APPENDIX : I

RECEIVABLES MANAGEMENT IN THE MATCH INDUSTRY OF SIVAKASI

Interview Schedule For Business Person

1. IDENTIFICATION

1.1 Name of the concern : 

1.2 Address of the concern : 

1.3 Year of Establishment : 

1.4 Form of organisation : 
   1.4.1 Proprietorship [ ]
   1.4.2 Partnership [ ]
   1.4.3 Company [ ]

1.5 Market for the output : 
   1.5.1 Locally only [ ]
   1.5.2 Within Tamil Nadu [ ]
   1.5.3 Outside Tamil Nadu [ ]
   1.5.4 All [ ]

1.6 Concern's Channel of Distribution:
   Producer - Customers [ ]
   Producer - Agents - Customers [ ]
   Producer - Intermediaries - Customers [ ]
1.7 Number of agents appointed: Full Time Part Time Total
   a. Salaried -
   b. Commission -

1.8. Your Bank(s) : A. B. C.

1.9 Your Auditor(s)/Consultant(s) : A. B. C.

1.10 Head of Accounting
   Section :
   1.10.1 Designation :
   1.10.2 Qualification :
   1.10.3 Experience :

2. ACCOUNTS RECEIVABLES : (GENERAL)
   2.1 Why do you extend credit to customers ?
   2.1.1 To increase the Sales & Profit [ ]
   2.1.2 To meet Market Competition [ ]
   2.1.3 For growth and development [ ]
   2.1.4 To attract new customers [ ]
   2.1.5 Any others (Please specify) [ ]
   2.1.6 No opinion [ ]
2.2 How do you determine the level of accounts receivables?

2.2.1 By making sales forecasts [ ]
2.2.2 By adjusting past figures [ ]
2.2.3 By trade off between costs & business [ ]
2.2.4 Any others (Please specify) [ ]
2.2.5 Nothing is considered [ ]
2.2.6 No opinion [ ]

2.3 What were the courses of finance for the investment in accounts receivables in the year 1988-89.

Note: Rank the sources.

<table>
<thead>
<tr>
<th>Sources</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Own Funds</td>
<td>(    )</td>
</tr>
<tr>
<td>B. Trade Credit</td>
<td>(    )</td>
</tr>
<tr>
<td>C. Bank O/D</td>
<td>(    )</td>
</tr>
<tr>
<td>D. Short-term Borrowings</td>
<td>(    )</td>
</tr>
<tr>
<td>E. Relatives Deposits</td>
<td>(    )</td>
</tr>
<tr>
<td>F. Internal Sources</td>
<td>(    )</td>
</tr>
</tbody>
</table>

2.4 Do you prepare Accounts Receivables Report? Yes/No

2.4.1 Monthly [ ]
2.4.2 Quarterly [ ]
2.4.3 Half-yearly [ ]
2.4.4 Yearly [ ]
2.4.5 Any other (Please specify) [ ]
2.5 NUMBER OF CUSTOMERS ENJOYING CREDIT FACILITY

2.5.1 Local : 
2.5.2 Tamil Nadu : 
2.5.3 Other States : ------

Total ------

2.6 How many staff are engaged in the work of accounts receivables ?

2.6.1 Solely Engaged [ ] [ ] [ ] [ ] [ ] [ ]

2.6.2 Partly Engaged [ ] [ ] [ ] [ ] [ ] [ ]

2.7 Do you adopt any technique(s) to have control over the accounts receivables ? Yes/No

If yes, what is/are the technique(s) you adopted ?

3. CREDIT POLICY

3.1 CREDIT STANDARD

3.1.1 Is your credit policy Lenient? (Liberal) or Stringent (Strict) or normal ?

Lenient [ ] Normal [ ] Stringent [ ]

3.1.2 How do you say your credit policy is Lenient?

3.1.2.1 If differs from customer to customer [ ]
3.1.2.2 If differs from period to period [ ]
3.1.2.3 Any others (Please specify) [ ]
3.1.2.4 No opinion [ ]
3.1.3 Why do you change your credit policy from customer to customer?

3.1.3.1 To attract the new customers [ ]
3.1.3.2 To satisfy the existing customers [ ]
3.1.3.3 To meet competition [ ]
3.1.3.4 Any others (Please specify) [ ]
3.1.3.5 No opinion [ ]

3.1.4 Why do you change your credit policy from period to period?

3.1.4.1 Firm's internal policy [ ]
3.1.4.2 Market trend [ ]
3.1.4.3 Prospects of business [ ]
3.1.4.4 Any others (Please specify) [ ]
3.1.4.5 No opinion [ ]

3.1.5 How do you fix the amount of credit extended to an existing customer?

3.1.5.1 On the basis of past business [ ]
3.1.5.2 Considering customer's business prospects [ ]
3.1.5.3 Any others (Please specify) [ ]
3.1.5.4 No opinion [ ]

3.1.6 What is the Minimum and Maximum amount of credit extended to an existing customer? (in Rs.)

MIN. ..........  MAX. ..........
3.1.7 What are the problems involved in fixing the credit standard?
1.
2.
3.

3.2 CREDIT PERIOD

3.2.1 What is the Minimum and Maximum credit period allowed to a customer?

A. 7 - 15 days [ ]
B. 15 - 21 days [ ]
C. 21 - 30 days [ ]
D. 30 - 45 days [ ]
E. 45 - 60 days [ ]
F. 60 - 75 days [ ]
G. 75 - 90 days [ ]

3.2.2 Do you consider any factor to decide upon the credit period allowed to a customer? Yes/No
If yes, rank the factors:
A. Quantity of purchase ( )
B. Repayment Capacity ( )
C. Establishment of Customer ( )
D. Any others (Please specify & rank them) ( )
3.2.3 What are the problems associated with the determination of the credit period?

1.
2.
3.

3.3 DISCOUNT

3.3.1 What kind of discount do you offer to the customers?

3.3.1.1 Trade [ ]
3.3.1.2 Cash [ ]
3.3.1.3 Both [ ]

3.3.2 What type of discount policy do you adopt?

3.3.2.1 Stable [ ]
3.3.2.2 Unstable [ ]

If your discount policy is stable one,

3.3.3 What is the rate of discount do you offer?

A. Trade Discount ( ) %
B. Cash Discount ....../....net....

Average number of customers enjoyed cash Discount offerings: ..... 

3.3.4 Do you administer any conditions while offering cash discount? Yes/No
If yes, what are they?

1.
2.
3.

If your discount policy is unstable one.
3.3.5 What are the different rates of discount allowed normally to the customers?

<table>
<thead>
<tr>
<th>Kinds</th>
<th>Discount rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Trade Discount</td>
<td>Min.</td>
</tr>
<tr>
<td>B. Cash Discount</td>
<td></td>
</tr>
</tbody>
</table>

3.3.6 Why do you prefer an unstable discount policy?

3.3.6.1 To satisfy the customers [ ]
3.3.6.2 To meet the market situation [ ]
3.3.6.3 Any others (Please specify) [ ]
3.3.6.4 No opinion [ ]

3.3.7 What are the problems pertaining to the cash discount offerings?

1.
2.
3.

3.4 COLLECTION POLICY

3.4.1 Is your collection policy is soft or strict or normal?

3.4.1.1 Soft [ ]
3.4.1.2 Strict [ ]
3.4.1.3 Normal [ ]

3.4.2 Do you have any well established collection programme for accounts receivables? Yes/No

3.4.3 Do you make direct sales or documents through banks or both?
3.4.3.1 Direct Sales [ ]
3.4.3.2 Documents through Bank [ ]
3.4.3.4 Both [ ]

REGARDING DIRECT SALES

3.4.4 Do you remind the customers about the debt from them, before the due date? Yes/No
If Yes, what sort of steps do you take?
3.4.3.1 Letter correspondence [ ]
3.4.3.2 Personal contact [ ]
3.4.3.3 Telephone contact
3.4.3.4 Agents contact
3.4.3.5 Collection Agency contact
3.4.3.6 Any others (Please specify) [ ]

3.4.5 How do you collect the debts from your customers?
3.4.4.1 By personal visit [ ]
3.4.4.2 Through agents [ ]
3.4.4.3 Through collection Agency [ ]
3.4.4.4 By post [ ]
3.4.4.5 By all [ ]

3.4.6 Which modes of payment do you prefer normally and Rank them in order?
A. Cash ( )
B. Demand Draft ( )
C. Mail Transfer ( )
D. Cheque ( )
3.4.7 What will be your further reaction(s) if a customer fails to pay the due amount in time?

<table>
<thead>
<tr>
<th>Reactions</th>
<th>No. of times</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Remind by letters</td>
<td></td>
</tr>
<tr>
<td>B. Remind by telephone</td>
<td></td>
</tr>
<tr>
<td>C. Remind through personal visit</td>
<td></td>
</tr>
<tr>
<td>D. Remind through Agents</td>
<td></td>
</tr>
<tr>
<td>E. Remind through Agency</td>
<td></td>
</tr>
<tr>
<td>F. Extension of Credit period</td>
<td></td>
</tr>
<tr>
<td>G. Remind by telegrams</td>
<td></td>
</tr>
</tbody>
</table>

3.4.8 How many times do you remind, before taking any legal action against a defaulted customer?

<table>
<thead>
<tr>
<th>Methods</th>
<th>No. of times</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Letter</td>
<td>[ ] [ ] [ ] [ ]</td>
</tr>
<tr>
<td>B. Telephone call</td>
<td>[ ] [ ] [ ] [ ]</td>
</tr>
<tr>
<td>C. Personal visit</td>
<td>[ ] [ ] [ ] [ ]</td>
</tr>
<tr>
<td>D. Agency approach</td>
<td>[ ] [ ] [ ] [ ]</td>
</tr>
<tr>
<td>E. Agent's Visit</td>
<td>[ ] [ ] [ ] [ ]</td>
</tr>
</tbody>
</table>

3.4.9 Particulars of legal steps taken against defaulted customers?

3.4.9.1 Number of cases filed
3.4.9.2 Number of cases pending
REGARDING DOCUMENTS THROUGH BANK

3.4.10 Why do you prefer Bills receivables?

3.4.10.1 To provide finance by discounting them [ ]
3.4.10.2 To safeguard from Bad Debt losses [ ]
3.4.10.3 As a customary practice [ ]
3.4.10.4 For endorsement benefits [ ]
3.4.10.5 Any others (Please specify) [ ]

3.4.11 Have you been availed of any bank facility against Debtors? If Yes, please give the details

3.4.11.1 Book Debts [ ]
3.4.11.2 Bills Purchase
   a. Documents against payment [ ]
   b. Documents against Acceptance [ ]
3.4.11.3 Cheque discounting [ ]

3.4.12 How long does the bank allow time to clear the Bills by the customers in case of documents against payment?

3.4.12.1 Upto 30 days [ ]
3.4.12.2 Over 30 days & upto 45 days [ ]
3.4.12.3 Over 45 days & upto 60 days [ ]
3.4.12.4 Over 60 days [ ]
3.4.13 What is the percentage of loan given by your bank against a Bill?

3.4.13.1 100% [ ]
3.4.13.2 90% [ ]
3.4.13.3 80% [ ]
3.4.13.4 75% [ ]
3.4.13.5 70% [ ]

3.4.14 Why do you prefer Direct Sales, or documents through Bank? (Rank the factors)

A. Direct Sales:
1. Good image about us [ ]
2. Less formalities [ ]
3. Avoidance of high Bank charges [ ]
4. Customer's wish [ ]

B. Documents through Bank:
1. Prompt Payment [ ]
2. Less risky [ ]
3. Customer's wish [ ]
4. Others (Please specify) [ ]

3.4.15 What is the rate charged by the banks for discounting the bills?

3.4.16 What will be your further reaction against a customer who fails to pay the due amount on the discounted bills?
3.4.16.1 No business further [ ]
3.4.16.2 Warn the customer to pay promptly [ ]
3.4.16.3 Request the customer for prompt payment [ ]
3.4.16.4 Punishment through imprisonment [ ]
3.4.16.5 Any others (Please specify) [ ]

3.4.17 What are the problems involved in implementing the collection Policy of your firm ?
1.
2.
3.

4. PROSPECTIVE CUSTOMERS - EVALUATION

4.1 Do you evaluate a new customer who is approaching for a fresh credit limit ? Yes/No
If yes, how do you evaluate him ?
4.1.1 By personal judgement [ ]
4.1.2 By analysing the financial statements [ ]
4.1.3 By Bank reference [ ]
4.1.4 By Trade reference [ ]
4.1.5 Any others (Please specify) [ ]

4.2 How do you fix the amount of credit extended to a new customer ?
4.2.1 As demanded by the customers [ ]
4.2.2 After scrutinising the financial worthiness

4.2.3 As recommended by the other existing customer

4.2.4 Certain percentage on sales made by the customer

4.2.5 Certain percentage of current assets of the customer

4.2.6 Any others (Please specify)

4.3 What are the problems concerned with the evaluation of prospective customers?

1.

2.

3.

5.1 PARTICULARS OF RECEIVABLES

<table>
<thead>
<tr>
<th>Amount (in Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1986-87</td>
</tr>
</tbody>
</table>

5.1.1 Trade Debtors

- Good : 
- Bad : 
- Doubtful : 

5.1.2 Bills :

5.2 Percentage of cash sales:

5.3 Sales (during 1986-89):
5.4 Particulars of cost:

5.4.1 Sales price:

5.4.2 Variable cost:

5.4.3 Fixed cost:

6. GENERAL

6.1 Do you get any advice from the experts like auditors for effective management of receivable in your concern? Yes/No

6.2 Your Concern's Customers are:

6.2.1 Completely reliable [ ]

6.2.2 Highly reliable [ ]

6.2.3 Moderate [ ]

6.2.4 Slightly risky [ ]

6.2.5 Doubtful customers [ ]

6.2.6 No opinion [ ]

6.3 To what extent the market condition affect your firms' credit policy?

6.3.1 Affect highly [ ]

6.3.2 Affect sometimes [ ]

6.3.3 No effect [ ]

6.3.4 No opinion [ ]
6.4 Do you want any improvement in Banking finance on debtors?

YES/NO

If Yes, what are they?

1.

2.

3.

6.5 Do you use computer in Managing the accounts receivables?

YES/NO
APPENDIX : II

RECEIVABLES MANAGEMENT IN THE MATCH INDUSTRY OF SIVAKASI

Interview Schedule for Banker

1. Name of the Bank :

2. Various kinds of working capital finance made available to the Match Industry of Sivakasi :

2.1 Long-term Financing :

2.1.1 Working Capital term loan [ ]

2.1.2 Others (If any) [ ]

2.2 Short-term Financing :

2.2.1 Cash Credit

Hypothecation of Stock [ ]
Pledge of Stock [ ]
Hypothecation of Book-debts [ ]
Clean cash credit [ ]

2.2.2 Bills purchase (discounting) :

D/P [ ]
D/A [ ]
Clean [ ]

2.2.3 Cheque purchase/discounting [ ]

2.2.4 Demand loan (repayable in instalments) [ ]

2.2.5 Any other facility [ ]
3. Number of units enjoying your Bank's working capital assistance

<table>
<thead>
<tr>
<th>Total No. of match Units</th>
</tr>
</thead>
</table>

4. Financing of Receivables:

4.1 What is the Margin prescribed in Financing receivables?

4.1.1 In case of Book-debts:

4.1.2 In case of Bills:

4.2 How long does your bank wait for realisation of documents against payment?

4.2.1 Within State Sales:

- Upto 30 days [ ]
- 30 - 45 days [ ]
- 45 - 60 days [ ]
- Over 60 days [ ]

4.2.2 Outside State Sales:

- Upto 30 days [ ]
- 30 - 45 days [ ]
- 45 - 60 days [ ]
- 60 - 90 days [ ]
- Over 90 days [ ]

4.3 What is the rate of discount charged on Bills and Cheques?

Bills ............ Cheques ............
4.4 Problems experienced in financing receivables?

1.

2.

3.

4.5 Opinions regarding the following statements about
Match Industry: S.A. A. N.O. D. S.D.

1. They are nicely approaching - - - - -
   for loan

2. They are very much interested - - - - -
   to know and make use of the
   facilities offered by your bank

3. They are extending co-operation - - - - -
   while the officers are enquiring
   about the business

4. Their growth and development - - - - -
   have been encouraged by
   your Bank

5. They are not reporting imme-
   diately in case of any clarifi-
   cations needed by the Bank

6. They are not repaying loan - - - - -
   amount in time

7. They are not properly maintain-
   ing a/cs for goods pledged or
   hypothecated

8. The client's customers fail - - - - -
   sometimes to clear the Bills

(S.A. - Strongly agree; A - Agree; N.O. - No Opinion;
D - Disagree; S.D. - Strongly dis-agree)