

## Chapter 3

### 3.00 Methodology

#### 3.10 Research Design

Primary data will be collected from one-to-one interviews with financial controllers, accountant, or directors whom are directly involved in the decision making process with regards to the repegging of Ringgit. The sample is derived from my portfolio of customers who are within the classification of an SME. Selection of customers are based on a convenient sampling due to time constraint as well as the difficulties to set appointments to meet up with the decision makers. A small sample from a broad industry that SMEs are in will be selected. The sample will have to fulfill the criterion of being in: -

- i) SMEs classification as per Small and Medium Industry Development Plan (SMIDP) refers to companies with annual turnover of not exceeding RM25 million or total full time work force of not exceeding 150.
- ii) SMEs with import of components / final goods and/or export of components / final goods.

### 3.11 Open-ended questions

#### Company

- 1) Industry involved:
- 2) Annual turnover & Number of workers:
- 3) Percentage of export transactions over total annual revenue in 2004:
- 4) Percentage of import transactions over total annual costs in 2004:
- 5) Average gross margin for sales in 2004:
- 6) Do you have any foreign exchange hedging facility with a financial institution?
- 7) Transaction cost charged for a foreign exchange contract to be established?

#### General View on Ringgit's peg at 3.80

- 1) Do you agree that pegging Ringgit at 3.80 promotes trade certainty?
- 2) How would you describe our current state of the economy?
- 3) Originally, Ringgit's pegging together with other forms of capital controls was in place to promote currency stability amongst others during the Asian Financial crisis, do you think that the peg has outlived its purpose?

### Effects of Ringgit Repeg

- 1) What will be the short-term effect on your company if Ringgit repeg?
- 2) What will be the long-term effect on your company if Ringgit repeg?
- 3) What are your mitigating plans in place?
- 4) Change in business directions?

### Exchange Rate Regime

- 1) Which type of exchange rate regime do you think best fit your company's business?
- 2) Why?

Data collected will be compiled to analyse the effects on SMEs. The findings will be compared with recent literatures.