye, 2001). Although this may sound lofty, when you embark on some research, your only aim is to gain more knowledge and expand your vision. Developing your knowledge by solving organizational problems is not dramatic at all. In fact, it keeps you motivated as a new theory of

human motivation. At every stage of your research, you will make various assumptions, whether you are aware of them or not. Some are based on the foundation of human knowledge (epistemological assumptions), some are based on the facts you experienced while researching (ontological assumptions), and also how your values and techniques have an impact on the research process (axiological assumptions).

In short, this consistent set of hypotheses and assumptions provides a strong foundation for understanding accounting research philosophy. By presenting a well-structured view of philosophical underpinnings, this article supports researchers in designing coherent and meaningful financial accounting studies where all elements complement each other. It also encourages deeper reflection on the role of philosophy in shaping research direction. Rather than promoting a single “best” paradigm, this article introduces various philosophical perspectives, each with its own assumptions and logic—offering valuable insights that can broaden and enrich future accounting research.

Similarly, several researchers argued that financial accounting research has nothing to do with philosophy. The term philosophy can be defined as;" questioning the basic fundamental concepts and the need to embrace the full meaning understanding of the particular subject (Burke, 2007). Mckernan (2007) argued that accounting has no philosophical presupposition and the difference between object accounts and distorted accounts mainly lies in accounting practices. Similarly, (Bayou, 2009) argues that all the accounting scandals are linked directly or indirectly to accounting information. Here a question raised that this study aims to answer is whether financial accounting has ontological issues? In this work, the author will emphasize the financial accounting assumptions and those qualitative characteristics that make it "bullshit."

LITERATURE REVIEW

Ontology and Epistemology are the foundations that distinguish paradigms. A paradigm consists of hypothetical assumptions, freedom of choice, and one's mindset toward every aspect of reality that influences researchers' research and their thinking towards experiments. The influence of how the research is conducted and how the researchers will frame their understanding of social phenomena is also essential in developing a research paradigm. Understanding assumptions of ontology and epistemology will ensure that

research designs are intertwined, resulting in high-quality research. Even though research is defined as the process of discovering, interpreting, and communicating new knowledge, there are still some disagreements regarding the medium of information. Financial accounting is one of the fields that has been involved in the debate for more than four decades. Each of the paradigms adhered to by the researchers is claimed to be the best paradigm for financial accounting research.

There are three dimensions of research philosophy, but the two most crucial that are mainly used to distinguish paradigms are called ontology and epistemology. Both are concerned with the nature of knowledge and its evolution. The third one used in the research process in this paradigm is axiology. To understand research philosophies, we need to discuss these dimensions by comparing and contrasting the concepts that each person makes. Looking at three types of research assumptions: ontology, epistemology, and axiology, will help us distinguish research philosophies.

Ontology

Ontology is a research dimension that relates to the “reality of truth,” or said as "theory of being." Ontology clarifies human beliefs regarding reality, existence, and occurrence; it provides logic to the belief, whether it's scientific reality, reality of bio livings, self-reality, reality of the person's conscience, social reality, reality of the society and the objects it involves, etc. In addition, the expression refers to a collection of views concerning the nature of reality. One’s ontological assumptions influence the way they perceive and study your research objects, even though this may appear abstract and unconnected to the research project you aim to do. Consequently, your ontology affects how you understand the world of business and management, as well as the topic you select for your study project. Consider that you desired to explore organizational transformation resistance. Financial accounting researchers believed for a long time that resistance to change was particularly destructive to firms. They concentrated their research on how to eradicate these phenomena, identifying employee types most likely to oppose change and managerial activities that could avoid or eliminate resistance. Some scholars have recently begun to examine the concept of resistance to change from a more nuanced standpoint, resulting in a new line of investigation. According to these studies, resistance is a common occurrence whenever an organization undergoes change, and it benefits organizations by

resolving problematic parts of change initiatives. Due to their divergent ontological assumptions, they concentrate on how to best leverage resistance to change for the advantage of organizations, as opposed to searching for methods to eliminate resistance.

Burrell and Morgan (2019) suggest that ontological assumptions relate to the fundamental nature of reality and the essence of what is being studied. A key ontological question is whether reality exists independently of human perception or is constructed through individual cognition. Objectivism, rooted in the natural sciences, assumes that reality is external and can be objectively observed. Realists, therefore, believe in a single, objective reality that exists independently of the researcher. In contrast, subjectivism—aligned with the humanities and arts—holds that reality is shaped by human experiences, interpretations, and social context.

Realism and Idealism

Peixinho's and Coelho's respective ontologies contain certain flaws. Realism's ontology focuses mostly on the disparity between the potential needs of the actual world. The issue of investigating the true nature that develops from idealism, such as what society desires to be true, what we believe to be true, and what is right. In light of the fact that knowledge is a mental capacity, the assertion that truth has no objective basis is true. The issue with realism is that people are generally oblivious of what is truly real; they rarely think creatively. David Hume, an empirical realist philosopher, asserts that we ordinarily relate events and reality based on our experiences. The link between recurrent events leads to conclusions regarding fundamental and typical behavioral laws. We believe that each action has a corresponding reaction. The easiest way for realists to examine if a claim is right or wrong is by comparing it to observed data. Bishop Berkeley, on the other hand, was the first to establish idealism, arguing that our perception of reality is a rational demonstration of the logic of data. As a result, the judgment of truth and deceit is always dependent on one's understanding and not on awareness of reality, but rather on its consistency with one's and others' beliefs. In accordance with the idealist ontology stance, social interactions are one of the primary factors that define our knowledge and reality.

Assumptions of Ontology

The six ontological assumptions of Morgan and Smircich (1980) allow us to view reality in the most objective and subjective ways, respectively. The world can be observed from a multitude of angles, ranging from its physical shape to its visual projection.

Utilizing a scientific examination approach to measure the performance factors objectively is the primary emphasis of accounting research. We came to the conclusion that these assumptions support accounting financial research that is sensible and grounded in reality. However, we analyzed six classifications of ontological assumptions proposed by Morgan and Smircich (1980) that serve as the foundation for accounting research.

Table 1*:* Ontological Assumptions Source

	Assumptions
1	Reality as a concrete structure (naïve realism)
2	Reality as concrete process (transcendental realism)
3	Reality as a contextual field of information (contextual relativism)
4	Reality as a symbolic discourse (balanced idealism)
5	Reality as social construction (social constructionism)
6	Reality as a projection of human imagination (idealism)

Source: Morgan and Smircich (1980)

Ontological assumptions and financial accounting principles

Several financial accounting assumptions call into doubt the veracity of accounting data.

Accrual accounting method: According to the conceptual framework of financial reporting, one of the fundamental accounting assumptions is the accrual system. According to this system, commercial transactions are recorded during the period in which they occur. Receipt of transaction indicates when the benefits are truly exchanged. This indicates that there is a distinction between accounting profit and cash in accounting. On an accrual system, the income statement reflects a profit that does not exist. For instance, commodities acquired on credit for Rs

70,000 in May and sold for Rs 100,000 in June. According to accounting, the whole profit would be Rs. 30,000, yet the firm receives no cash. Therefore, what is the reality of revenue that does not exist? What, therefore, is the ontological actuality of incomes that have no material existence?

The conservative maxim: The law of conservatism, i.e., the prudent idea, is an additional example of a fundamental accounting principle with ontological difficulties. When creating the statement of financial condition, the accounting uncertainty regarding future obligations should be taken into account. Prudence permits the accountant to record possible future obligations that have not yet been substantiated. So, what is the truth of the data merely reported on the likelihood of occurrence? Therefore, the ontological premise that reality as a contextual information field is incompletely filed.

Fair value measurement: Fair value is defined as the price at which assets are exchanged, or liabilities are paid between two knowledgeable and willing parties in transactions at arm's length. The challenge that arises here is how the parties' willingness and knowledge can be reliably measured. The issue with the ontological presupposition that reality is a tangible process is thus challenged here.

Going concern: One of the underlying assumptions of financial accounting is 'going concern,' which means that financial accounting rules are applicable only if the business is a going concern, and the entity is regarded as a going concern when it is certain that business operations will continue in the foreseeable future. There is neither a management goal nor a legal requirement for forced disclosure. The present pandemic and its progression have challenged the going concern accounting assumption. Several entities whose continued existence is uncertain continue to prepare financial statements.

Epistemology

Epistemology is an area of knowledge that derives from the Greek and literally means the art of knowing, the knowledge, or the concept. There are numerous phases of epistemology that lead to the formation of a certain belief in one's mind. Some are subjective; they are formed by metacognition in one's experience, and the individual's personal beliefs influence their interpretation of the knowledge they acquire. To comprehend the relationship between epistemology and financial research, it is necessary to comprehend the effect of

metacognition on a student's knowledge acquisition skill. This is known as the metacognitive talent. The events that occur throughout a student's life help establish a skill in their brain that develops a concept of knowledge; as a result, the learnt concepts are a reflection of their cognition. The objective viewpoint, also known as the positivist viewpoint, asserts that knowledge is something that must be absorbed, learned, and validated through broad facts and figures. This perspective holds that knowledge is founded on the veracity of universal facts, and that the existence of common factual data is sufficient evidence for calling it useful information. The objective approach argues that knowledge is generally known that data must be hypothetically and factually assessed to determine objectives, and that exponents, not experience, and create knowledge.

Another approach on epistemology is known as constructivism. This is also known as interpretivism, and as implied by the name, it asserts that no research can ever be completely impartial. Due to the fact that every study has a researcher, whose subjective eyes are inevitably interpreted in the study, every scientific study is somewhat subjective and should be viewed with skepticism. These authors believe that research is not meant to be fully true; they are impacted by environmental circumstances, which makes it susceptible to bias and errors, and impossible to exclude.

The positivist approach asserts that the science of human beings and life cannot be comprehended by the applied science of facts and figures, because life is a human concept and only humans can explain and experience its nature, whereas the applied sciences are only suitable for stating the nature of applied problems. Due to the multidisciplinary character of financial accounting study, it is permissible to address any level of knowledge, including numerical data, textual and visual data, facts, inferences, fictions, articles, and hypothetical accounts. According to this viewpoint, many financial accounting researchers articulate assumptions such as distinct epistemologies in their investigations, such as record management research projects and retrospective reports.

Table 2: Epistemology of Morgan and Smircich

	Ontological Assumptions	***Epistemological Functions***
1	Naïve Realism	To build positivist science
2	Transcendental Realism	To study systems, processes and changes
3	Contextual Relativism	To map context
4	Balanced Idealism	To understand the pattern of symbolic discourse
5	Social Constructionism	To understand how social reality is constructed
6	Idealism	To get phenomenological knowledge and enlightenment

Source: Morgan and Smircich (1980)

Axiology

Axiology is the discipline of study that investigates the function and value of scientific objects. When discussing knowledge, axiology helps us comprehend how to make better use of data, how to produce more value from the knowledge we already possess, and how to use this knowledge to have a bigger impact on humans and mankind. It provides a structure for relating moral ideals to the use of knowledge. Knowledge is an asset; preserving and consuming it in a productive and ethically sound manner is under the purview of axiomatic studies. Axiology is the practice of obtaining results from known resources and controlling their inherent value. Axiology involves considering both the values of others and our own as academics. Almost at every stage of the research process, if responses are to be accepted, the role of evaluating one's own values is crucial. Researchers can exhibit their axiological abilities by basing their judgments on moral principles, such as how they conduct and assess research.

Axiology presents a rule of ethics to adhere to while judging the worth of scientific things under research. The moral principles obtained by researchers when conducting study, how they provide subjective and objective expertise on the subject, and how they combat the bias of their personal view while keeping the general public in mind. According to the arguments, axiology can also produce variances in addition to uniformity. When a certain number of individuals in a

society decide to act in accordance with a set of principles and morals, they establish a standard code of ethics. When we favor one topic over another, we believe that the favored topic is more significant. Like your choice of data collection, your choice of philosophy represents your ideals. For instance, you prefer to be interviewed in person rather than via a questionnaire while participating in a survey.

Regarding axiology, there are two schools of thought. According to one, science has nothing to do with values, morality, and ethics, and a researcher should be free from any ethical constraints when conducting study. The second school of thought, on the other hand, asserts that science is meant to instill an ethical conscience, provide for the poor, provide justice to the oppressed, and eliminate unethical activity. The objective of science is to adhere to ethical and value norms.

If we compare this ideology to that stated previously in the article, we can see that the idea that science should be value-free coincides with the positivist approach, which claims that research should be based solely on scientific information, facts, and statistics.

If we omit ethics and values from the strategy to explore knowledge, we will obtain data that is irrelevant to life and humans. Since science is essentially the study of life, living creatures should have competence on the subject, therefore this would be insufficient. On the other hand, if we just base our knowledge on ethics, we cannot reach the highest degree of scientific investigation. Therefore, both notions are necessary to finish research.

Epistemological Functions and Financial Accounting Principles

Numerous accounting rules, principles, and conventions adhere to constructivism, Value-loaded. Depreciation refers to the allotment of an asset's depreciable value throughout its useful life. Depreciation is a noncash item recorded on the income statement for the period. These are the management's accounting estimates used to change the accounting value of the assets. There are no worldwide accounting rules that specify the depreciation rates of various assets during the accounting period. This indicates that accounting estimates vary from organization to organization based on manager judgments. Therefore, managers' judgment can be value-free. Lifespan of the assets: Similarly, the usable life of the

assets is entirely dependent on the estimations and discretion of the manager. Then how can one's judgment be devoid of value?

Research Paradigm

The correlation between ontology and epistemology will aid us in designing a research paradigm for this study. The paradigm is the notion that enables scientists to examine human behavior and formulate hypotheses regarding the subject under investigation. Paradigms do not prove a definite fact or provide a yes-or-no answer to any question; rather, they facilitate a clearer knowledge of the phenomenon in order to reach a conclusion. There are numerous varieties of paradigms, with each paradigm explaining the hypothetical circumstances of distinct ideologies. There are four research paradigms: structural humanist, functionalist, interpretive, and radical humanist. According to the functionalist perspective, society has a concrete and regular life. This paradigm attempts to examine the interaction of social forces that are thought to provide universal principles. Humanists seek to operationalize a theory using a logical approach and a literature review. The hypothesis is then generated and evaluated using existing data based on statistical analysis. Through cause-and-effect study (causal analysis), this technique tends to confirm, change, or expand (refinement) (Petrinovich, 1979). According to the Interpretive Paradigm, individuals construct social reality. The informative model emphasizes the significance of language, interpretation, and comprehension in social research. This parameter seeks to comprehend society’s opinionated thought process from the research object's perspective.

Likewise, the role of the theory in an interpretative paradigm is to interpret. In the interpretative paradigm, the quality of a theory is determined by its capacity to interpret and disclose local facts. In order to produce clear knowledge, a researcher must learn from his or her own experience under a particular limitation; hence, personal experience is always included. Interpretive research promotes subjectivity over objectivity because it emphasizes that in order to acquire a profound knowledge, the subjectivity of the achievers must be discovered. The radical humanist worldview, it is suggested, views reality as socially created and challenges the status quo's existence. The supporters of this paradigm think that the social system's intellectual superstructure dominates human awareness, resulting in false associations. The main purpose of this model

is to enlighten how philosophical authority devises and how mankind might overcome such prejudice. Political aim motivates the production of thought with purpose of the theory, which is to analyze the validity of society agreement over significance, as well as to verify miscommunication and communication hurdles and educate individuals on the causes of such barriers (Gummesson, 2003). The Structuralism Radical Paradigm asserts that reality is unbiased and material. This worldview is associated with the thought that wants to radically alter reality. This paradigm is founded on four concepts: totality, structure, opposition, and crisis. The construction of this paradigm's theory is based on a critical and historical model of knowledge pursuit (mode of inquiry). This particular idea facilitates a better understanding of social entity structures, with appropriate critique and revolutionary change resulting from resistance. Consequently, both radical humanism and radical structuralism seek to attack the existing social reality (Günbayi, 2018).

Taxonomy of Financial Accounting Research

The taxonomy required comprehending the use of finances in research and theory is readily available on search engines all over the internet. Taxonomy work necessitates the skill of recognizing an appropriate paradigm for the task at hand. (Valentinetti, 2012).

Taxonomy of Hopper and Powell

The Hopper and Powell taxonomy is a popular choice among financial accounting researchers. The research based on accounting is classified into three parts,

- Mainstream accounting research
- Interpretive accounting research
- Critical accounting research

Hopper and Powell's taxonomy is congruent with the functionalist research paradigm of Burrell and Morgan's model. Below is an illustration of the Hopper and Powell taxonomy (Nugrahani, 2013): In the context of Burrell and Morgan's model, it is argued that the functionalist research paradigm in Hopper and Powell's classification is congruent with conventional accounting research. Adopting a particular theory to evaluate hypotheses, for instance, is consistent with positive epistemological assumptions based on standard natural scientific methodology (Ardalan, 2016).

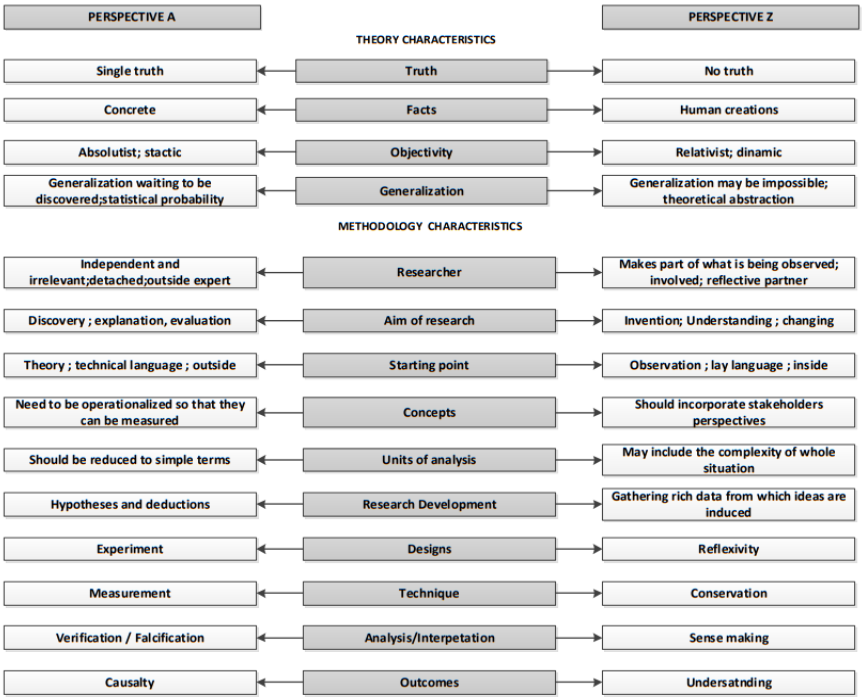
Second, in contrast to the functionalist approach to accounting research, interpretive accounting research differs slightly from accounting research. This method is based on the model of Burrell and Morgan in order to acquire a better knowledge of the social aspect of the accounting problem investigated, which is based on human behavior believed to be the cause of human behaviors (Burrell G. &. Morgan, 2019). Thirdly, the paradigm for critical accounting study includes both radical humanist and radical structuralism viewpoints. Therefore, Hopper and Powell suggest that the flaws of the subjective-objective elements of Burrell and Morgan's approach have been satisfactorily resolved. Similar to the interpretive paradigm, researchers in the acute accounting research model explore collecting knowledge through qualitative inquiry. In conclusion, while we have considered the critics of Burrell and Morgan's (1979) model on the possible research paradigms to be adopted by a researcher in a specific research and the research paradigms used in accounting research in the preceding discussion, the bottom line is to adopt the most applicable paradigm in the context of one's accounting research (Goles, 2000).

Two Dimensions of Financial Accounting Research

The in-depth discussion of accounting and research and the use of paradigms to understand taxonomy is a complex philosophy, it is difficult for beginners to understand quickly. To solve this issue, Peixindo and Coelho (2005) created a simpler, easily understandable and adaptable ideal to get a hold of research in finance They presented two perspectives of this ideal,

- Perspective (perspective A)
- Subjective perspective (perspective Z)

Figure 3: Dimensions of Financial Research Source: Peixindo and Coelho (2005)



The two fundamental assumptions underlying Perspective A (objective) knowledge are significant if knowledge is influenced by observations of the external reality of society. In this viewpoint research, it is necessary to disregard all subjective biases. In theory, hypotheses are formulated and causal links between dependent and independent variables are explained. By testing hypotheses concerning the nature of truth, researchers will be able to authenticate the theories regarding the topic under investigation. The study employs objective, reproducible data. This method is generally referred to as the quantitative method; it involves the measurement and validation of experimental data. The notion that reality is socially constructed supports Perspective Z. (subjective). In this setting, it is the responsibility of researchers to demonstrate the distinctions between the outward manifestation and actual significance of people's experiences.

Researchers must determine why individuals view distinct events differently. In this situation, qualitative approaches easily resolve the complicated problems at hand.

Similarly, the absence of philosophical discourse in scientific inquiry must be remedied. The lack of philosophical debate in the majority of accounting papers and the positivist approach to financial management provide support for the argument. Abdul khalik and Ajinkya (2008) evaluate numerous methodological frameworks before determining that positivistic approaches are the "best" approach for accounting research. Tomkins and Groves, however, disagree with this assertion. The nature of the phenomenon being examined determines the applicability of a research technique. If the nature of the thing being studied is comparable to perspective Z, the naturalistic technique must be applied. (Alexander, 1998).

Methodology and Financial Accounting Research Methods

Method and methodology are not interchangeable terms. According to Sarantakos, methodology refers to a study method employed within the context of a particular paradigm. Methodology is a collection of core concepts that helps researchers in selecting a particular set of research methodologies from the many accessible. Many researchers prefer to refer to their work as "qualitative" rather than "interpretive" since methodology is more closely tied to research practice in a paradigm than philosophical principles. A research method is a collection of methods, instruments, and strategies used to collect and analyze data. A research technique is an empirical idea that is independent of methodology and paradigm. Consequently, a research technique such as an interview can be applied to a distinct approach. In other words, the methodology is the theoretical and intellectual basis for the research technique, while the method is the practical application for performing research (Thanh, 2015).

In addition, Gaffikin (1988) emphasizes the significance of methodology in accounting research and development, and he believes that as accounting research expands, an increasing number of academics will exclusively employ dogmatic methods. A good research approach is founded on philosophical rather than technical principles. Methodology determines the approach for assembling and testing prepositions to obtain accurate knowledge. Philosophical arguments justify procedures based on philosophical knowledge, whereas philosophical knowledge is obtained from epistemology and ontology and is related to the nature of "being" as the investigated subject, thereby answering the question "what?" Epistemological and ontological assumptions will dictate the technique (Sukoharsono, 1993). A research design is required to connect methodology and a number of suitable research methodologies in order to answer research questions regarding the investigated social phenomenon. Financial accounting research that adheres to the mainstream/positivist paradigm will employ quantitative research techniques to choose the appropriate research method. Financial accounting study that adheres to a non-positivist perspective will employ qualitative research methods (interpretive and critical).

Quantitative Research Methodology

According to Maree (2021), quantitative research and statistical analysis are frequently utilized for data testing and analysis. Consequently, quantitative research can be defined as the use of deductive reasoning to obtain conclusions from data and statistical analysis. In its study design, quantitative research can employ a range of data collection techniques (experiments, surveys/questions, archives), statistical analysis, and mathematical modeling (Fromlet, 2001). To determine the optimal technique for data collection, the researcher must first identify the independent and dependent variables of the study. There is a causal relationship between the independent and dependent variables, with the independent variable serving as the influencing variable and the dependent variable serving as the impacted variable. The research theory is utilized to establish dependent and independent variables (Bayley, 2002).

Qualitative Research Methodology

According to Bog and Taylor, qualitative research is a style of investigation that creates expressive data in the form of the individuals being observed. Qualitative research enables investigators to identify people and understand their daily experiences. Rather than proving a hypothesis, qualitative research collects descriptive data on individual events in order to acquire a deeper understanding of what is occurring. Thus, qualitative research approach is a study that generates suggestive data from the feelings and observations of the scholars, which is then recorded. In subjects such as anthropology, sociology, accounting, and education, qualitative research is quickly developing and becoming an accepted study method. Due to its evolution over the period, qualitative research techniques are employed to define a range of theoretical frameworks that can be explained as the distinct study design that connects all components of the research process. It is the basis for the study of the initiating point and scheme for qualitative research on a particular issue. Whereas, the conceptual framework of qualitative research covers grounded theory, case study, phenomenology, narrative biography, and ethnography,

Mixed Research Methodology

Currently the mixed methodology of research prevails the financial accounting research that is similar to pragmatic paradigm, which includes both quantitative and qualitative research techniques. Mixed research approach is more attractive due to the difference in ontological and epistemological assumptions, linked with these two research methodologies. Using the strengths of both data collection methods to reduce the drawbacks of each, researchers employing a hybrid methodology can circumvent paradigmatic difficulties. In this paradigm, any technique may be employed. The pragmatic paradigm acknowledges the importance of both quantitative and qualitative arguments in utilizing each other's strengths and mitigating their weaknesses (Soufian & Foroughi 2014). The most challenging component of mixed methods is determining which data collection techniques to employ in order to enhance the rationality of study the results and to achieve triangulation of results. The use of many approaches to authenticate the research findings, allowing the study to capitalize on the benefits of each method while reducing their weaknesses are refer as triangulations and it is found in each method of the mixed method. This strategy of gathering mixed data can be

employed sequentially or continuously, and it can achieve a variety of objectives by using the findings of one research methodology to appraise other research techniques.

CONCLUSION

In The main aim of this study was to evaluate and examine the two major components of various philosophical paradigms, i.e., ontological and epistemological. This study also aimed to examine the different research methodologies that are more related to financial accounting research. Based on ontological and epistemological philosophical foundations and their assumptions, Burrell and Morgan (2019) describe four types of social research paradigms: the functionalist paradigm, the interpretative paradigm, the radical humanism paradigm, and the radical structuralism paradigm. Using the methodology of Burrell and Morgan (2019), the authors develop taxonomy of accounting research. The taxonomy applies to financial accounting studies. Moreover, Hopper and Powell (1985) divided the financial accounting research into three different types: mainstream financial accounting research, interpretive financial accounting research, and critical financial accounting research. Laughlin (1995) further classifies financial accounting research into three more categories: conceptual aspects, methodological characteristics, and changing characteristics

Mixed research methodology is found to be more suitable for accounting research, as it includes both qualitative and quantitative research techniques. These techniques collected data using the qualitative reach methodology and analyzed it based on a quantitative approach. Additionally, this study also investigated that financial accounting information itself lacks the ontological assumption. The basic financial accounting principles and assumptions make the financial statement unrealistic. Moreover, the epistemological assumptions were also not fully fulfilled by the financial statements, as the International Accounting Standards Board didn’t follow the concrete procedures to make the financial statements' information more realistic and reliable. The reference piece is essential as an introduction to the philosophical aspects of financial accounting research, especially for those who are new to the field. To maintain the growth of accounting science and theory, it is essential to comprehend the philosophical foundations of financial accounting study. The underlying assumptions and classification techniques used by thinkers have a substantial effect on the development of

thought and accounting theory (accounting thought). Research in financial accounting can be conducted differently, with unique ontological and epistemological premises. Therefore, there is no correct or incorrect position throughout the financial accounting study procedure.

For future research we should keep exploring how different beliefs about reality (ontology) and knowledge (epistemology) affect the way financial statements are created and understood. It is also important to take a closer look at the role and practices of the International Accounting Standards Board to see how financial reporting rules can be improved to better reflect real economic situations. In addition, future studies can focus on how to combine qualitative and quantitative methods more effectively to overcome the current limitations in financial accounting research.

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