OXFORD ECONOMISTS' RESEARCH GROUP.

Revised general questionnaire.

1. What have been the principal factors affecting your business during the past ten years?

(We should be grateful if you could, if possible, give us the following information for the years 1929 - 1936, in index form treating 1929 as 100 (i.e. expressing the items in subsequent years as percentages of the 1929 figures) :-

(a) Annual gross output.

(b) Movemen~~ts in~~ the price or prices of your most important line or lines.

(c) Actual expenditure on repairs and renewals.

(d) Expenditure on extensions.

(e) The ratio of (c) to (d) in any stated year.

(f) (If a private business) the variations in "cash at hand and at Bank" as recorded in balance sheet).

2. (1) In the determination of the price at which your business sells its products, what is the relative importance of (a) Cost as determined by Accountants, and (b) what the market will bear taking competition into account?

(2) What is the extent of competition in your industry?

(3) In considering the advisability of a change in price in either direction, how far do you take into account the expected reaction of other firms in your trade to the step you take?

3. (1) To what extent, and in what circumstances, have you found reductions in price increase sales, and conversely?

(2) Could you increase your profits by raising your price
(a) in the short run,
(b) taking the long run view?

4. Do you consider that the public is more responsive to price changes in depression than in prosperity? If so, would this cause you to consider price reductions more favourably in a depression?

5. What are the factors restraining the tendency to cut prices in a depressed condition of trade, e.g., agreements with competitors, an expectation that competitors would counter with cuts, a disinclination to sell below costs, or a belief that lower prices would not substantially increase sales?

6. Can you, from your own experience, form any conclusions regarding the conditions in which price fixing or market sharing associations are most likely (a) to be formed, (b) to break down?

7. (1) How do you market your goods? Do you deal with wholesale merchants, or direct with retailers?

(2) How often, and in what circumstances, are price lists or discounts on price lists revised?
Do changes in the prices of your products usually lag behind changes in your costs? If so, why?

(3) What are the usual wholesale and retail margins in your trade?

(4) Do you try to fix retail prices and retailers' margins?

(5) Do you sell at different prices to different types of customers, or in different areas or countries?

8. In any typical year (1) What proportion of your works cost consisted of (a) direct Labour,
(b) raw materials,
(c) works overheads?

(2) What proportion of total sales receipts was works cost, and of the remainder, what proportion was selling costs?

9. (1) In computing cost per unit, how do you determine the amount which you include for overhead costs? Do you distribute your overhead charges over your various products evenly in proportion to their direct costs? If not, on what principle are they distributed?

(2) How is the allowance for depreciation of plant determined?

(3) Do your labour costs per unit vary with the number employed?

(4) Assuming raw material prices and wage rates constant, does your cost per unit vary in any regular way with variations in output up to "capacity"?

(5) How far, and at what cost, can output be extended beyond "capacity" without installing new plant?

(6) If you were able to adapt your business to a considerably larger scale of output, would you be able to reduce costs per unit? If so, where would the saving be realised?

10. (1) Is the allowance which it is necessary to make for the obsolescence of machinery materially larger now than it used to be? If so, how far is this due to more rapid changes in technical methods? or consumers' tastes

(2) In what period would you require a new installation to pay for itself before you would acquire it in place of existing machinery?

11. (1) On the average, how many weeks' output of finished products do you reckon to keep in hand? How are your stocks affected when demand first falls off? When output has been down for sometime, are your stocks of finished products lower (a) absolutely, (b) in relation to current output, than in times of good trade?

(2) On the average, how many weeks' supply of raw materials do you reckon to keep in stock? How are such stocks affected when demand first falls off? When output has been down for sometime, are your stocks of raw materials lower (a) absolutely, (b) in relation to current output, than in times of good trade?

(3) Do you vary your buying of raw materials according to (a) your expectation of ~~price movements,~~ (b) the ease of borrowing for the purpose of carrying stocks?

(4) What is the average relation between the amount of work in progress at any given time and the ~~rate~~ current rate of output ~~at that time?~~ stock

12. (1) Is the rate at which you can borrow from the bank an important consideration to you? Has an alteration in the Bank Rate ever had a material direct influence in inducing you to expand or contract activity?

(2) If the fall in the long term/rate of interest enables you to reduce your prior charges, will this have any effect on your attitude to plant extensions?

13. (1) In considering whether an extension of plant should be undertaken, what is the relative importance of :-

(a) current pressure of orders;
(b) anticipations of the future state of the market for the product;
(c) the general state of trade in the country;
(d) the strength of the balance sheet;
(e) the cash position;
(f) the rate of interest and facilities for (1) short term borrowing and (2) taking up new capital;
(g) the profit margin currently realised?

(2) In connection with (a) and ~~(b)~~ (c) above, how far ahead do you have to see the pressure continuing before you can consider it wise to undertake expansion?

~~(3)~~ (2) Do you ever postpone, or speed up, extensions or renewals of plant because you expect costs of building, or the price of machinery, to rise or fall?

14. (1) When you decide on an increase in the output of a line already in production, can you make the necessary changes at once, or are there preparations which take time?

(2) When you decide on an extension of plant, how long in general will elapse between the date of the decision and (a) the date when work begins on the extension, (b) the date when the extension comes into production

15. (1) In what circumstances, if any, would you pay dividends in excess of current earnings?

(2) What considerations determine how much of current earnings you will not distribute?

16. (1) What are the factors which determine the extent to which you will spend on renewals, repairs, and equipment during periods of bad trade, e.g., what would be the relative importance of

(a) the current profits,
(b) the volume of turnover,
(c) the desire to maintain dividends or to maintain a liquid position.

(2) What part of your outlay can be cut down at any one time without reducing output? e.g., expenditure on non-urgent repairs, maintenance of premises, minor alterations.

Have you ever reduced such expenditure (a) in times of bad trade, (b) when you are very busy?

17. How important a factor in maintaining employment during a period of depression is the desire (a) to keep a nucleus of certain types of employee attached to the firm, (b) to give as much employment as possible

~~When output is relatively low, does the total amount of employment you give depend on the margin of profit, (or loss) currently realised as well as on the actual amount of current output itself?~~