



EXECUTIVE SURVEY

[Can be completed online at www.ceocfo.org]

Please note: we will not share your responses with anyone. We will report only aggregate results, so your individual responses are confidential. Fax your responses to 919-660-8038 or mail to John Graham, Fuqua School of Business, Duke University, Durham, NC 27708-0120.

I. DEMOGRAPHICS

1. **Your job title:** _____
(e.g., CEO, CEO and Chairman, CFO)

2. **How long have you worked in your current position?**
_____ years

3. **How long have you worked for your current firm?**
_____ years

4. **Gender:** Male Female

5. **Nationality:** _____

6. Educational background

Undergraduate Institution:

Graduate Degree:

MBA Non-MBA Masters > Masters None

7. Current marital status:

Married Divorced
 Widowed Never married

8. **Number of children:** _____ (0, 1, 2, etc.)

9. Before becoming an executive, over the course of your career has your work experience primarily been in:

Operations Accounting
 Legal Finance/Treasury
 Sales/Marketing Research
 Other _____

10. **How many operating segments (i.e., distinct operating divisions like autos, food, and retail) does your firm have?**

11. **In what country do you work?**

II. LIFE ATTITUDES

These questions are standard and are included for a specific purpose. Please answer according to your own feelings, rather than how you think "most people" would answer.

I agree a lot I agree a little I neither agree nor disagree I disagree a little I disagree a lot

1. In uncertain times, I usually expect the best.

2. It's easy for me to relax.

3. If something can go wrong for me, it will.

4. I'm always optimistic about my future.

5. I enjoy my friends a lot.

6. It's important for me to keep busy.

7. I hardly ever expect things to go my way.

8. I don't get upset too easily.

9. I rarely count on good things happening to me.

10. Overall, I expect more good things to happen to me than bad.

6. No company can be completely transparent to outside investors, and managers' information will inevitably be more complete than investors' information. But some industries are more transparent than others, and in some industries it's relatively less difficult for investors to learn about firms' prospects. How difficult is it for investors to get good information about and understand firms in your industry?

Compared to firms in other industries

Very difficult			Same			Very easy
1	2	3	4	5	6	7
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

IV. COMPANY INFORMATION

1. Industry

- Retail/Wholesale
- Mining/Construction
- Manufacturing
- Transportation/Energy
- Communications/Media
- Other _____
- Tech (Software/Biotech)
- Banking/Finance/Insurance
- Service/Consulting
- Healthcare/Pharmaceutical

2a. What is your firm's approximate total debt/total assets ratio?
(e.g. 40%)

_____ %

2b. What is your firm's approximate short term debt/total debt ratio?
(e.g. 40%)

_____ %

2c. What is your firm's credit rating?

3. On average, over the past few years, approximately what percentage of your firm's earnings were used to:

_____ % a. pay dividends? (e.g. 20%)

_____ % b. repurchase shares?

_____ % c. retain earnings?

4. How many material acquisitions has your firm made in the last two years? (e.g., 0, 2)

5. We are more likely to issue long-term debt when interest rates are particularly low.

Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
1	2	3	4	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. How strong is your firm's preference to fund investments with internal or external funds?

Very strong preference for internal funds		Same		Very strong preference for external funds		
1	2	3	4	5	6	7
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Assuming that you need some external funds, does your firm prefer to use debt-like or equity-like securities?

Very strong preference for debt		Same		Very strong preference for equity		
1	2	3	4	5	6	7
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Does your firm hedge to reduce risk exposure?

No, we do not actively hedge	Yes, we hedge a little	Yes, we hedge moderately	Yes, we hedge aggressively
1	2	3	4
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. Last year your company invested \$5 million US in a project that was expected to generate cash flows of \$10 million US after one year. A year has passed and the project yielded nothing.

Now you have the opportunity to invest an additional sum in this same project. There is a 20% chance that the project will generate a \$10 million US cash flow in a year's time and nothing thereafter. There is an 80% chance that the new investment will generate nothing at all. How much would you be willing to invest today?

\$ _____ million dollars US

V. INVESTMENT CHOICES

1. Which of the following factors are important in your allocation of capital across divisions?

Not at all important					Very important
1	2	3	4	5	

- a. Moving towards an even balance of capital allocation across divisions
 1 2 3 4 5
- b. The reputation of the divisional manager in terms of delivering on previous projects
 1 2 3 4 5
- c. Whether the project requires external capital (vs. funding with internal funds)
 1 2 3 4 5
- d. Senior management's "gut feel"
 1 2 3 4 5
- e. Return on previous projects earned by the division proposing the project
 1 2 3 4 5
- f. NPV ranking of projects
 1 2 3 4 5
- g. The confidence of the divisional manager in the project
 1 2 3 4 5
- h. Timing of projects' cash flows
 1 2 3 4 5
- i. Corporate politics
 1 2 3 4 5
- j. Protecting market share
 1 2 3 4 5
- k. Other _____

These questions help us understand how closely held your firm is:

2. If all options were vested and exercised, what percent of your company's common stock would you own? (e.g., 5%)

_____ %

3. On average, what is the approximate target percentage of your total compensation that is in the form of (Please answer all four)

_____ % Stock and option compensation

_____ % Bonus

_____ % Salary

_____ % Other _____

4. Hypothetically, suppose you run one company. You have to undertake new investments for the company. You have a choice between the following two investment projects, both of which are in the same line of business:

(Suppose X is your company's current cash flow)

- 100% chance that cash flow is \$X for foreseeable future (please answer 5a)
- 50% chance that cash flow is \$2X for foreseeable future and 50% chance that cash flow is \$(2/3)X for foreseeable future (please answer 5b)

5a. Which investment would you choose if the choices were instead?

- 100% chance that cash flow is \$X for foreseeable future
- 50% chance that cash flow is \$2X for foreseeable future and 50% chance that cash flow is \$(4/5)X for foreseeable future

5b. Which investment would you choose if the choices were instead?

- 100% chance that cash flow is \$X for foreseeable future
- 50% chance that cash flow is \$2X for foreseeable future and 50% chance that cash flow is \$(1/2)X for foreseeable future

6. Is your firm:

Public - Ticker: _____

Private



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7. **By what percentage do you feel your stock is misvalued?**
(-20% means 20% undervalued; 0 means correctly valued; 10% means 10% overvalued)

_____ %

8. **Your Name:**

9. **Company Name:**

10. **Email address:**

(needed for you to receive best practices and market intelligence tailored to your industry, which is only available to participants)

11. **Do you have any other comments?**

12. **Check if you would like to receive a copy of this research study**

Yes, I would like to receive a copy
(We need your email or postal address if you want a copy)

THANK YOU VERY MUCH FOR YOUR HELP!

Note: No firm or individual response will be identified.

Please fax your responses to 919-660-8038.

Questions?

Email John.Graham@duke.edu or call 919-660-7857.