TOPIC : FINANCIAL APPRAISAL OF STATE LEVEL PUBLIC ENTERPRISES IN HARYANA.

A. GENERAL INFORMATION :

1. Name of the corporation : 

2. Year of Establishment : 

3. Purposes for when it was established : 

4. Objectives of the corporation in detail : 

5. Major areas of operation of the corporation at present : 

6. Organisation structure of the corporation showing hierarch of authority and interdepartment relationships among all subunits and departments. 

7. Who is heading the corporation now and what is his designation : 
   (a) Politician 
   (b) Bureacrat 
   (c) Professional
B. CHAIRMAN/MANAGING DIRECTOR/CHIEF EXECUTIVE

1. What are the major problems faced by your corporation, when you assumed the office?

2. How for you have succeeded in over-coming them?

3. What are the present financial and other problems of your corporation?

4. What is your proposed action to settle those issues?

5. What kind of help you require to solve these problems from the Government, workers, managers and other.

6. Do you consider that the authority given to you is adequate for running the enterprises?

7. What should in your opinion be the tenure of Chief Executives?

8. What is your opinion on the constitution of Board of Directors?

9. What do you expect the Government should do for improving the performance to your corporation?

10. What are the further proposals of your corporation?
C - CHIEF FINANCE OFFICER

1. Do you have a separate finance department? If yes, please give the organisation structure of the department.

2. Do you have a separate finance/Accounts Manual? (a) Yes (b) No

3. Who is responsible for the preparation of final accounts in your corporation?

4. If not, do you take part in the discussion of the Board as a professional?

5. What are the major sources of your financing?

6. What are the pricing practices followed by your corporation? (a) Cost plus pricing (b) Marginal Cost Pricing (c) Monopoly pricing (d) Competitive pricing (e) Resource orientated pricing (f) Subsidised pricing (g) Prices based on Government award.

7. Who are your close competitors?

8. How prompt is the corporation in paying its suppliers?

9. Do you feel that the enterprise produces are priced correctly? (a) Yes (b) No

10. Are there any guidelines fixed by the Government for the fixation of prices of products? (a) Yes (b) No

11. What is the primary objective in the fixation of prices? (a) Profit oriented (b) Society Oriented (c) Market share Oriented.

12. Can the corporation raise equity funds? (a) Yes (b) No
13. Can the corporation obtain long-term debt capital?  
   (a) Yes  (b) No

14. If yes, then
   (a) Who are the possible suppliers.
   (b) What are their lending criteria?
   (c) What restrictive convenants are likely to be improved?

15. Can the corporation raise short-term debt capital?  
   (a) Yes  (b) No

16. Is corporation able to serve the debt from internal sources?  
   (a) Yes  (b) No

17. What in your opinion should be the capital structure of the corporation in terms of debt/equity proportion?

18. Does the corporation have a seasonal financing needs?

19. Does the financial needs of the corporation are increasing regularly?

20. Have you ever estimated the cost of capital of the corporation?

21. What major commitments of funds investments have been made during the last ten years?

22. Has the liquidity position of the corporation improved over time?

23. What is the present capacity utilisation rate?

24. How sound is the financial structure of your corporation?

25. Which in your opinion is the main factor that influence the capital structure of a corporation.  
   (a) Cost of capital  
   (b) Level of interest rate.  
   (c) Growth age and size of corporation

26. What would be the additional long-term finance requirement for over the next five years?
27. From which source you propose to fulfill these finance requirements?

28. How should capital budgeting decisions be taken?

29. Among the different methods of evaluating investment proposals which one is used in your corporation:
   (a) Traditional method.
   (b) Discounted cash flow method.
   (c) Net present value method.

30. What steps should be taken for capital budgeting process:
   (a) Project generation
   (b) Project evaluation
   (c) Project selection.
   (d) Project execution.

31. Which in your opinion is the best:
   (a) Investment decision decision for maximizing the value
   (b) Financing decision of corporation
   (c) Dividend decision.

32. Do the capital investment in your firm have been supported by long-term financing?

33. Which of the following methods of budgeting is in use in your firm:
   (a) Traditional budgeting.
   (b) Flexible budgeting.
   (c) Zero base budgeting.
   (d) Performance budgeting.

34. Are you preparing the fund flow statement?

35. What criteria do you use to select the project:
   (a) Pay back period method.
   (b) Accounting rate of return.
   (c) Internal rate of return.
   (d) Net present value method.

36. What are the various budgets prepared by you?

37. Who prepares these budgets?
38. What is the depreciation policy of the corporation?

39. Is the corporation policy reasonable?

40. What are the different ways to show depreciable assets in the balance sheet?

WORKING CAPITAL:

41. What should be the working capital financing policy of the corporation?

42. What is the magnitude of working capital in your organisation?

43. Are you maintaining adequate inventory in the corporation?

44. Are you satisfied about inventory control technique used by your corporation?

45. What is the major source of working capital finance?

46. What are your major problems in the area of working capital management?

47. Are the financing capabilities of the corporation adequate to meet its financial needs?

48. Please furnish the guidelines you follow in granting credit to customers?

49. Are you satisfied with your bank relations?

50. How is cash controlled?

51. How much cash you normally hold in the company?
52. Are you determining the 'optimal' cash balances?

53. What are the steps initiated by the concern to check the misappropriation of the cash?

54. Who takes care of the receivable management?

55. By whom credit policy is formulated?
   (a) Chairman
   (b) Finance/Sales Manager
   (c) Committee.

56. What is the maximum amount and time for which credit is granted?

57. How is the credit worthiness of a prospective customer estimated?
   (a) By seeing annual accounts and financial statement.
   (b) By referring the bankers for information.
   (c) By referring to the fellow undertaking which is already transacting business with him.
   (d) Any other method.

58. What techniques do you follow to control working capital position?
   (a) Ratio analysis.
   (b) Trend analysis.
   (c) Fund flow statement
   (d) Information system/reports/statements/feedback period.

59. Which is the main factor that influence the working capital needs?
   (a) Size of business.
   (b) Seasonal variation
   (c) Production policy.
   (d) Supply condition.
   (e) Debtors realisation.

**PROFITABILITY**

60. What is the profitability position of the enterprise during the last ten years?
61. What are the main factors in your opinion that influence the profitability of the enterprise?

62. As finance manager how are you going to solve the following problems of your corporation?

(a) Continuous losses/Inadequate return on investment.
(b) Excessive dependance on external sources.
(c) Defective debt equity ratio.
(d) Problems of working capital finance.
(e) Interest burden.
(f) Book debt collection.
(g) Preparation of budgets.
(h) Preparation and execution of expansion plan.
(i) Assistance from Government and financial institutions.