APPENDIX-I

QUETIONNAIRE

Note:-

The attached questionnaire intendes to study the application of management accounting techniques by commercial banks while granting /sanctioning the loans and also for monitoring the sanctioned loans.

Your prompt and detailed response is earnestly solicited which will be kept STRICTLY CONFIDENTIAL.

Q.1 What was the amount of deposits of your branch for the following years?

Years	Short term Deposits (Upto 1 year -Rs.)	Time Deposits (More than 1 year-Rs.)	Total Rs.
1980 To 1991			

Q.2 What was the amount of advances of your branch for the following years?

Years	Priority sector Rs.	Non-priority sector Rs.	Total Rs.
1980 To 1991			

Q.3 Please give the amount of profit earned during following years.

Years	Profit earned before transfer to General Reserve (Rs.)
1980 To 1991	

Q.4 Please give the amount of outstanding advances written off during the following years for various types.

Years	Priority sector						Non-Priority sector		Total Rs.
	AGRI	SSI	BMRT	SEPR	TO	EDU	C&I WC	C&I TL	
1980									
1985									
TD									
1991									
CASES (NOS.)									
AMOUNT Rs.									

(Abbreviations here and now onwards explain:
AGRI-Agriculture,SSI-Small scale indusries,BMRT-Business man & retail trader, SEPR-Self employed & professional, TO- Transport operator, EDU- educational advances,C &I WC- Working capital advance to C & I sector,C & I TL- Term loan to C & I sector.)

Q.5 What are the various types of loans sanctioned by your branch?
Please provide/furnish the following information.

1980, 1985 to 1991						
Types of loan---> Segments-↓	Term loan Rs.	Cash credit Rs.	Over draft Rs.	BP BD Rs.	Any other Rs.	Total Rs.
I.PRIORITY SECTOR						
i) AGRI						
ii) SSI						
iii) BART						
iv) SEPR						
v) TO						
vi) EDU						
vii) Any other						
II.NON PRIORITY SECTOR						
i) C & I Sector						
ii)Advance against govt.securities						
iii)Any other						
TOTAL						

Q.6 Which of the following are given importancee while sanctioning the advance? (Please give the order of importance as 1,2,3- i.e.for highest importance No.1 and so on.)

SEGMENTS-->	PRIORITY SECTOR						NON-PRIORITY SECTOR	OTHERS
FACTORS-v	AGRI	SSI	BMRT	SEPR	TO	EDU	C & I	
1.Character								
2.Capability								
3.Security offered by borrower								
4.Purpose								
5.Economic Viability								
6.Financial Feasibility								
7.Technical Feasibility								
8.National Interest & Suitability								

Q.7 Once the customer's analysis regarding above aspects is over which of the following tests are carried out and which of the following information is demanded while sanctioning the advance. [Please put "y" for "yes"i.e. information demanded and "n" for"No"i.e.information not demanded/not required]

SECTOR---> / INFORMATION DEMANDED	PRIORITY SECTOR						NON-PRIORITY SECTOR	
	AGRI	SSI	BMRT	SEPR	TO	EDU	C & I WC	C & I TL
1.BUSINESS PLAN								
2.BUDGETS								
3.BREAK EVEN ANALYSIS								
4.METHOD OF COSTING								
5.FUNDS FLOW STATEMENT								
6.CASH FLOW STATEMENT								
7.ANALISIS OF FINANCIAL STATENENT & RATIO ANALY-SIS								

A. BUSINESS PLAN

i] Is the business plan given importance particularly in case of absolutly new business? Yes[ ] No[ ]

ii] Is care taken to judge whether plans are developed correctly or not? Yes[ ] No[ ]

iii] If Yes, please mention the factors taken into consideration for judging the correctness of the plan? [Please put]

Availability of Raw Material	[ ]	Spread of that Industry in all over India	[ ]
Accessibility of Raw Material	[ ]	Demand of that product	[ ]
Cost of production	[ ]		
Units of that Industry in that area	[ ]		

iv] Do you insist for quantified business plan? Yes[ ] No[ ]

v] Period for which business plans are demanded for :-
One Year [ ] Two years [ ] Three Years [ ]
More than 3 years [ ]

vi] Is stress given to plans developed on current economic situation? Yes[ ] No[ ]

vii] Is the consideration given to future economic trends? Yes[ ] No[ ]

B. BREAK EVEN ANALYSIS :

This analysis gives an idea regarding the level of production (= Sales) at which the organisation will stop suffering any loss i.e B.E. point is the level at which there will be no profit and no loss.

$$B.E.P. = F/P-V$$

Where F = Fixed cost; P = Price per unit; V = Variable cost per unit

i] Whether the technique is adopted for established customers for ongoing organisation? Yes[ ] No[ ]

ii] Whether adopted for established customer for new organisation proposed to be commenced? Yes[ ] No[ ]

iii] Whether used for new customer (who has come for the first time) to your bank but has established business? Yes[ ] No[ ]

iv] Whether used for new customer, proposing to inaugurate a new organisation? Yes[ ] No[ ]

v] What are the factors linked with Break even analysis?
PLEASE PUT [ ]

a) % of total capacity at which B.E. point is reached Yes[ ] No[ ]
b) No. of years that organisation will take to reach break even level Yes[ ] No[ ]

c) Proportion of FC & V.C. Yes[ ] No[ ]

I give herebelow few cases marginally conflicting cases of B.E. Analysis. Based on the various assumptions, please give your decision about which the borrower loan to whom loan will be sanctioned.

Assumptions:

1. Your bank has very scarce resources and you are supposed to sanction advance to only one of the following proposed borrowers.
2. No other Factor/policy/applicable laws compel the bank to sanction advance to any proposed borrowers.
3. These are the only two loan applications pending in the branch's file.
4. Rate of interest recoverable from both these proposed borrowers is equal.
5. Both the units belong to the same industry.
6. Both have requested for term loan of equal amount.

CASE : 1

	PROPOSED BORROWER	
	A	B
Installed capacity	20,000 Units	20,000 Units
Fixed costs	Rs. 2,00,000	Rs.1,50,000
Variable cost	Rs. 20/- per unit	Rs.25/- per unit
Sales price	Rs. 40/- per unit	Rs.40/- per unit
BEP = Fixed cost / (Sales price − Variable cost)	2,00,000 / (40 − 20)	1,50,000 / (40 − 25)
	= 10,000 Units	= 10,000 units

It is also assumed that the expected sales of both the proposed borrower are equal and it is as follows :-

Year	1	2	3	4	5
Units	7000	10,500	12,000	15,000	16,000

(a) Under the circumstances to whom the loan will be sanctioned?
To A [ ] B [ ] [Please put]

(b) Please mention the factors based on which decision regarding sanctioning of the loan will be taken.

CASE : 2

The data for proposed borrower A remains as they are but data for proposed borrower B are given as follows :-

Installed capacity, Sales price and Sales pattern remain the same but the data regarding variable cost and fixed cost for proposed borrower B are as follows :-

Variable cost Rs.24/- per unit
Fixed cost Rs.1,58,400/- per unit

Break even point for proposed Borrower B will be :-

$$BEP = \frac{F}{P - V} = \frac{1,58,400}{40 - 24} = 9,900 \text{ Units}$$

From this it follows that

(1) Borrower B attains BEP at an early stage compared to Borrower A.

(2) Borrower A has more per unit contribution which will contribute to profit after BEP.

[For e.g in the 3rd year at the Sales of 10,500 units

	Units	Per Unit contribution	Contribution	F.C.	Profit
Borrower A is likely to earn profit of	10,500 *	20	= 2,10,000 -	2,00,000 =	10,000
Borrower B is likely to earn profit of	10,500 *	16	= 1,68,000 -	1,58,400 =	9,600

(a) To whom loan will be sanctioned as per norms? [Please put]
To Borrower A [ ]
To Borrower B [ ]

(b) To whom loan will be sanctioned as per subjective decision?
[Please put]
To Borrower A [ ]
To Borrower B [ ]

CASE 3 :

In continuation to case 1 further suppose that all the data remains same except the changes in the installed capacity.

Situation 1 :

Borrower A has installed capacity of 20,000 (BEP at 50%)
and Borrower B has installed capacity of 18,000 (BEP at 55.55%)

To whom loan will be sanctioned - A [ ] B [ ] [Please put]

Situation 2 :

Borrower A has installed capacity of 20,000 (BEP at 50%)
and Borrower B has installed capacity of 22,000 (BEP at 45.45%)

To whom loan will be sanctioned - A [ ] B [ ] [Please put]

Situation 3 :

Borrower A has installed capacity of 18,000 (BEP at 55.55%)
and Borrower B has installed capacity of 20,000 (BEP at 50.00%)

To whom loan will be sanctioned - A [ ] B [ ] [Please put]

Situation 4 :

Borrower A has installed capacity of 22,000 (BEP at 45.45%)
and Borrower B has installed capacity of 20,000 (BEP at 50.00%)

To whom loan will be sanctioned - A [ ] B [ ] [Please put]

(vi) Is the margin of safety (Sales - BEP) taken into consideration while sanctioning the loan?

Yes [ ] No [ ] [Please put]

CASE 4 :

Continuing with the data for case - 2 excepting the assumption that Sales pattern of the proposed borrower is same, the sales pattern is given as follows :-

		Year 1	2	3	4	5
Proposed Borrower	A	7000 units	10,500	12,000	15,000	16,000
	B	7000 units	10,700	12,500	15,600	16,500

	Borrower A		Borrower B	
Break even point	$\frac{F}{P-V}$	$\frac{2,00,000}{40-20}$ = 10,000 units	$\frac{1,58,400}{40-24}$	= 9,900 units

Margin of Safety Yr.	1	NIL	NIL
(in terms of Units)	2	500 units	800 units
	3	2000 units	2600 units
	4	5000 units	5700 units
	5	6000 units	6600 units

From above it follows that

(i) Borrower B achieves BEP at an early stage
(ii) Margin of Safety in terms of Qty. is higher for Borrower B.

[EXPLANATION:

[If We find out margin of safety in terms of Rupees for Borrower A and Borrower B the position will be as follows :

	Borrower A (Profit) Rs.		Borrwoer B (Profit) Rs.
Margin of Safety			
Yr.2	500 * 20 = 10,000	Profit	800 * 16 = 12,800
3	2000 * 20 = 40,000	Profit	2600 * 16 = 41,600
4	5000 * 20 = 1,00,000	Profit	5700 * 16 = 91,200
5	6000 * 20 = 1,20,000	Profit	6600 * 16 = 1,05,600

For Yr. 2 & 3 profit of Borrower B is higher and then profit of Borrower B is lower.]

To whom loan will be sanctioned? Borrower A [ ] Borrower B [ ]

(vii) Is margin of safety taken into consideration to decide the REPAYMENT SCHEDULE? Yes [ ] No [ ] [Please put]

(viii) Is the use of statistical test of probability made to get more clear idea about the level of sales and deviations in profitability level? Yes [ ] No [ ] [Please put]

CASE 5 :

Continuing with the assumptions for Case 1 and regarding constant prevailing situations looking to the realistic situation, it is possible that the circumstances under which decision about the sanction of the loan are being taken may become outdated.

To have the calculations and analysis more realistic the bankers should on the basis of past history and experience use the probability theory.

Continuing with the data in case 1. about installed capacity fixed cost, variable cost and sales price and additional data are given regarding mean quantity and std. deviation of sales quantity as follows :
Mean quantity of sales = 12,000 units (For both borrower)
Std. deviation of sales quantity = 1100 units.

	Borrower : A	Borrower : B
Mean Profit (X) = 12,000 * 20	2,40,000	12,000 * 15 = 1,80,000
(less fixed cost)	2,00,000	1,50,000
	40,000	30,000
Std. deviation of profit	= 1100 * 20 = 22,000	1100 * 15 = 16,500
Probability of profit being less than zero	$\frac{\bar{X} - X}{\sigma} = \frac{40000 - 0}{22000} = 1.81$	$= \frac{30000 - 0}{16500} = 1.81$
Value of 1.81 from table for Std. normal variat is 0.4649. As this is one side of a curve value is 0.5 - 0.4649 = 0.0351		Same as 'A'
Therefore Probability of profit being greater than zero = 1 - 0.0351 = 0.9649		Same as 'A'

(As the probability of profit being less than zero and greater than zero is same for both the borrower the analysis will not give any additional clue for decision making regarding sanction of the loan).

To whom loan will be sanctioned? Borrower A [ ] Borrower B [ ]

CASE 6 :

Continue with the data given in Case - 2 and carry out the analysis done in Case - 5 considering mean quantity of sales and std. dev. of sales quantity in case - 5.

	Borrower : A	Borrower : B
Mean profit 12000 * 20	2,40,000	12000 * 16 1,92,000
Fixed cost	2,00,000	1,58,400
	40,000	33,600
Std. dev. of profit = 1100 * 20 = 22,000		1100 * 16 = 17,600
Probability of Profit being less than '0'	$\frac{\bar{X} - X}{\sigma} = \frac{40,000}{22,000} = 1.81$	$\frac{\bar{X} - X}{\sigma} = \frac{33,600 - 0}{17,600} = 1.909 = 1.91$

Probability of profit being < Ø 0.0351
& probability of Profit > Ø = Ø.9649

Value of Std. normal variate of 1.91 = Ø.4719
Hence probability of profit < Ø = Ø.5 - Ø4719 = Ø.Ø281
Hence probability of profit > Ø = 1 - Ø.Ø281 = Ø.9719

To whom loan will be sanctioned? Borrower A [ ] Borrower B [ ]

IX. Is the use of sensitivity analysis made to decide the total effect on profit by change in either of the factor resulting into profit?
Yes [ ] No [ ]

CASE 7 :

Continuing with data and assumptions of case -1 consider the following situations and give your opinion regarding sanction of an advance.

Situation : 1 Fixed cost increase by 10%

	Proposed Borrwoer A	Proposed Borrower B
F.C. original	Rs. 2,00,000	Rs.1,50,000
with 10% increase	Rs. 2,20,000	Rs.1,65,000
BEP =	2,20,000 / 40 - 20 = 11,000 Units (increase 10%)	1,65,000 / 40 - 25 = 11,000 Units (increase 10%)

Both the borrowers are equally sensitive to increase or decrease in fixed cost and in the same proportion.

To whom loan will be sanctioned?
Borrower A [ ] Borrower B [ ] [Put]

Situation : 2 Variable cost increase by 10%

	Proposed Borrwoer A	Proposed Borrower B
Original V.C.	Rs. 20 per unit	Rs. 25 per unit
With 10% increase	Rs. 22 per unit	Rs. 27.5 per unit
BEP =	2,00,000 / 40 - 22 = 11,111 per unit (increase 11.11%)	1,50,000 / 40 - 27.5 = 12,000 (increase 20%)

Here in both the cases increase in BEP is more than proportionate to increase v.c. and rise in BEP Qty. is more for Borrower B as compared to Borrower A.

Under the above situation/chances to whom loan/advance will be sanctioned?
Borrower A [ ] Borrower B [ ] [Put]

(xi) Is this analysis used by bankers while taking lending decision to findout the effect on profit of composition of loan portfolio.

[EXPLANATION :

Here Fixed costs will be fixed overheads of the branch i.e. salary of staff, Electricity, depreciation on assets of the branch etc.

Variable costs will be interest on deposits of branch, printing, stationery, travelling, postage etc. Sales price will be the interest rate on lending/advances or interest that branch can earn by transferring amount to Head office]
i.e. impact of each major advance is worked out.

Yes [ ] No [ ] [Please put]

C. IMPACT OF COSTING TECHNIQUE :

Whether costing technique followed or to be followed by the proposed borrower is taken into consideration while sanctioning the loan?

Yes [ ] No [ ] [Please put]

Case 8 :

I. Continue with assumption 1 to 5 of Case - 1.

II. Further assume that amount of working capital loan requested is same for both the borrowers. It is observed in general that price of raw material and other consumables used by the borrowers have a tendency to rise gradually. The other particulars of the borrowers are as follows:

Proposed Borrower A:

(a) The method of valuation of issues from stores is FIFO method.
(b) The data regarding current assets and current liabilities of borrower A are as follows :

Current liabilities		Current Assets	
	1,10,000	Inventory	70,000
		Debtors	60,000
		Cash	10,000
	1,10.000		1,40,000

Working capital = 1,40000 - 1,10,000 = 30,000

Current Ratio : CA / CL = 1,40,000 / 1,10,000 = 1.27 : 1

Proposed Borrower B :

Current liabilities		Current Assets	
	1,10,000	Inventory	65,000
		Debtors	60,000
		Cash	10,000
	1,10,000		1,35,000

(i) The method of valauation of issues is LIFO method.
Hence : working captal = CA - CL
= 1,35,000 - 1,10,000 = 25,000

Current Ratio : CA / CL = 135000 / 110000 = 1.21 : 1

On the basis of above data to whom the loan will be sanctioned?

To : Borrower A [ ] Borrower B [ ] [Please put]

CASE 9 :

(1) Continue with the assumptions of Case - from 1 to 5
Further assume that

(2) The two borrowers are in need of equal amount of W.C. loan.

(3) Both the borrowers have equal amount of current assets and current liability, with equal composition of Inventory, Debtors and Cash for current assets.

(4) Borrower A values all issues of material on FIFO base
and Borrower B values all issues of material on LIFO base

(5) There is a tendency of rising prices for the material being used by the borrowers.

(6) Take data of CA & CL of Borrower A in case 8 for both the borrowers.

Under the circumstances to whom the Advance will be sanctioned.
To : Borrower A [ ] Borrower B [ ] [Please put]

CASE : 10

Further to assumptions of case 1, assume that

1) Both the borrowers purchase certain item of material from market from time to time.

2) Both the borrowers are not holding opening stock of raw material for the period covered in the illustration.

3) Purchase and consumption data are same for both the borrowers.

4) Borrower 'A' values their consumption on 'FIFO' Method, and Borrower 'B' values their consumption on 'LIFO' Method.

Data are as follows :-

PURCHASE AND CONSUMPTION OF ITEM : A

1990	PURCHASE	PRICE Rs.	TOTAL PURCHASE	CONSUMPTION	BALANCE QTY.
January 10	550	25	13750	---	550
February 5	---	--	---	300	250
March 5	650	27	17750	---	900
April 7	---	--	---	500	400
May 10	1000	30	30000	---	1400
July 2	---	--	---	700	700
Sept. 15	900	32	28800	---	1600
November 10	---	--	---	400	1200
December 26	---	--	---	300	900
	3100		90300	2200	

Valuation of Consumption :

Date of Consumption	Units	Borrower A		FIFO Method	Borrower B		LIFO Method
		Units	Rate	Total	Units	Rate	Total
Feb. 5	300	300	25	7500	300	25	7500
April 7	500	250	25	6250	500	27	13500
		250	27	6750			
July 2	700	400	27	10800	700	30	21000
		300	30	9000			
Nov. 10	400	400	30	12000	400	32	12800
Dec. 26	300	300	30	9000	300	32	9600
				61300			64400

Valuation of closing stock :

Borrower A		Borrower B		
	RS.	Units		RS.
900 Units @ 32 =	28800	250 * 25	=	6250
		150 * 27	=	4050
		300 * 30	=	9000
		200 * 32	=	6400
				25700

PROFIT & LOSS ACCOUNTS

	Borrower 'A' RS.	Borrower 'B' RS.		Borrower 'A' RS.	Borrower 'B' RS.
Purchases	90200	90200	Sales	110000	110000
Mfg. Exp.	5000	4000	Misc. Income	10000	10000
Other Exp.	5000	4000	Closing Stock	28800	25700
Profit	48600	47500			
	148800	145700		148800	145700

BALANCE SHEET (Figures in Ruppes)

Liabilities & Capital	Borrower 'A'	Borrower 'B'	Assets	Borrower 'A'	Borrower 'B'
Capital	3,00,000	3,00,000	Fixed Assets	3,00,000	3,00,000
P & L A/c	48,600	47,500	Investments	20,000	20,000
Current Liabilities			Current Assets		
Creditor	15,000	15,000	Debtors	25,000	26,000
Unsecured loans			Stock	28,800	25,700
& Advances	10,000	10,000	Cash	4,000	5,000
Outstanding Exp.	4,200	4,200			
	3,77,800	3,76,700		3,77,800	3,76,700

From above, it follows that

1) Stock of Borrower 'A' & Borrower 'B' in physical quantities are same, however, in value terms it is less for Borrower 'B'.

2) Profit of Borrower 'B' is lower than that of Borrower 'A'.

3) Net working capital of Borrower 'B' is lower than that of Borrower 'A'.

NWC = Current Assets - Current Liabilities
Borrower 'A' : 57,800 - 29,200
NWC = 28,600

Borrwoer 'B' : 56,700 - 29,200
NWC = 27,500

4) Current Ratio of Borrower 'B' is lower than that of Borrower 'A'.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Borrower A : 57,800/29,200 = 1.979 : 1

Borrower B : 56,700/29,200 = 1.942 : 1

5) Quick Ratio of Borrower 'B' is higher than that of Borrower 'A'

Quick Ratio = Current Assets - Stock/Current liabilities

Borrower A : 29000/29200
= 0.993 : 1

Borrower B : 31,000/29200
= 1.061 : 1

(A) Under the circumstances to whom loan will be sanctioned as per norms

To : Borrower A [ ] Borrower B [ ]

(B) To whom loan will be sanctioned as per subjective decision.

To : Borrower A [ ] Borrower B [ ]

D. USE OF FUNDS FLOW STATEMENT:

(i) Whether the funds flow statement is demanded for future one year or more? [Please put]

One Year[ ] Two Years [ ] More than two years [ ]

(ii) Whether comparision of actual figures with this projections is is being done or not?

Yes [ ] No [ ] [Please put]

(iii) For how many percentage of cases the funds flow statements submitted by borrowers are found to be correct? [Please put]

Less than 50% [ ]Approx. 50% [ ] More than 50% [ ]

(iv) Whether the funds flow statements are useful in deciding repayment schedules?

Yes [ ] No [ ] [Please put]

E. USE OF CASH BUDGET:

(i) For which period cash budget are being demanded?[Please put [ ]

Monthly [ ] Quarterly [ ] Six monthly [ ] Yearly [ ]

(ii) Are this cash budget demanded at the time of sanctioning the advance?

Yes [ ] No [ ] [Please put]

(iii)Are this cash budgets used to decide repayment schedule?

Yes [ ] No [ ] [Please put [ ]

(iv) Are the actual cash positions compared with the original budgets submited by the borrower while monitoring the loan portfolio of the borrower?

Yes [ ] No [ ] [Please put]

F. RATIO ANALYSIS :

(i) Whether information about various ratios is demanded at the time of:

Sanctioning loans Yes [ ] No [ ] [Please put]
Periodically until loan is repaid Yes [ ] No [ ]
Continuous when there is an account of cash credit Yes [ ] No [ ]

ii) Whether information about various ratios is demanded from all the types of borrowers? Yes [ ] No [ ]

Or from selected borrower?

Yes [ ] No [ ] [Please put]

If Yes :-

For loan facility upto Rs.25,000 [ ]
Between Rs.25,000 to Rs.2,00,000 [ ]
Between Rs.2,00,000 to Rs.10,00,000 [ ]
More than Rs.10,00,000 [ ]

NAME OF RATIO	Advance For Loan Up to Rs.25,000	Advance Between Rs.25,000 & Rs.2,00,000	Advance Between Rs.2,00,000 & Rs10,00,000	Advance Above Rs10,00,000
I SHORT TERM SOLVENCY RATIOS:				
1. Current Ratio Cur.Assets/Cur.Liab.				
2. Acid test Ratio CA - Inventory/Cur.Lib.				
3. Absolute liquidity Ratio Cash & Investments/ Current liabilities				
4. Inventory to working Capital Inventory/working cap.				
5. Current Liabilities to Net worth				
II.LONG TERM SOLVENCY RATIOS:				
6. Debt to Equity Longterm debt/Equity				
7. Fixed Assets (Net)/ Tangible Net Worth				
8. Networth + Longterm Liabilities/ Net Block				
III.PROFITABILITY RATIOS:				
9. Gross profit Ratio = Gross profit/Sales				
10. Net Profit Ratio = Net Profit/Sales				
11. ROI = EAT/(Net Block + Working Capital)				
12. Return on Common Equity = P A T / Common equity				

NAME OF RATIO	Advance For Loan Up to Rs.25,000	Advance Between Rs.25,000 & Rs.2,00,000	Advance Between Rs.2,00,000 & Rs.10,00,000	Advance Above Rs10,00,000
13. Return on Total Assets=Net Profit/ Net Block + Cur.Assets				
IV.TURNOVER RATIOS				
14. Inventory turnover Ratio = Cost of Sales/ Avg. Inventory				
15. Receivables Turnover Ratio = Sales/Debtors				
16. Average Collection Period = Accounts Receivable * 360 days/ Sales				
17. Assets Turnover Ratio = Sales/Total assets (Total assets = Net Block + current Assets + Loans & Advances)				
V.COVERAGE RATIOS:				
18. Time Int earned Net income after Taxes/Interest				
19. The fixed coverage = Gross cash flow +Term Loan Interest / Total debt service				

Q.8. Once the loans are sanctioned, the next is monitoring and follow-up to get the repayment of loans intime. Which of the following tools are used for this purpose? [Please put if used]

A) Cash Budget [ ]
B) Funds Flow Statement [ ]
C) Ratio Analysis [ ]
D) Any other please specify [ ]

Q.9 Please provide the following information.

1980 ,1985 to 1991								
SECTORS-->	PRIORITY SECTOR						NON-PRIORITY SECTOR	
REPAYMENT	AGRI	SSI	BMRT	SEPR	TO	EDU	C & I WC	C&I TL
1.REGULAR REPAYMENT AS PER SCHEDULE CASES								
AMOUNT								
2.IRREGULAR REPAYMENT CASES								
AMOUNT								
3.NON FULFI-LLMENT OF REPAYMENT CASES								
AMOUNT								