

A NOTE ON CAPITAL COEFFICIENTS' MATRIX FOR THE YEAR 1963

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A. *Large scale manufacturing*

The computation of this matrix is a difficult task in the context of paucity of the detailed data required. In this Note, the manner in which this matrix is computed and the assumptions involved are explained.

For a given classification of industries, the objective is to estimate the replacement value of capital goods employed in a given industry (originating from different industries) per unit output of the same industry. In this Note an attempt is made towards computing that part of the matrix which corresponds only to large scale manufacturing industries in India, 1963.

Data

(1) The Annual Survey of Industries, 1963, (census sector) gives the net value of certain broad categories of fixed assets industry-wise. The categories that are useful for our purpose are (i) Buildings, (ii) Improvement to land and other construction, (iii) Plant and machinery, and (iv) Tools, transport equipment and other fixed assets. If these net values are adjusted for the depreciation and also for the change in prices, the replacement values would be obtained. In the same source, the value of gross output is available. The data regarding capacity are not available. These output figures need to be adjusted to get the capacity figures.

(2) A study of 862 manufacturing company balance sheets ending their accounts in 1960 has yielded the ratio of gross (undepreciated) value to net value of different categories of capital goods, industry-wise. It also has yielded adjustment factors that can be used for excluding the 'buildings under construction' and 'plant and machinery uninstalled'. This can be utilised to adjust the net values for depreciation.