QUESTIONNAIRE

Questionnaire on "Analysis of Profitability Crisis and Working Capital Management in Some Selected Public Sector Undertaking Under the Ownership and Control of the State Government of West Bengal"

1. General:
   (a) Name of the Company
   (b) Authorities in charge of the management of working capital:
       1. Financial Manager
       2. Chief Cashier
       3. Credit Manager
       4. Sales Manager
       5. Any Other

II. How is working capital determined?

1. Please tick off one of the appropriate alternatives:
   (a) by making detailed estimates of various components of working capital.
   (b) by operating cycle approach
   (c) by the application of statistical tool such as Regression Analysis etc.?
2. Is the working capital reviewed at regular intervals?
   Yes/No
   If yes, please specify whether it is done
   (a) Monthly  (b) Quarterly  (c) Half Yearly  (d) any other

3. If working capital is reviewed how is it accomplished?
   (a) by the use of the technique of funds flow analysis
   (b) by the use of cash flow analysis or any other techniques

4. In case working capital is found inadequate by the management what are considered to be the reasons?
   (a) Cash shortage
   (b) Under investment or no investment in marketable securities
   (c) Under investment in receivables
   (d) Under investment in inventories
   (e) any Other?

5. In case, investment in working capital is found to be 'in excess' what are considered to be the reasons?
   (a) excess holding of cash
   (b) excess investment in inventory
   (c) excess investment in receivables
   (d) excess investment in marketable securities

6. Does your company use any budgetary control on the investment in working capital
   Yes/No
7. How investment in different segments of working capital is determined in your Company?

8. How is the working capital financed? Please give the percentage share in the total while identifying the source.
   (a) From Share Capital
   (b) by ploughing back profits
   (c) From long term loans
   (d) From short term loans
   (e) From other sources

9. How the level of investment in different segment of working capital is determined?
   (a) Is it by budgetary exercise?
   (b) On the basis of the trend study
   (c) On any other method

III. Cash

1. Are the objectives for keeping cash balance?
   (a) to meet obligation
   (b) to allow for contingencies
   (c) to take benefit from favourable markets
   (d) any other?

2. Do you make any exercise for fixing up the optimum level of cash balance to be held by your company?
   If yes, is it what technique do you use?
   (a) by means of cash budget?
   (b) on the basis of a certain percentage of total capital?
3. Do you prepare cash reports?
   Yes/No, If Yes - is it
   (a) daily
   (b) weekly
   (c) Fortnightly
   (d) any other?

4. Did you ever incur short cost in respect of cash holding? If yes, which particular formula did it take?
   (a) payment of higher rate of interest
   (b) foregoing of discount on payments
   (c) damaging financial reputation of the company
   (d) any other?

5. How are your requirements of cash met when the cash balance goes down the minimal desirable level? Is it
   (a) by utilizing the bank credit line.
   (b) liquidating marketable securities
   (c) by raising loans or deposits from institutions or persons other than Bank
   (d) by delaying payments
   (e) any other?
6. How excess cash, if any in your company is invested? Is it
   (a) in marketable securities?
   (b) used for paying off short/long-term liabilities
   (c) in lending to associates
   (d) in any other form?

7. What techniques are adopted by your company for intensifying the inflow of cash? Is it by
   (a) centralized collection centres?
   (b) lock box system?
   (c) any other?

IV. Marketable securities
   1. How is the optimum level of investment in marketable securities determined?
      (a) Is it on the basis of certain percentage of working capital by any other?
   2. When do you invest in marketable securities?
      (a) when there is excess cost
      (b) when the return on such investment is more than transactions costs and other costs
      (c) under any other situation?
   3. What types of securities are generally purchased by your company?
      (a) Government securities?
      (b) Preferential shares?
      (c) equity shares?
V. Receivables

1. How is the level of accounts receivables is determined in your company? Is it determined,
   (a) by making sales forecasts
   (b) by adjusting past figures
   (c) by trade off between cost of carrying receivables & profits from sale
   (d) any other?

2. Is the accounts receivable report prepared?
   Yes/No
   please if Yes, indicate if it is
   (a) monthly
   (b) quarterly
   (c) any other?

3. What is your credit policy?
   (a) how many days credit period do you allow?
   (b) do you allow cash discount?
   (c) are the terms of credit allowed by you significantly different from others. If yes, please give details.

4. How is particular credit application evaluated? Is it evaluated by:
   (a) analysing the balance sheet and other financial statements
   (b) bank checks
(c) same past experience
(d) making references to other companies in the trade
(e) any other?

5. What is your collection policy? Is it
(a) strict or
(b) soft

6. If the amount on due date is not received, what steps are normally taken by you? Is it
(a) giving reminders?
(b) contracting on Telephone?
(c) handover the case to your solicitors?
(d) seek the help of the collection agency, if any
(e) prefer to compromise
(f) any other?

7. Are the credit and collection policies of your company determined by the same individual or by different persons?

VI. Inventory

1. How is the minimum level of inventory determined? Is it determined on the basis of:
   (a) consumption during lead period
   (b) consumption during lead period plus safety margin
   (c) changes in price
   (d) any other?

2. How is the maximum level of inventory determined? Is it on the basis of:
   (a) primary consideration
3. How is the safety stock determined? Is it on the basis of
(a) variation in lead period
(b) variation in consumption rate
(c) any other?

4. Is the safety stock maintained throughout the year?
Yes/No

5. What is the span of time after which you review the minimum and maximum level of inventory reviewed?

6. Is the inventory report prepared?
Yes/No
If yes, what is the period?

7. What system of ordering is followed? Is it:
(a) the fixed order quantity or F.O.Q system
(b) fixed period order system periodic review system or replenishment system
(c) single order and scheduled part deliveries system
8. Do you go for ABC classification of inventories?  
Yes/No  
If 'yes' please answer the following:  
(a) who looks after the procurement of A items?  
(b) what is the period of stock reports of A items to the top management?  
(c) How the procurement of B & C items looked after?  
(d) Is there the issue record of C items also  
Yes/No  
9. Is there the optimum level of inventory?  
Yes/No  
10. The function of inventory control is performed by whom?  
(a) stores department  
(b) purchase department  
(c) production and planning department  
(d) any other?  
11. Any other piece of information, opinion or comments you would like to give:  