Taylor & Francis
Online

The Engineering Economist ›
A Journal Devoted to the Problems of Capital Investment
Volume 50, 2005 - Issue 1

577 Views | 24 CrossRef citations to date | 0 Altmetric

Original Articles

ARE THERE DIFFERENCES IN CAPITAL BUDGETING PROCEDURES BETWEEN INDUSTRIES? AN EMPIRICAL STUDY

Stanley Block

Pages 55-67 | Published online: 17 Aug 2006

Cite this article https://doi.org/10.1080/00137910590916676

Sample our
Economics, Finance,
Business & Industry Journals
>> Sign in here to start your access
to the latest two volumes for 14 days

Full Article Figures & data References Citations Metrics
Reprints & Permissions Read this article Share

Abstract

This study breaks down the use of capital budgeting procedures between industries. While it is easy to state that the use of capital budgeting analysis has become more sophisticated over the decades, the question remains as to whether different industries have followed the same pattern. Three hundred two Fortune 1,000 companies responded to a survey organized along industry lines. Chi-square independence of classification tests indicated that a null hypothesis of no significant relationship between industry classification and capital budgeting procedures could be rejected in a number of decision-making areas including goal setting, rates of return, and portfolio considerations. Just as industry patterns affect financing decisions (debt vs. equity), they also affect capital budgeting decisions, and this study emphasizes that point.

Related Research Data

Divisional Cost-of-Capital Estimation for Multi-Industry Firms
Source: Financial Management
CAPITAL BUDGETING PRACTICES IN LARGE AMERICAN FIRMS: A RETROSPECTIVE ANALYSIS AND SYNTHESIS
Source: Financial Review
A SURVEY OF MULTINATIONAL CAPITAL BUDGETING
Source: Financial Review
REVIEW OF SURVEYS ON USE OF CAPITAL INVESTMENT EVALUATION TECHNIQUES
Source: The Engineering Economist
Divisional Cost of Capital: A Study of Its Use by Major U.S. Firms
Source: The Engineering Economist
An Application of the Capital Asset Pricing Model to Divisional Required Returns
Source: Financial Management
Past and Present Methods of Manufacturing Investment Evaluation: A Review of the Empirical and Theoretical Literature

Related research

People also read | Recommended articles | Cited by 24

Information for

- Authors
- R&D professionals
- Editors
- Librarians
- Societies

Open access

- Overview
- Open journals
- Open Select
- Dove Medical Press
- F1000Research

Opportunities

- Reprints and e-prints
- Advertising solutions
- Accelerated publication
- Corporate access solutions

Help and information

- Help and contact
- Newsroom
- All journals
- Books

Keep up to date

Register to receive personalised research and resources by email

Sign me up

Copyright © 2026 Informa UK Limited Privacy policy

Cookies Terms & conditions Accessibility

Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG