

SECTION 1: CURRENT SITUATION OF THE BUSINESS

Interviewer: Note down the nature of the business indicated on the cover of the baseline survey in March 2011. (Use the cover of the December 2008 survey for those who were not interviewed in March 2011 survey.)

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 We first interviewed your business in December 2008. Subsequently in March 2011 we interviewed/tried to interview your business again. We have just a few quick questions today to further understand how your business has fared over the past 6 months and what difficulties you faced during the business's growth. The results of this interview will be kept confidential.

1.1a. Are you currently engaged in the same line of business that you were engaged in when we last interviewed you in March 2011? (Mention the line of business during the March 2011 survey. Mention business activity during the December 2008 or August 2010 survey for interviewees who didn't participate in March 2011 survey.)

- 1. Yes **Go to 1.2**
- 2. No **Go to 1.1b**

1.1b. If not, what business activity are you currently engaging in?

- 1. Description _____
- 2. Industry Code (ISIC) _____
- 3. Sector: 1.Production 2.Services 3.Retail/Sales **Go to 1.2**
- OR
- 4. Not engaged in any business activity **Go to 1.1c**

1.1c. When did you stop the business?

- y. Year: m. Month: d. Date:

1.1d What was the main reason for stopping the business? (SA)

- 1. The business was making a loss
- 2. Sickness or health reasons
- 3. I found a better paying employment
- 4. To take care of family matters
- 5. Other (Specify): _____

Interviewer: Go to the next section

1.2. Has your business changed the location where it operates since March 2011?

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

1.3. What type of accounts do you maintain for income, expenses, assets etc. of your business? (SA)

- 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 daily records
- 4. Does not do any accounting

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

a. Hours worked last week (Days*hours)	
b. Hours work in a normal week	

1.5. How many employees under following categories are currently employed in your business? (Do not include yourself for this)

Permanent employees who get salaries or wages	
Daily-paid temporary employees	
Business partners	
Family members/unpaid trainee employees	
Total number of employees (sum of 1-4)	

1.6. Have you recruited any new workers for your business since March 2011?

- 1. Yes
- 2. No **Go to Section 2**

1.7. If Yes, How many new workers have you recruited? _____

- 2.7. What was the total income the business earned each of the last three months 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 these months?** (Note: If you paid yourself a salary, add that back in to your profits.)
- a. Profits for the month of August 2011? Rs: _____
- b. Profits for the month of July 2011? Rs: _____
- c. Profits for the month of June 2011? Rs: _____
999. Do not know/ Cannot say / Refuse answer
- 2.8. During the last six months, that is since March 2011, have you sold any item or provided any services to the government or to any government agencies?
1. Yes
 2. No
- 2.9. During the last six months, that is since March 2011, have you provided any services to the government or to any government agencies?
1. Yes
 2. No (If no to both 2.8 and 2.9, **Go to next section**)
- 2.10 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** %
- 2.11 What percentage of your inputs (*Interviewer: give examples*) are purchased on credit? _____ **q4_5** %
- 2.12 What percentage of your sales (*Interviewer: give examples*) are sold on credit? _____ **q4_6** %
- 2.13 Do any of your customers pay by check? **q4_8**
1. Yes → Go To Section 5
 2. No.
- 2.14 If not, have some asked if they could? **q4_9**
1. Yes, some have asked if they could
 2. No, none have asked if they could

SECTION 3 – FORMALITY

- 3.1. Has your business registered with the Divisional Secretariat (D.S.)/Provincial Registrar of Companies and obtained a business registration certificate (BRC)?
1. Yes
 2. All the documents have been submitted but has not received BRC yet -> 3.2
 3. Not registered -> 3.2
 4. Don't know -> 3.2
- 3.1a Overall, are you pleased that your business is registered, or do you regret having registered and would prefer to be unregistered.
1. Pleased to be registered
 2. Would prefer to be unregistered
 3. Indifferent/don't mind one way or the other
 4. Don't know
- 3.1b. If your business has a BRC: Have you shown the BRC to anyone in the past 2 years, or since you have received it?
1. Yes
 2. No
- 3.1c If Yes to 3.1a: Have you shown the BRC, or provided the BRC number to any of the following?

1. A government official, for example, someone who has come to inspect your business
2. A bank or other finance institution
3. A customer
4. A supplier
5. Another business owner
6. A friend
7. A family member

3.1d. If Yes to 3.1a: Have you encouraged another business owner to obtain a BRC?

1. Yes
2. No

3.2. Does your business have a receipt book / bill book for recording income/expenses of your business?

1. Yes
2. No

3.2a If Yes to 3.2, Do the receipts show the BRC number of your enterprise?

1. Yes
2. No

3.3 During the past 2 years, have you registered with any of the following agencies?

1. VAT
2. Health inspections
3. ETF / EPF
4. An agency which specific to your sector (specify _____)

3.4 During the past two years, have you participated in any events sponsored by the Chamber of Commerce or any other association of business owners?

1. Yes
2. No

3.5 During the past two years, have you ever made a complaint to a GN officer or another government official about an issue related to your business?

1. Yes
2. No

3.5a If Yes to 3.5: To which of the following have you made a complaint?

- a. Your GN officer
- b. An official of the MC / UC / PS
- c. An elected official
- d. An association of small business owners

3.5b If Yes to 3.5: In the past 2 years, approximately how many times have you made a complaint?

3.5c If Yes to 3.5: In the most recent instances, what have you complained about? (Ask as open-ended, but use response to tick off the categories that apply)

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-
- a. The behaviour of another business
 - b. The behaviour of a customer or supplier
 - c. The behaviour of a government official
 - d. Corruption (e.g., being asked for a bribe)
 - e. Poor quality of a service provided by the government

3.7. During the past 2 years, have you opened any new bank account?

1. Yes
2. No

3.7a If yes, does the name of the business appear on the account?

1. Yes
2. No

3.8. During the past 2 years, have you applied for a loan from any bank or microfinance organization?

1. Yes
2. No

3.8a If yes, did the bank or microfinance organisation ask you to show then a copy of a BRC?

1. Yes
2. No

3.8b. If yes to 3.8: Did you obtain the loan?

1. Yes
2. No

SECTION 4 – MARKETING AND ATTITUDES

MARKETING

4.1 Which of the following have you done in the last three months?

(Mark 1=Yes, 2=No for each)

4.1a Visited one of your competitor's businesses to see what prices they are charging?

1. Yes 2. No 99. No competitor q9_1a

4.1b Visited one of your competitor's businesses to see what products they have available for sale?

1. Yes 2. No 99. No competitor q9_1b

4.1c Asked your existing customers whether there are any other products they would like you to sell or produce?

1. Yes 2. No q9_1c

4.1d Talked with a former customer to find out why they have stopped buying from your business?

1. Yes 2. No 99. No former customer q9_1d

4.1e Asked a supplier about which products are selling well in your industry?

1. Yes 2. No q9_1e
 99. Supplier has no knowledge of industry (e.g. provides general inputs)

4.2 In the last three months have you used any special offer to attract customers?

1. Yes 2. No q9_2

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

1. Yes q9_3
 2. No → goto Qn 9.6

4.4 If yes, which of the following types of advertising have you done? q9_4a → q9_4g

Type of Advertising	1=Yes, 2=No	
4.4a Flyers	1	2
4.4b Paid advertisements in community events (e.g. in souvenirs, banners)	1	2
4.4c Yellow pages / Phonebook	1	2
4.4d Newspapers	1	2
4.4e Billboards away from the business site	1	2
4.4f Attending meetings / other personal sales calls	1	2
4.4g Other _____	1	2

4.5 Have you used any method to measure the effectiveness of the advertising?

1. Yes 2. No q9_5

4.6 How much time would you estimate that you spend every week keeping financial records for your business?

_____ Minutes
 _____ Hours

4.13 Do you have a record-keeping system which allows you to know how much stock you have on hand?

1. Yes → goto Qn 4.13a q9_13

2. No → goto Qn 4.14

4.13a Is the system:
1. Formal, written? q9_13a
2. Informal, unwritten?

4.14 How often do you inspect/update the information on inventory levels?
1. Daily q9_14
2. Weekly
3. Monthly
4. Less often
5. Do not inspect/update

Costing and Record-Keeping

4.15 Do you keep written business records?
1. Yes
2. No → goto Qn. 4.19 q9_15

4.16 Do you record every purchase and sale made by the business?
1. Yes 2. No q9_16

4.17 Are you able to use your records to see how much cash your business has on hand at any point in time?
1. Yes 2. No q9_17

4.18 Do you regularly use your records to know whether sales of a particular product are increasing or decreasing from one month to another?
1. Yes 2. No q9_18

4.19 Have you worked out the cost to you of each main product you sell?
1. Yes 2. No q9_19

4.20 Do you know which goods you make the most profit per item selling?
1. Yes 2. No q9_20

4.21 Do you have a written budget which tells you how much you have to pay each month for rent, electricity, equipment maintenance, transport, advertising, and other indirect costs of the business?
1. Yes 2. No q9_21

4.22 Do you sell any goods on credit to customers?
1. Yes → goto Qn 4.22a q9_22
2. No → goto Qn 4.23

4.22a Do you have a written record of how much each customer owes you?
1. Yes 2. No q9_22a

4.23 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 q9_23

Financial planning

4.24 How frequently do you review the financial strength/performance of your business and analyze/identify areas for improvement?
1. Never q9_24
2. Once a year or less frequent
3. Two or three times a year
4. Monthly or more often

- 4.25 Do you have a target set for sales over the next year?
 1. Yes → goto Qn 4.25a q9_25
 2. No → goto Qn 4.26
- 4.25a How frequently do you compare actual performance to your target?
 1. Never / do not compare q9_25a
 2. Once a year or less frequent
 3. Two or three times a year
 4. Monthly or more often
- 4.26 Have you made a budget of what costs facing your business are likely to be over the next year?
 1. Yes 2. No q9_26
- 4.27 Which of the following do you or your accountant prepare at least annually?
(Interviewer: Mark all that apply)
1. Profit and loss statement q9_27_1
 2. Statement of cash flow q9_27_2
 3. Balance sheet q9_27_3
 4. Income and expenditure statement q9_27_4
 5. Other _____ q9_27_5
 6. OR Do not prepare any financial statements q9_27_6

Interviewer: And answer the following question only by observing the enterprise and not inquiring from the enterprise owner.

Signage

- 14.1 Does the business have a clear and visible sign outside the store, which indicates which type of business this is?
 1. Yes → goto Qn 14.1a q14_1
 2. No → goto Qn 14.2a
- 14.1a Is this sign bright and colourful, or old and faded?
 1. Bright and colourful q14_1a
 2. Old and faded

SECTION 5 : ATTITUDES

5.1 On a scale 1-10, how much do you worry about each of the following? [1 means you do not worry at all, 10 means you worry a lot and constantly about this.]

- 5.1a Being visited by a tax inspector
 5.1b Being visited by an MC / PS official
 5.1c Your business not making enough money to cover expenses
 5.1d A neighbour making a complaint to the authorities about your business
 5.1e Being visited by a labour inspector
 5.1f Being visited by a health / safety inspector
 5.1g A customer or supplier making a complaint to the authorities about your business

5.2 Think about your experience with your business in the past 3 years.

- 5.2a How satisfied are you with the level of growth your business has experienced?
 1. Very satisfied
 2. Somewhat satisfied
 3. Somewhat unsatisfied
 4. Very unsatisfied

5.2c What is your most significant accomplishment in your business in the past 3 years?

SECTION 6 : INNOVATION

- 6.1 Has your firm introduced new **products or services** during the last two years? **q6_1**
1. Yes
 2. No **Go to Qn. 6. 3**
 3. Don't know **Go to Qn. 6. 3**
- 6.2 What is the main new product or service introduced? **q6_2**
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- 6.3 In the last two years, has your firm significantly improved an existing product or service previously sold by the firm? **q6_3**
1. Yes
 2. No
 3. Don't know
- 6.4 Has the firm introduced new or improved existing business **processes** in the last two years? (for e.g. a new production method, a new quality control system, a new accounting system, or a new distribution system). **q6_4**
1. Yes
 2. No **Go to next section**
 3. Don't know **Go to next section**
- 6.5 What is the main new process introduced? **q6_5**
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- 6.6 During the past two years, have you established any new formal relationships with suppliers (e.g., become an official distributor for a product?)
- 6.7 If a business owner earns Rs 100,000 per year, how much do you think he has to pay as income tax?
999. Don't know/Cant say/Refused Rs. **q7_10**
- 6.8 If a business owner earns Rs 400,000 per year, how much do you think he has to pay as income tax?
999. Don't know/Cant say/Refused Rs. **q7_11**

SECTION 10 : EXPECTATIONS

- 10.1 What do you expect you will be doing to earn a living in 5 years time? (SA) **q10_1**
1. Continue in same line of business
 2. Operating a different line of business
 3. Wage work
 4. Retired
 5. Other _____
- 10.2 Imagine that you are still running a business five years from now. How many employees would you expect your business to have at that point in time? _____ **q10_2**
999. Cant say

10.3 Are you generally a person who is fully prepared to take risks or do you try to avoid taking risks? Please tick a box on the scale, where the value 0 means: "unwilling to take risks" and the value 10 means: "fully prepared to take risks."

q12_1

The value 0 means: "unwilling to take risks" and the value 10 means: "fully prepared to take risks."

0	1	2	3	4	5	6	7	8	9	10
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unwilling to take risks

fully prepared to take risks

10.4	What must you achieve to consider your business successful? (List the 2 most important)	<ol style="list-style-type: none"> 1. <input type="checkbox"/> Remaining in operation to occupy myself 2. <input type="checkbox"/> Attaining a certain level of profit 3. <input type="checkbox"/> Making enough to feed my family 4. <input type="checkbox"/> Continuing to grow profits year after year 5. <input type="checkbox"/> Still in business in 10 years' time 6. <input type="checkbox"/> Providing employment for family 7. <input type="checkbox"/> Growing to provide employment for others outside the family 8. <input type="checkbox"/> Expanding the customer base 9. <input type="checkbox"/> Expanding the range of services and products offered
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Thank the respondent and terminate the interview

Additional Remarks:
