FINANCIAL MANAGEMENT IN SMALL SCALE ENTERPRISES WITH
PARTICULAR REFERENCE TO ANANTAPUR DISTRICT

1. Personal Data of the Respondent

1.1 Name of the Entrepreneur :

1.2 Gender :
1) Male
2) Female

1.3 Age of the Entrepreneur at the Commencement
Of the unit (In completed years) :

1.4 Age of the Entrepreneur at present
(In completed years) :

1.5 Educational Qualifications-General
1- Primary (1-5)
2- Upper primary (6-7)
3- Secondary (8-10)
4- Intermediate (11-12)
5- Graduation
6- P.G

1.6 Educational Qualifications - Technical
1 - I.T.I
2 - Polytechnic
3 - B.Tech and above
4 - Not Applicable

1.7 Experience of the Entrepreneur (in years)
1- 6 to 10 years
2- 11 to 15 years
3- 16 to 20 years
4- 21 to 25 years
5- 26 to 30 years
1.8. Generation of the Entrepreneur
   1- First Generation
   2- Second Generation

1.9. Type of the Family
   1- Joint family
   2- Nuclear

1.10. Occupation of your father
   1 – Framer
   2 – Employee
   3 – Profession
   4 – Business

1.11. Earlier occupation of the Entrepreneur
   1 - Student
   2 - Running a similar unit
   3 - Unemployed
   4 – Business

2. Identification of the Data

2.1. Type of the organization
   1 - Sole-trader ship concern
   2 - Partnership concern
   3 - Private Limited Company
   4 - Public Limited Company

2.2. Nature of Operation
   1 - Manufacturing
   2 – Processing
2.3. Year of commencement of Production/business:
   1 - Up to 1990
   2 - Between 1991 to 2000
   3 - 2000 and above

2.4. Nature of Operation
   1 - Seasonal
   2 - Throughout the year

3. Organization Structure
3.1. How many levels in your organization?
   1 - One level
   2 - Two levels
   3 - Three levels
   4 - More than three levels

3.2. Do you have a separate finance department?
   1 - Yes
   2 - No

3.3. If no, who looks over the financial decisions?
   1 - Sole proprietorship
   2 - Managing partner
   3 - Managing director
   4 - Others (specify)

3.4. Do you have a separate stores section?
   1 - Yes
   2 - No

3.5. If no, which department manages the Inventory?
   1 - Sole proprietorship
   2 - Managing partner
   3 - Managing director
   4 - Production in charge
   5 - Not Applicable
4. Procurement of Capital

4.1. How you have estimated capital requirements of the enterprise?
   1- Based on production
   2- Based on turnover
   3- Based on demand
   4 – Others

4.2. What are the various sources of capital to the undertaking?
   1-Capital provided by the sole proprietors
   2-Capital provided by the partners
   3-Promoters contribution
   4-Retained earnings
   5-Commercial Banks
   6-APSFC
   7-SIDBI
   8-Money lenders
   9-Friends & Relatives
   10-Trade finance
   11-Deposits from customers and middle man
   12-NBFC
   13-Others (specify)

4.3. What factors do you consider while determining the financial structure?
   1 - Cost of capital
   2 - Financial Institutions Directives
   3 - Any other basis (specify)

5. Investment in Fixed Assets

5.1. How do you recognize capital expenditure proposals?
   1 – District Industries Centers
   2 - Consultancies
   3 - Through any other means (Specify)
5.2. Who is authorized to take investment decisions pertaining to fixed assets?
   1- Sole proprietorship
   2- Managing partner
   3- Managing director
   4 – Production in charge

5.3. What are the factors that you consider while determining investment in fixed assets?
   1- Cost of the asset
   2- Quality of the asset
   3- Life period of the asset
   4 – Rate of return
   5 – All of them

5.4. Have you been adopting any technique for evaluating investment proposals in fixed assets?
   1 - Yes
   2 - No

5.5. If yes, specify the technique that you adopt for capital expenditure proposals.
   1 - Pay back method
   2 - Rate of return
   3 - Discounted cash flow
   4 - No method is followed

5.6. What has been the procedure for purchasing of fixed assets?
   1- Tender system
   2 - Direct placement of order
   3 - Any other (Specify)
6. Working Capital Frame Work

6.1. What are the components of working capital in your concern?
   1 – Cash and Trade Debtors
   2 - Cash & Short-term investments
   3 - All of the above

6.2. Who looks after working capital management?
   1 – Owner of the Enterprise
   2 – Self with the help of manager/Accountant
   3 - Accountant

6.3. How do you determine the size of working capital?
   1- Past experience
   2- Projection based on production/sales

6.4. How do you estimate the size of working capital?
   1 - As a % of fixed capital
   2 - As a % of sales
   3 - As a % of production.

6.5. What is the period of time taken to review the working capital position?
   1- Daily
   2- Weekly
   3- Monthly
   4- Quarterly

6.6. How do you assess the performance of working capital?
   1- Ratio Analysis
   2- Funds flow Analysis
   3- No method adopted
6.7. How do you exercise control over working capital?
   1- Cash and Bank Balance Reports
   2- Periodical production/ Sales budgets
   3- Periodical working capital reports

6.8. Do you come across the problem of working capital shortage?
   1- Always
   2- Seasonal
   3- Some times
   4- Never

6.9. What are the areas of shortage of working capital?
   1- Cash
   2- Inventories
   3- Both
   4- Not Applicable

6.10. How you meet the shortage of working capital needs?
   1- Borrowing at higher interest
   2- Delaying payment to creditors
   3- Dislocation of production
   4- Not Applicable

6.11. What are the sources of working capital needs?
   1- Internal Sources
   2- External Sources
   3- Both

6.12. Would you indicate the basis for bank finance?
   1- Quality of the proposal
   2- Financial Strength
   3- Both
6.13. In which form do you avail bank loans?
   1 – Overdraft
   2 – Cash Credit
   3 – Hypothecation of Inventories
   4 – Pledging of Stock

7. Management of Cash

7.1. Would you specify the reasons for keeping cash in your concern?
   1- To meet daily obligations
   2- To take advantage of favorable market conditions.
   3- To secure cash discount from suppliers
   4- To meet contingencies.
   5 – All of the above

7.2. What is the periodicity of time to review the cash position?
   1- Daily
   2- Weekly
   3- Monthly
   4- As and when necessary

7.3. What is the basis adopted to determine your minimum cash balance?
   1- A fixed sum
   2- As a % of total investment
   3- As a % of production budget
   4- As a % of wage and purchase bill
   5- Any other

7.4. How do you meet your requirements of cash when the cash balance goes below minimum desirable level?
   1- By utilizing bank credit line
   2- By liquidating marketable securities
   3- Non-banking sources
   4- By delaying payments
7.5. Do you judge the liquidity of funds?
   1 - Yes
   2 - No

7.6. How do you assess the liquidity of funds?
   1 - Ratio analysis
   2 - Cash flow analysis
   3 - No method followed
   4 - Any other method

7.7. How do you invest excess cash, if any?
   1 - Purchasing marketable securities
   2 - Paying short/long term liabilities
   3 - Investing in associates
   4 - Any other (Specify)

7.8. In what manner short-term loans are raised?
   1 - Secured loans
   2 - Unsecured loans
   3 - Cash credit
   4 - Over draft

8. Receivables Management

8.1. What are your sales practices?
   1 - Cash sales only
   2 - Credit Sales only
   3 - Both cash and credit sales

8.2. What are the forms of credit sales?
   1 - Debtors/ Bills receivables
   2 - Open account
   3 - Both open and debtors/ Bills receivables
   4 - Not Applicable
8.3. Would you specify the reasons for making credit sales?
   1- Market tradition
   2- Sales Promotion
   3- Demand from friends
   4- Accommodating special customers
   5- Not Applicable

8.4. What is the duration of credit period extended by your concern?
   1- Up to 1 week
   2- Up to 3 weeks
   3- Up to 5 weeks
   4- More than 5 weeks
   5- Not Applicable

8.5. How do you evaluate the credit worthiness of a customer?
   1- Bank reference
   2- Past experience
   3- Sales representatives
   4- Friends and relatives
   5- Public Enquiry

8.6. How do you evolve credit policy?
   1- Independent Credit Policy
   2- Dependent credit Policy

8.7. Would you follow same credit policy for all the customers?
   1- Yes
   2- No

8.8. Have you been changing your credit policy?
   1- Frequently
   2- Now and then
   3- Never
8.9. Would you allow any cash discount for prompt payment? If “Yes” 
Please state the rate of discount allowed.
1 – No discount is allowed
2 – One per cent
3 – Two per cent
4 – Three per cent
5 – Four per cent
6 – Five per cent

8.10. What is the type of the action initiated by your concern to collect the 
dues?
1- Direct collection from the customers
2- Collection through representatives
3- Both

8.11. What is the period of time taken to collect overdue accounts?
1 - Within one month
2 - Within two months
3 - More than two months
4 – Not Applicable

8.12. Would you go to court of law in respect of defaultry customers?
1-Always
2-Sometimes
3-Never

9. Inventory Management

9.1. How do you determine the minimum level of raw materials?
1 - Consumption for a fixed period production.
2 - Consumption during procurement time.
3 - Consumption during procurement time and safety stock.
9.2. How do you ascertain the maximum level of raw material inventory?
   1 - Inventory purchase is the best use of funds
   2 - Storage space available
   3 - Carrying cost of inventory
   4 - Supply condition of material
   5 - Price changes.
   6 - Future plan for production.

9.3. What is the time taken to review inventory position?
   1 - Daily
   2 - Weekly
   3 - Monthly
   4 - Quarterly

9.4. What is the lead-time for indigenous raw materials?
   1 - Within a week
   2 - Within a month
   3 - More than one month

9.5. What system of ordering do you follow?
   1 - Economic order quantity system
   2 - Fixed period order system
   3 - Single order system
   4 - Order according to needs

9.6. Who exercises control over raw material inventory?
   1 - Self (owners)
   2 - Accountant
   3 - Managers

9.7. Would you make emergency purchases? If “Yes”, please state the reason?
   1 - Not Applicable
   2 - Un proper maintenance of stock records
   3 - Unexpected demand for our production
   4 - Others
9.8. Have you developed norms for consumption of raw materials?
   1-Yes
   2-No

9.9. Have you been adopting the following control techniques?
   1-Classification and Codification
   2-Variety reduction and standardization
   3-ABC Analysis
   4-No method is followed

9.10. What is the basis of raw material purchase?
   1-Credit only
   2-Cash only
   3-Both credit and cash

9.11. What are the methods of credit purchase?
   1-Open account
   2-Trade bill acceptance
   3-Both open and trade bill acceptance
   4-Not Applicable

9.12. Would you mention the credit period allowed by the suppliers?
   1-Up to 15 days
   2-15 days to 30 days
   3-More than 30 days
   4-Not Applicable

9.13. Do you avail discount facility?
   1-Yes
   2-No

9.14. Has the supplier charged penal interest on the over due accounts?
   1-Yes
   2-No
   3-Not Applicable
9.15. Please supply a copy of each of the following for the years from 2001 to 2006.

1- Manufacturing account
2- Trading account
3- Profit and loss account
4- Balance sheet