ANNEXURE
Annexure

Questionnaire for the topic "Management of Working Capital in Foundry Industries: A Case Study of Belgaum District"  
(Please tick off one of the appropriate alternative)

I. General :

1. Name and address of the foundry unit :
2. Year of establishment :
3. Nature of Registration of foundries your unit belongs  
   a) Sole Proprietorship □   b) Partnership □
   c) Private Limited □   d) Public Limited □
4. Which categories of foundries your unit belongs ?
   a) Ferrous  
      i) Steel foundry □   ii) Grey cast iron foundry □
      iii) Malleable iron foundry □   iv) Ductile iron foundry □
   b) Non Ferrous  
      i) Light metals foundry □   ii) Copper, brass, & bronze foundry □
      iii) Lead, tin & zinc base foundry □   iv) Any other please specify

5. Scale of operation  
   a) Small Scale □   b) Medium Scale □   c) Large Scale □

6. What is the average annual turnover?  
   a) Upto Rs. 2 Lakhs □   b) 2 to 4 Lakhs □
   c) 4 to 6 Lakhs □   d) 6 to 8 Lakhs □
   e) 8 to 10 Lakhs □   f) 10 Lakhs and above □

7. Who looks after working capital management in your concern ?
   a) Accountant □   b) Manager □
   c) Self □   d) Any other please specify
II. Management of Working Capital:

8. How do you determine the size of working capital?
   a) By estimating working capital components. □
   b) As a percentage of fixed assets. □
   c) As a percentage of sales □
   d) Past experience □
   e) Any other please specify ____________________

9. Which are the sources for working capital requirement?
   a) Own Capital □
   b) Borrowed capital □
   c) Trade Creditors □
   d) All of the above □
   e) Any other please specify ____________________

10. What are the components of working capital?
    a) Inventory □
    b) Receivable □
    c) Cash and bank balance □
    d) Short-term investment □
    e) Bank Borrowing □
    f) Trade credit □
    g) All of the above □
    h) Inventory and receivable □
    i) Inventory, receivable & cash □
    j) Any other please specify ____________________

11. How do you control working capital in your concern?
    a) By budgetary control □
    b) By Periodical reports □
    c) By budgetary control and periodical reports □
    d) Any other please specify ____________________
12. Do you assess the working capital position of the unit?
   a) Yes □  b) No □

13. If Yes, how do you assess the working capital position of the unit?
   a) Cash flow statement □ b) Funds flow statement □
   c) Cash flow and funds flow statement □
   d) Any other please specify___________________

14. Is the working capital reviewed at regular intervals?
   a) Yes □  b) No □

15. If Yes, please specify the period
   a) Daily □  b) Weekly □  c) Monthly □
   d) Quarterly □  e) Half yearly □  f) Yearly □
   g) As and when necessary. □

16. How do you allocate the working capital to various components?
   a) Production estimate □
   b) By preparing different budgets □
   c) By determining ratios (name the ratios) □
   d) All of the above □
   Any other please specify___________________
   f) Not applicable. □

17. Is there any inadequate working capital?
   a) Yes □  b) No □
18. If Yes, please give the cause of inadequate working capital, It is because of
   a) Under investment in inventory □
   b) Under investment in receivables □
   c) No / Under investment in marketable securities □
   d) All of the above □
   e) e) Any other please specify __________

19. Is there any excess working capital?
   a) Yes □  b) No □

20. If Yes, please give the cause of excess working capital, It is because of
   a) Excess Inventory □  b) Excess amount of receivables □
   c) Excess cash balance □  d) All of the above □
   e) Any other please specify __________

21. Is the requirement of working capital varies from units to unit?
   a) Yes □  b) No □

22. If yes, please give the cause of variation in requirement of working capital.
   a) The nature of business □  b) Production Policy □
   c) Market conditions □  d) Operating activities □
   e) Seasonality of operations □  f) Conditions of supply □
   g) All of the above □
   h) Any other please specify __________
23. Is the manner of working capital management adopted by the units are different from each other?
   a) Yes □     b) No □

24. Is the effectiveness of the working capital management depends on the planning and control of working capital?
   a) Yes □     b) No □
III. Management of Inventory:

25. How do you determine the minimum level of inventory? It is on the basis of
   a) Consumption during the lead period.
   b) Consumption during the lead period plus safety margin
   c) Change in price
   d) All of the above
   e) Any other please specify

26. How do you determine the maximum level of inventory? It is on the basis of
   a) Opportunity cost of funds employed
   b) Carrying cost of inventory
   c) Storage space available
   d) Supply conditions of goods
   e) Price fluctuations
   f) Future production plans
   g) Any other please specify
   h) Not applicable

27. How do you determine the safety stock? It is on the basis of
   a) Variation in lead time
   b) Variation in consumption rate
   c) Variation in lead time and consumption rate.
   d) Any other please specify
   e) Not applicable

28. Is the safety stock maintained throughout the year?
   a) Yes
   b) No

29. Do you review the minimum & maximum level of inventory?
   a) Yes
   b) No
30. If Yes, please specify the period
   a) Daily □ b) Weekly □ c) Monthly □
   d) Quarterly □ e) Half yearly □ f) Yearly □
   g) As and when necessary. □

31. Do you prepare inventory report?
   a) Yes □ b) No □

32. If Yes, please indicate the period
   a) Daily □ b) Weekly □ c) Monthly □
   d) Quarterly □ e) Half yearly □ f) Yearly □
   g) As and when necessary. □

33. Do you have ordering system for inventory?
   a) Yes □ b) No □

34. If Yes, please specify. It is on the system
   a) Fixed order quantity system □ b) Economic order quantity system □
   c) Fixed period system □ d) Single order system □
   e) Just in time □ f) All of the above □
   g) Any other please specify ____________________

35. Do you have optimum level of inventory?
   a) Yes □ b) No □
36. Who performs the function of inventory control?
   a) Stores department □
   b) Purchase department □
   c) Production and planning department □
   d) Self □
   e) Any other please specify __________________

37. How much time is needed to procure inventory?
   a) Below one week □
   b) One month □
   c) Upto 4 months □
   d) Upto 8 months □
   e) Up to 12 months □
   f) Above 12 months □
   g) Not Applicable □

38. Do you maintain stores or materials records?
   a) Yes □
   b) No □

39. If Yes, please specify
   a) Bin Cards □
   b) Stores Ledger □
   c) Bin Cards and Stores Ledger □

40. Do you follow the method of stock verification?
   a) Yes □
   b) No □

41. If Yes, please specify the period
   a) Daily □
   b) monthly □
   c) Quarterly □
   d) Half yearly □
   e) Yearly □
   f) As and when necessary. □
IV. Management of Receivables:

42. How do you determine the level of investment in receivables?
   a) By making sales forecast □ b) By adjusting past figures □
   c) By trade off between cost of carrying receivables and profit from sales. □
   f) All of the above □
   g) e) Any other please specify ________________
   f) Not applicable □

43. Do you prepare accounts receivable report?
   a) Yes □ b) No □

44. If Yes, please specify the period
   a) Monthly □ b) Quarterly □ c) Half yearly □
   d) Yearly □ e) As and when Necessary □

45. What is the average duration of credit allowed to customer?
   a) 15 days □ b) 30 days □ c) 45 days □
   d) 60 days □ e) 90 days □
   h) 91 days & above □
   g) Any other please specify □ i) Not applicable □

46. Do you give discount on prompt payment?
   a) Yes □ b) No □

47. If Yes, please specify the rate of discount?
   a) Upto 2% □ b) Upto to 5% □
   c) Upto 10% □ d) Upto 15% □
48. Is your credit terms different from terms extended by others?
   a) Yes □ b) No □

49. Which method of sales do you follow?
   a) Cash sales only □ b) Credit sales only □
   c) Cash & credit sales □

50. Do you change terms of your credit policy?
   a) Yes □ b) No □

51. If you do not receive amount on due date what steps do you take?
   a) Write reminders □ b) Contact on telephone □
   c) Prefer the compromise □ d) All of the above □
   e) Any other please specify _______________________

52. Who determines credit and collection policies in your concern?
   a) Accountant □ b) Manager □ c) Committee □
   d) Self □ e) Not applicable □

53. The method for purchase of goods in your concern is on
   a) Credit only □ b) Cash only □
   c) Credit and cash □ d) Through bank only □

54. The credit purchases are in the form of
   a) Open account □ b) Trade bills acceptance □
   c) Open account and trade bills acceptance □

55. What is the average duration of credit allowed by supplier?
   a) 15 days □ b) 30 days □ c) 45 days □
   d) 60 days □ e) 90 days □
   f) 91 days & above □
h) Any other please specify__
i) i) Not applicable □

56. Do you get discount on prompt payment?
   a) Yes □ b) No □

57. If Yes, please specify the rate of discount?
   a) Upto 2% □       b) Upto 4% □      c) Upto 6% □
   d) Upto 8% □       e) 8% and above □
V. Management of Cash :

58. The reason for keeping the cash in your concern is
   a) For meeting daily obligations. □
   b) To take advantage of favourable market condition □
   c) To secure cash discount from suppliers □
   d) To meet contingencies □
   e) All of the above □
   f) Any other please specify ____________________

59. How do you determine the optimum level of cash balance ?
   a) By means of cash budget □
   b) By a certain percentage of total capital (please indicate the percentage) ____________
   c) By a certain component of working capital (please mention the component and percentage) ____________
   d) By a certain percentage of working capita □
   e) Any other please specify ________  f) Not applicable. □

60. Do you prepare the cash reports ?
   a) Yes □  b) No □

61. If Yes, please indicate the period
   a) Daily □  b) Weekly □  c) Monthly □  d) Quarterly □
   e) Half Yearly □  f) Yearly □  g) As & when necessary □
62. What is your cost of running out of the cash?
   a) To pay higher rate of interest □
   b) To loose discount on payments □
   c) To pay higher rate of interest and to loose discount on payment □
   d) Any other please specify _____________________
   e) Not applicable □

63. How do you meet your requirement of cash, when cash balance goes below the minimum desirable level of cash?
   a) By utilizing bank credit line. □
   b) By liquidating marketable securities □
   c) By raising loans or deposits from institutions or persons other than bank
   d) By delaying payments □ e) All of the above □
   f) Any other please specify g) Not applicable □

64. How do you invest excess cash?
   a) In purchasing marketable securities □
   b) In paying short term/long term liabilities □
   c) In lending to associates □
   d) All of the above □
   e) Any other please specify _____________________
   f) Not applicable. □
65. What techniques do you adopt to intensify the inflow of cash?
   a) Centralised cash collection centers □
   b) Lock Box System □
   c) Concentration Banking □
   d) All of the above □
   e) Any other please specify ______________________
   f) Not applicable □

66. How do you determine the optimum level of investment in marketable securities?
   a) A certain percentage of working capital □
   b) Any other please specify ______________________
   c) c) Not applicable □

67. When do you invest in marketable securities?
   a) When there is excess cash □
   b) When return on such investment is more than transaction cost & other costs □
   c) When there is excess cash and return on such investment is more than transaction cost and other costs. □
   d) Any other please specify ______________________
   e) e) Not applicable □

68. The base for cash planning in your concern is
   a) Cash budget □
   b) Cash flow statement □
   c) Cash budget and cash flow statement □
   d) Production planning □
   e) All of the above □
   f) Any other please specify ______
   g) Not applicable □
69. Do you maintain petty cash book?
   a) Yes □  b) No □

70. If Yes, please specify it is
   a) To record day today transactions □
   b) To record small expenditure □
   c) To record day today transactions and small expenditure □
   d) Any other, please specify ___________________
VI. Others :

71. Please state the problems faced by foundry units in Belgaum District.

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