
CHAPTER - V

ANALYSIS AND INTERPRETATION OF SAMPLE SURVEY

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ANALYSIS AND INTERPRETATION OF SAMPLE SURVEY

5.1 INTRODUCTION :

As stated in the First Chapter, in order to examine the objectives number three and four which state particularly to examine whether the scheme has succeed in creating additional employment opportunities, to test sufficiency of finance, utilisation of finance, to study additional financial sources, payment of instalments, some measures adopted by bankers to examine utilisation of finance and to know the difficulties of borrowers, a sample survey is conducted by the researcher. The data were collected by administering interview schedule, the format of which is attached in the appendix.

To make this research work more reliable and scinentific, the researcher collected 'primary data' by the entrepreneurs and banks. The results of sample survey are described in the following paragraphs.

5.2 SAMPLE SIZE :

For the purpose of sample survey, totally 94 entrepreneurs financed during three years, out of which 50 per cent of them i.e. 50 entrepreneurs, were selected

for the purpose of interview and contacted during the survey.

While taking sample out of 94 entrepreneurs, having 29 types of business unit, the sample was taken of 50 entrepreneurs. Even though while choosing the number of units in proportion of the total number care was taken by researcher that at least one entrepreneur is interviewed having each type of unit. Because it was highly impossible to take interview of a half entrepreneur.

There is a logic behind the selection of the entrepreneur for getting the primary data. The logic is this, where one to three units of same kind one entrepreneur is interviewed, where four to six units of same kind two entrepreneurs are interviewed, where seven to nine units of same kind three entrepreneurs are interviewed and where ten and above units of same kind remaining i.e. 19 are interviewed.

As regards to Bankers whole i.e. 6 Branch Managers are interviewed so there is no choice of sampling.

By observing the table and oral discussions with the entrepreneurs and bank staff, the analysis is made by researcher. The responses obtained and observations based on the analysis of these responses are presented in this chapter.

The Table No. 5 shows the industrywise classification of the Sample Units.

TABLE NO. 5.1

Industrywise Classification of Sample Units

Classification.	Units.	Sample Frequency
Small Industry Units	Bakery	1
	Candle	1
	Redement Cloth	1
	Mattress Factory	1
	Cattle Feed	1
	Dunk Machine	1
	Metal Shop	1
Service Units	Dairy	19
	Poultry	3
	Cycle Repair	1
	Gryding Mill	1
	Photo Studio	1
	Foot Wear	1
	Krishi Seva	1
	Spare Part	1
	Watch Repair	1
	Motor Rewinding	1
Loundry	1	
Small Business Units	Cloth Shop	1
	Medical Store	1
	Kirana Stores	2
	Stationery	1
	Radio Shop	1
	Bottle	1
	General Stores	1
	Furniture Shop	1
	Sweet Mart	1
	Cycle Shop	1
Electric Store	1	
GRAND TOTAL		50

Source : Interview Schedule.

5.3 ANALYSIS & INTERPRETATION OF DATA :

The analysis and interpretation are made mainly under the heads mentioned below.

1) Preference to Unit :-

The study of Preference to self-employment venture helps to understand the Banker's trend in granting finance. The data regarding this of the Sample Bankers is given in Table No. 5.2.

TABLE NO. 5.2 : PREFERENCE TO UNIT

Particulars.	Frequency	Percentage
a. Small Industry Unit	6	100
b. Small Business Unit	-	-
c. Service Unit	-	-
GRAND TOTAL	6	100

Source : Bankers' Interview Schedule.

The analysis of the above Table shows that Banker gives preference to entrepreneurs from small industry units. It is good thing found at the time of interview. All the Banker reported at the time of interview that they give

preference to small industry units because of creation of additional employment opportunities as well as to increase national production.

This information leads to conclusion that small industry units are important from the view point of Bankers to increase national production and creation of additional employment opportunities.

ii) Base for Sanction of Loans :

Proper base for sanction of loan is essential from the view point of the Banker. The Table No. 5.3 gives data regarding this of the Sample Bankers.

TABLE NO. 5.3

Ranking of Base for Sanction of Loans

Particulars.	Frequency	Percentage
a. Productivity	20	33.33
b. Credit Worthiness	13	21.67
c. Repayment Capacity	16	26.67
d. Any Other	11	18.33
	60	100.00
GRAND TOTAL	60	100.00

Source : Bankers' Interview Schedule

From the Table No. 5.3 it is clear that the Bankers have tendency to sanction loans on the productivity base. It is good thing for increase in national - production. Any other item in the same Table shows the personal skill of the entrepreneurs.

So it may be concluded that productivity of the unit is taken into consideration by the Bankers while sanctioning the loans.

iii) Approximate Investment :-

It is essential to consider the approximate minimum investment required to start self employment venture into the respondent's area before starting the self employment venture. Therefore, it would be useful to study the approximate minimum investment required.

The Table No. 5.4 gives the data regarding this.

TABLE NO. 5.4Approximate Investment

Particulars.	Frequency	Percentage
a. Upto Rs. 10,000/-	3	6
b. Rs. 10,000/- to Rs. 20,000/-	14	28
c. Rs. 20,000/- to Rs. 30,000/-	26	52
d. Rs. 30,000/- to Rs. 40,000/-	5	10
e. More than Rs. 40,000/-	2	4
GRAND TOTAL	50	100

Source : Entrepreneur's Interview Schedule

The analysis of the above Table shows that 52 per cent respondents reported that Rs. 20,000/- to Rs. 30,000/- is the approximate minimum investment required to start self employment venture into the their area. This is the minimum investment required to start self employment venture according to the opinions of sample entrepreneurs. 4 per cent of sample entrepreneur reported the investment of more than Rs. 40,000/-. This is the maximum investment required.

This information leads to conclusion that Rs. 20,000/- to Rs. 30,000/- represents the approximate minimum investment required to start self employment venture into the respondents' area.



iv) Actual Investment Required :-

The actual investment required to start self employment venture of the sample entrepreneurs is also an important thing. The Table No. 5.5 gives data regarding this.

TABLE NO. 5.5 : Actual Investment Required

Particulars.	Frequency.	Percentage.
a. Upto Rs. 20,000/-	26	52
b. Rs. 20,000/- to Rs. 30,000/-	23	46
c. Rs. 30,000/- to Rs. 40,000/-	-	-
d. More than Rs. 40,000/-	1	2
GRAND TOTAL	50	100

Source : Entrepreneur's Interview Schedule

The analysis of the above Table shows that 52 per cent respondents were reported the actual investment required upto Rs. 20,000/-. Out of 50 entrepreneurs surveyed 56 per cent entrepreneurs reported that Rs. 20,000/- to Rs. 30,000/- is the actual investment required to start their ventures. It is also clear from the above Table that the entrepreneurs with which investment required more than Rs. 40,000/- are very few in number.

It is clear from the Table No. 5.5 that -
Rs. 20,000/- represents actual investment required to start self employment venture of the sample entrepreneurs.

v) Sufficiency of Finance :-

The Table No. 5.6 gives the data regarding the sufficiency of finance to the sample entrepreneurs.

TABLE NO. 5.6 : Sufficiency of Finance

Particulars.	F R E Q U E N C Y			Total	Percen- tage.
	Small Industry Unit.	Service Unit.	Small Business Unit.		
a. Limit of sanction is sufficient.	6 (85.72)	16 (51.52)	8 (66.67)	30	60
b. Limit of sanction is not sufficient	1 (14.29)	15 (48.38)	4 (33.33)	20	40
GRAND TOTAL	7	31	12	50	100

Source : Entrepreneur's Interview Schedule

It is clear from the above Table that -

- 85.72 per cent entrepreneurs from small industry units
- 51.52 per cent entrepreneurs from service units, and

c) 66.67 per cent from small business units and 60 per cent of the total respondents have stated that the limit of the amount sanctioned to the extent of Rs. 25,000/- was sufficient.

This information leads to conclusion that the fund provided under the scheme to the extent of Rs. 25,000/- is sufficient to ~~the~~ ^{the} development of business.

vi) Utilisation of Fund :-

To examine proper utilisation of fund, the study of itemwise investment of fund is essential. The data regarding itemwise investment of fund of the sample entrepreneurs is given in Table No. 5.7.

TABLE NO. 5.7 : Utilisation of Fund

Particulars.	Frequency.	Percentage.
a. Equipments	50	100
b. Furniture	50	100
c. Any Other	50	100

Source : Entrepreneur's Interview Schedule

The analysis of the above Table shows that all the entrepreneurs surveyed invest the fund in equipments, furniture and other items. Any other items in the above Table

shows the fund invested in working capital. The researcher found at the time of interview that the investment in equipments and working capital were more than the fund invested in the furniture. As the investment in furniture varies from units to units and according to needs of business. Particularly - entrepreneurs in service units have more need of furniture.

Therefore, it may be concluded that itemwise investment of fund varies from units to units.

vii) Measures adopted to

Examine Utilisation of Fund :

The study of measures adopted by the Bankers to examine proper utilisation of funds avoids improper utilisation of fund. The Table No. 5.8 gives the data regarding the measures adopted by the Banker to examine proper utilisation of fund.

TABLE NO. 5.8

Ranking of Measures adopted to Examine Utilisation
of Fund

Particulars.	Frequency.	Percentage.
a. Visit to Institution	22	36.67
b. Personal Contact	20	33.33
c. Appointing Experts	10	16.67
d. Any Other	8	13.33
GRAND TOTAL	60	100.00

Source : Bankers' Interview Schedule.

It is clear from the above Table that the most of Bankers have adopted the measure of visit to institution of the entrepreneurs. About 33.33 per cent Bankers have adopted the measure of personal contact and 16.67 per cent Bankers have adopted the measure of appointing experts. In the light of the fact that the measure adopted to examine proper utilisation.

This information leads to conclusion that measures adopted to examine proper utilisation of fund varies as per Bankers.

viii) Additional Source of Finance :-

The study of additional financial source in addition to the fund provided under the scheme would also help to understand sufficiency of finance. The data regarding this of the sample entrepreneur is given in Table No. 5.9.

TABLE NO. 5.9Additional Source of Finance

Particulars.	Frequency	Percentage
a. Yes	21	42
b. No	29	58
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GRAND TOTAL	50	100
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Source : Entrepreneur's Interview Schedule

Analysis of the above Table shows that 58 per cent entrepreneurs have no other source of finance in addition to the fund provided under the self employment scheme. 42 per cent entrepreneurs reported at the time of interview that if need arises, the fund raised from friends or relatives to meet short term financial needs.

The information leads to conclusion that the majority of the entrepreneurs try to run the business with the available funds under the self employment scheme.

ix) Payment of Instalments :-

Irregular payment of instalments create problems of loan recovery. The data regarding payment of instalments of the sample entrepreneurs is given in Table No. 5.10.

TABLE NO. 5.10 : Payment of Instalments

Particulars.	Frequency.	Percentage.
a. Regular	20	40
b. Irregular	30	60
GRAND TOTAL	50	100

Source : Entrepreneur's Interview Schedule

It is clear from the above Table, that majority of the entrepreneurs does not pay the instalments regularly. The experience of Bankers also shows that entrepreneurs does not pay instalments regularly.

So one can conclude that irregular payment of instalments create a problem of loan recovery.

x) Employment :-

A study of labours employed in the self-employment venture of the sample entrepreneurs help to recognise the trend of scheme in creating additional employment opportunities. The Table No. 5.11 gives the data regarding this.

TABLE NO. 5.11 : Employment Generated

Particulars.	Frequency.	Percentage.
a. Nil	5	10
b. One	27	54
c. More than one	18	36
GRAND TOTAL	50	100

Source : Entrepreneur's Interview Schedule

The analysis of the above Table shows that 54 per cent entrepreneurs have employed one additional labour. At the time of interview, only 10 per cent entrepreneurs reported that they have not employed any other additional labour. It means that at least they themselves got opportunity of employment. Out of 50 entrepreneurs surveyed, 36 per cent entrepreneurs reported that they employed more than one labour in their units.

This information leads to conclusion that the scheme will succeed in creating additional employment opportunities.

5.4 DIFFICULTIES OF BORROWERS :

i) Time Consuming Procedure :-

Out of the total entrepreneur surveyed, 28 per cent entrepreneurs reported at the time of interview that they find difficulties in procuring loan under the self employment scheme. The procedure of preparation of project reports to the granting of actual finance is of time consuming.

ii) Difficulties in obtaining Documents :-

Most of the entrepreneurs reported at the time of interview that they find difficulties in procuring various documents from various offices. Entrepreneurs are required to obtained documents from related parties and enclose it with application. It was also found that the number of documents was more. It is very difficult to entrepreneurs to obtain this documents from related parties and offices in time.

iii) RATE OF INTEREST :

Most of the entrepreneurs thought that the rate of interest is more. Under the 'SEEUY' scheme rate of interest is 12 per cent p.a. Entrepreneurs want it to reduce upto 8 per cent.

iv) SUBSIDY :

Under this scheme 25 per cent subsidy computed of the total amount of loan is related to the Bank after the disbursement of the loan which is kept as a term deposit in the name of the entrepreneurs. The entrepreneurs thinks that this subsidy amount must be deducted - immediately after disbursement of loan and charge interest on the balance amount.

v) MARKETING DIFFICULTIES :

Marketing of the products is the main difficulty particularly to the small industry unit entrepreneurs. Entrepreneurs thought that DIC should help in the marketing of products or provide services in marketing activities.

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