

SECTION 1: Current Situation of the Firm

We first interviewed your firm in December 2008. We are returning today to see how your business has fared over the past year and a half, and to help further understand the constraints firms like yours face in growing. The results of this interview will be kept confidential.

1.1. What does the activity of your business consist of?

1.2 Since the start of 2009, has your firm introduced any new **products or services**?

1. Yes
2. No -> 1.4
3. Don't know -> 1.4

1.3 What is the main new product or service introduced?

1.4 Since the start of 2009, has your firm **significantly improved an existing product or service** previously sold by the firm?

1. Yes
2. No
3. Don't know

1.5 Since the start of 2009, has your firm introduced new or improved existing business **processes** (e.g. a new production method, a new quality control system, a new accounting system, or a new distribution system)?

1. Yes
2. No -> 1.7
3. Don't know -> 1.7

1.6 What is the main new process introduced?

1.7 Has your business changed the location where it operates since the start of 2009?

1. Yes
2. No -> 1.10
3. Don't know -> 1.10

1.8 Is the business operated out of your home, or in some other place?

1. In the home > 1.10
2. On land where the home is operated, but in a separate building
3. In a separate location from the home

1.9 What type of site does your business operate on?

1. Improvised site
2. Permanent or semi-permanent site
3. Travelling site
4. Other (specify) _____

1.10 Who owns the land on which your business operates?

1. Temple land
2. Government land
3. Privately owned by someone else from whom you rent
4. Privately owned by someone else and you don't pay rent
5. Owned by you
6. Other (specify) _____

- 1.11** What type of accounts do you keep for income, expenses, assets etc. of your business?
1. Formal accounting using the services of a professional within the firm
 2. Formal accounting using the services of a professional outside the firm (e.g. accountant)
 3. Personal record-keeping or other records
 4. Does not do any accounting

1.12 How many hours a week do you personally spend working in the business?

- a. Hours last week (Days*hours) _____
- b. Hours in a normal week _____

1.13 How many employees (permanent/casual etc) work in your enterprise, including yourself?

1.14 How many of them (including yourself) work:

1. Less than 30 hours per week? _____
2. 30 or more hours per week? _____

1.15 Have you hired any new workers for your business since the start of 2009?

1. Yes
2. No -> 1.17

1.16 How many new workers have you hired?

1.17 How many of your workers are registered for EPF/ETF? _____

SECTION 2 – Assets, Income, Expenses, and Profit

In this section we ask about assets, expenses, income and profits.

2.1. Now I am going to ask you about the characteristics of any utensils, tools, machinery and equipment, vehicles and other property currently used in your business or activity. Please tell me the approximate value of your assets in each of the following categories. Think of the value as how much it would cost you to replace the assets with ones in similar condition

Item	Value (Rupees)	
	(a) Value if owned	(b) Monthly rental if rented
1. Tools and utensils		
2. Machinery and Equipment		
3. Furniture		
4. Vehicles used in the business		
5. Site (including land and buildings)		
6. Other physical assets (exclud. Inventories)		
7. Total value of assets in business		

2.1a Since the beginning of 2009—that is, since we surveyed you in the first time—have you purchased any new assets for your business or sold any business assets which you had at that time. If so, can you tell me the amount you spent on purchases in each of the categories, and the amount you received for sales in each of the categories?

Item	Value (Rupees)	
	(p) Purchased	(s) Sold
1. Tools and utensils	Q7_1ap1	Q7_1as1
2. Machinery and Equipment		
3. Furniture		
4. Vehicles used in the business		
5. Site (including land and buildings)		
6. Other physical assets (exclude. Inventories)		
7. Total value of assets (1-6 items) in business	Q7_1ap7	Q7_1as7

- 2.2. Do you have any inventories in stock, products for sale, raw materials, products in production, spare parts, or other such materials currently held at your business
1. Yes **Go to Qn. 2.3**
 2. No **Go to Qn. 2.4**
- 2.3. At market prices, what is the value you calculate of your current inventories? Rs : _____
- 2.4. How much cash on hand does your business currently have? Rs: _____
999. Don't know / Can't say / Refuse answer

Show the card

2.5. **Business expenses during the last month**

Please report the amount you have spent on each of the following categories of business expenses during the month of July 2010 (**Interviewer:** include only business and not household expenses, do not include wages the owner pays himself as an expense)

Item:	Cost (Rupees)
a. Purchase of materials and items for resale	
b. Purchase of electricity, water, gas and fuel	
c. Interest paid on loans	
d. Wages and salaries for employees	
e. Rent for land or buildings	
f. Taxes	
g. Other expenses, including equipment rental, telephone, transportation	
h. Total expenses in July 2010	

- 2.6. Can you tell me the total monthly sales of your business from all sources, including manufacturing, trade and services
- a. For the month of July 2010? Rs: _____
 - b. For the month of June 2010? Rs: _____
 - c. For the month of May 2010? Rs: _____

999. Refuse to answer/ Don't know/ Can't say

2.7. **Interviewer: Please note whether the respondent answered this question by consulting written records or by memory**

1. Written records
2. By memory

- 2.8. What was the total income the business earned during July 2009 after paying all expenses including wages of employees, but not including any income you paid yourself. That is, what were the profits of your business during last month?

Rs. _____ (**Note: If you paid yourself a salary, add that back in to your profits.**)

99. Don't know/ refuse answer

2.9 What percentage of your sales are made to the following:

1. Small firms _____ **q8_2_1** _ %
2. Medium and large firms _____ **q8_2_2** _ %
3. Individual consumers _____ **q8_2_3** _ %
4. Government and Government Agencies _____ **q8_2_4** _ %
5. Foreign firms _____ **q8_2_5** _ %
6. Other _____ **q8_2_6** _ %

SECTION 3 – Formality

3.1. Is your business registered with the District Secretariat (D.S.) and has a business registration certificate?

1. Yes
2. No -> 3.6
3. Don't know -> 3.6

3.2 Interviewer: ask to see the business registration certificate. Were you able to see the BRC?

1. Yes -> use it to help answer questions below
2. No -> ask the owner the questions below

3.3 What date was the business registered?

- a. Month _____ b. Year _____

3.4. In whose name is the business registered?

1. Name of the owner
2. Someone else's name

3.5 Is the business registered for its current location?

1. Yes, it is registered in the current location
2. No, it is registered for a different location

3.6 Which of the following is the business registered with?

1 = Yes, 2 = No, 3= Don't know

- a. Pradeshiya Saba/Municipal Council or Urban Council? _____
b. VAT _____
c. Chamber of Commerce _____
d. Registered for Industry Specific Permit (e.g. Timber permit) _____

3.7 Does your business have a receipt book for issuing tax receipts?

1. Yes
2. No -> 3.9

3.8 What percentage of sales does your business issue tax receipts for? _____%

3.9 Does your business have an electrical connection in the business name?

1. Yes
2. No

3.10 Have you received a letter from the Government assessing your business for income tax in the past year?

1. Yes
2. No

3.11 Has your business paid any taxes or fees to any Government agency in the past year?

1. Yes
2. No -> 3.13

3.12 How much have you or your business paid for each of the following in the past year?

- a. Land Tax Rs. _____
b. Municipal/P.S. fees Rs. _____
c. Business Income tax Rs. _____
d. Personal Income tax Rs. _____

3.13 In the past year has your business had to pay any fines or bribes for operating without a needed permit or registration?

1. Yes
2. No -> 3.15

3.14 How much have you paid:

- a. As bribes? _____
- b. As fines? _____

3.15 In the past year have you applied for any Government contract?

1. Yes
2. No -> 3.18

3.16 Did you receive any of these contracts you applied for?

1. Yes
2. No -> 3.18
3. Still waiting to find out

3.17 What was the total value of the contracts you were awarded or are still waiting to find out about?

_____Rs.

3.18 In the past year have you had any dispute with a customer or supplier about payments or other commercial matters?

1. Yes
2. No -> 3.20

3.19 Did you contact the police or courts with regard to settling this dispute?

1. Yes
2. No

3.20 Have you ever settled a commercial dispute in the courts?

1. Yes
2. No

3.21 Do you feel confident that you could approach the police or courts to fairly settle a business dispute if one which needed their intervention arose?

1. Yes
2. No

3.22 During the year of 2010 so far, how many times has your firm received an inspection or visit from:

- a. Grama Niladhari Officer
- b. Officials from the Pradeshiya Saba, Municipal Council or Urban Council
- c. Officials from the District Secretariat
- d. Officials from the Inland Revenue Department
- e. Public health inspectors
- f. The Police
- g. Or No visits from any officials

3.23 Does your business have any form of insurance in the business name?

1. Yes
2. No

3.24 Do you have a bank account in the business name?

1. Yes
2. No

3.25 Since January 2009, has your business applied for any business loan? Please provide information on each type of loan applied for, the amount applied for, whether you were asked for proof of business registration, and whether you were granted this loan:

Loan:	Which bank or microfinance agency did you apply to?	Amount applied For?	Was business registration Required? 1 = Yes 2 =No	Was loan granted 1 = Yes, 2 =No
1.				
2.				
3.				
4.				
5.				
6.				
7.				

3.26 Since January 2009, have you applied for any personal loan from a bank or microfinance organization?

- 1. Yes
- 2. No -> 3.28

3.27 Did they require proof of business income?

- 1. Yes
- 2. No

3.28 Since January 2009, has your firm participated in any Government program for small enterprises, such as a training program?

- 1. Yes
- 2. No -> 3.31

3.29 Which program or programs did you participate in?

3.30 Was business registration required for any of these programs?

- 1. Yes
- 2. No

3.31 If your firm has registered with the D.S. since January 2009, please state what you think the main benefits to your business have been of formalizing?

OR: I have yet to see any benefit of obtaining a business registration certificate from the D.S. _____

3.32 I am going to name a number of organizations/authorities. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, some level of confidence, not very much confidence, or none at all?

1 = A great deal, 2= To some level, 3= Not very much, 4= None at all.

a. The press	
b. The police	
c. The courts	
d. The central/national government (eg. President, Cabinet Ministers)	
e. The district secretariat	
f. The Municipal Council, Urban Council or Pradeshiya Saba	

3.33 How strongly do you agree or disagree with the following statements :

1= Strongly agree, 2 = agree, 3 = neither agree nor disagree, 4 = disagree, 5= strongly disagree

- a) I feel the Government spends its revenue on items important to me _____
- b) The success of my business depends on whether I am lucky enough to be in the right place at the right time. _____
- c) Part of being a good citizen is to pay your fair share in taxes _____

- d) To a great extent my life is controlled by accidental happenings _____
- e) When I get what I want, it is usually because I am lucky _____
- f) Sri Lanka would be a better place to live if more people paid their taxes _____
- g) My life is determined by my own actions _____
- h) It is not wise for me to plan too far ahead, because things turn out
to be a matter of bad fortune _____
- i) The Government charges business people too much in taxes _____
- j) When I get what I want, it is usually because I worked hard for it _____
- k) Whether or not I am successful in life depends mostly on my ability. _____
- l) I feel that what happens in my life is mostly determined by
people in powerful positions. _____
- m) I feel in control of my life _____
- n) Success in business is mostly a matter of luck. _____

3.34 (TREATMENT GROUPS ONLY)

- a. Do you remember receiving an information pamphlet from our project about the costs and benefits of registering?
 - 1. Yes
 - 2. No
- b. Did you read this pamphlet?
 - 1. Yes
 - 2. No

3.35 [Treatment with payment only]

- a. Did you receive a payment from the project for registering your business?
 - 1. Yes
 - 2. No
- b. (If yes) How much of your payment did you invest in:
 - 1. Equipment or machinery for this business? _____ Rs
 - 2. Inventories or other working capital for this business? _____ Rs
 - 3. Other assets for this business? _____ Rs

SECTION 4 – Marketing and Record-keeping

4.1 In the last six months have you done any form of advertising?

- 1. Yes
- 2. No -> 4.3

4.2 Which of the following types of advertising have you done?

1 = Yes, 2=No

- a. Flyers _____
- b. Paid advertisements in community events (e.g. in souvenirs, banners) _____
- c. Yellow pages/phonebook _____
- d. Newspapers _____
- e. Billboards away from the business site _____
- f. Attending meetings/Other personal sales calls _____
- g. Other (specify) _____

4.3 If you wanted to apply for a bank loan, and were asked to provide records to show that you have enough money left each month after paying business expenses to repay a loan, would your records allow you to document this to the bank?

- 1. Yes
- 2. No

(Interviewer: Please observe the enterprise and answer the following questions. Do not address any of these questions to the enterprise owner.)

Signage

4.4 Does the business have a clear and visible sign outside the store, which indicates which type of business this is?

- 1. Yes
- 2. No

4.5 Is this sign bright and colorful, or old and faded?

- 1. Bright and colorful
- 2. Old and faded

SECTION 5 : INTERVIEWER IMPRESSIONS

5.1 Who else other than the enterprise owner was present during the interview? **(MA)**
(Mark all that apply.) →

- 1. Nobody
- 2. The spouse of the owner
- 3. Other adult household members
- 4. Other adults from outside the household
- 5. A child 5 years of age or younger
- 6. A child older than 5 years of age

	Excellent	Good	Not so good	Very bad
5.2 What is your impression of how well the respondent understood the questions being asked?	1	2	3	4
5.3 What is your impression of the seriousness with which the respondent answered questions?	1	2	3	4
5.4 What is your overall impression of the preciseness/accuracy with which questions were answered?	1	2	3	4

5.5 Which questions were most difficult or troubling for the respondent?

5.6 Any other comments?

5.7 Survey location in

- 1. In home
- 2. In business place

Thank the Respondent and Terminate the Interview