

# Impact of Individual Factors on the Entrepreneurial Attitude towards Selecting a Source of Finance for Business

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## Abstract

*Financial Support and Availability of Credit are most vital elements for starting any venture. The flow of institutional finance to the MSME sector in the fast-growing economy of Ganjam district is a serious matter of concern for the development of start-ups. In this backdrop, a study is conducted in different cities of Ganjam district to find out how the institutional finance is being availed to the budding entrepreneurs and an attempt is being made to explore the issues and challenges encountered by the entrepreneurs of Ganjam district of Odisha for acquiring fund to start their business. Moreover, the study is also focused on the perception of the entrepreneurs towards institutional finance. This is a descriptive study which is carried out with 218 small and medium entrepreneurs by using a structured questionnaire in three main cities of Ganjam District. The samples are chosen using simple random sampling. The findings of the study suggest that higher education level and prior business experience of entrepreneurs play a favourable role in choosing institutional finance to meet the capital needs of their business compared to the entrepreneurs having a lower educational qualification and less or no prior business exposure. On the other hand, the gender of the respondents has no significant role in selecting a source of finance and both male and female entrepreneurs have an identical approach towards different sources of finance.*

**Keywords:** Institutional Finance, Financial Support, Start-up, Ganjam Dist., Entrepreneurs.

## Background:

Commercial banks are playing an important role both in the rural and urban areas to explore and revitalise the growth and development of micro and small enterprises. Most of the projects are being financed by the Commercial banks. Therefore, commercial banks are heading towards the rural and semi-urban areas for establishing more branches to provide banking service to each and every Indian citizen. On the contrary, most of the Indian banks are still risk averse and do not lend without satisfactory tangible securities or guarantors (Patgaonkar, 2011).

Nationalized banks and financial institutions are

like the backbone support for the growth and sustainability of the small-scale industries in the urban and rural areas of Ganjam district of Odisha. The district, Ganjam, is mostly a village-oriented district with a prevailing agrarian economy; so it is obvious that the financial institutions set up in such areas to finance the rural needs have a rural inclination. Even though some reputed public sector banks have not made their presence in the rural areas, some private commercial banks and rural cooperative banks are taking the advantage to serve such sections.

Small and Medium-sized Enterprises (SMEs) have a proven track record of contributing significantly to the inclusive development of the nation.

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According to **Ayyagari, et al. (2011)**, around 95% of the small and medium-sized enterprises contribute towards the creation of about 60% of employment opportunity in the private sector. SMEs play a significant role in upholding the economic condition of both the developing and developed countries even in the time of global slowdown. SMEs do not only contribute to employment generation and economic development of any nation but also, they are like the nursery for large farms/firms that are growing as a micro-firm to contribute towards the national income.

In recent past India has come out as one of the prominent economies of Southeast Asia. In India, around 95% of the total Industrial Ecosystem is comprised of small and medium enterprises. Besides this, SMEs are providing employment opportunity to a very large section of the Indian society. It is also noticed that SMEs are contributing well in the international trade by promoting export. This notable economic and social support makes the SMEs one of the most important drivers of the economic growth and development of India. It is high time to study the reasons why the small and medium enterprises are still struggling (**Zaidi 2013; Dalberg 2011; Allen et al. 2012; Thampy 2010; Dogra & Gupta 2009; Seshasayee 2006; Srinivas 2005**) for obtaining finance for business while being in a situation where the SMEs contribution to GDP is 7.04% of manufacturing sector whereas the service sector contributes 30.50% (MSME annual report 2015-16). If we compare this data with the previous year data the manufacturing and service sector contribution was 7.27% and 30.70% respectively showing a clear decrease. This situation clearly shows the difficulty faced by the entrepreneurs for availing finance for their business. This instead is the primary cause why SMEs are still underdeveloped.

According to the data availed by the MSME Govt. of India, the Growth rate of MSMEs was around 11.77% in the year 2009-10 and in 2015-16 it touched to 18.74%. Hence, the importance of finance has been a matter of serious concern for making sure that the growth of SMEs should continue (**Cook, 2001**). This is because, although the growth rate of 18.74% seems impressive today in 2010-11 the growth rate of MSMEs was 18.45% and it has started decreasing there on up to 14-12% in next consecutive years. So the government should focus on the reasons why there is a steep downfall of growth in the year 2011-12 and should ensure that this kind of situation does not repeat in the future.

As per the census 2007 data, around 92% of the SMEs in our country have no proper access to the formal sources of finance like the banks and other financial institutions; they are either dependent on the informal sources of financing or self-financed by parents, friends or relatives. Most SMEs are forced by fissures in the financial system, like high collateral requirements, high administrative cost, and lack of exposure and experience to deal with financial intermediaries. Consequently, financing difficulties are one of the major growth-limiting factors for small and medium-sized enterprises. On the other hand, there is a very limited number of researches done in the context of developing countries with respect to the financing limitations of the SMEs (**Dalberg 2011**). Thus, sincere efforts have been made in the present study to understand what are the personal factors responsible for choosing a particular source of finance and the perception of the entrepreneurs towards institutional finance?

### Review of Literature:

Research on the financing issues of SMEs in the developing countries is one of the most emerging topics (**Wu et al. 2008**). The main problem with the

small firms is the financial management practices. It is entirely different from those of the large firms (Ang 1991). The main issue with the micro and small-sized enterprises is, first of all, they are not listed in the stock exchanges, and secondly, they are not mandated by law to follow a certain procedure for their financial accounting transactions, so it becomes very difficult to monitor the financial practices of the micro, small and medium-sized firms along with the large firms. Moreover, the problem of information irregularity of SMEs puts them in a more risky environment where it becomes critical to obtain finance from the organised sources as compared to large firms.

According to Myers & Majluf (1984), firms normally follow a certain kind of pattern while accessing funds for their business. In most of the cases, they prefer a comparatively less risky and easily available source to a riskier, obscure and difficult type of source. Because of this fact, they first prefer to get their business financed from the internal sources like internal/retained earnings, depreciation, debt etc. (Cassar & Holmes 2003). Most part of the internal financing comprises either the owner's fund or retained earnings from the profit. But these two sources of fund is not sufficient enough to meet the working capital need and capital budgeting investment opportunities for a long-term survival and growth of an organisation. On the contrary, the access to the formal sources of finance needs transparency in business operations, creditworthiness and managerial expertise on the part of the SMEs or the start-ups, it becomes even more difficult to avail finance from such organised sources. And also the SMEs lack audited financial reports, financial institutions hesitate to lend long-term loans to avoid future hurdles and complications. Moreover, as per Liu & Yu (2008), the SMEs are frequently criticized for their poor transparency of information generally due to their poor bookkeeping practices. Jagoda & Herath (2010) advocated the problems experienced by

good number SMEs for getting a long-term loan for their business. All the above discussions point towards the predominant challenges faced by the SMEs for getting finance from formal sources and has become a serious subject of research.

According to Wu *et al.* (2008), the financing needs of an SME keep on changing throughout the life cycle of the firm starting from setup of an industry to growth and expansion stage. According to Berger & Udell (1998), the financial requirements of any organisation depends upon the size of the business, age or time in the business and the information continuum. In the initial stage, the entrepreneurs or firm owners mostly depend on their friends, parents and family members for funds. Then they opt for options like trade credit or funds from "guardian angel" during the pre-growth stage of the firm. When they grow little more and touch the growth stage of the business life cycle they get access to venture capital funds and bank loans. At a very later stage, mainly when they expand and everything is going on well, then they could able to get into the public equity and debt fund market. But the irony is, this doesn't happen with all the SMEs operating in the developing countries like India.

Several pieces of research in the field of finance comprises of issues relating to the constraints in SME financing. As per Beck & Demirguc-Kunt (2006), SMEs face numerous challenges for getting their businesses financed from formal sources like banks and financial institutions. The same issue is being confirmed by Beck *et al.* (2008) by conducting a study in 48 countries. The revealed that a very few numbers of SMEs are able to employ funds raised from banks compared to the large firms. A report on CNBC TV18 on October 2017 by Jude Sannith, says that there are around 92.8 % of the MSMEs are not getting any finance from external sources and very recently, several private start-ups are coming forward to fill this

financing gap. Again, the size of the business plays a key role in the financing decisions. Different studies have focused their interest to determine the impact of the size of a firm or business on the financing decision and capital structure. Some of the studies well-documented show an affirmative relationship between the determinants of capital structure and the size of a firm (**Abor & Biekpe 2009; Odit & Gobardhun 2011**). In this backdrop, rarely any studies have been conducted to find out the perception of entrepreneurs towards different sources of finance based on their individual factors like education level and experience in business in case of small and medium-sized organisations.

**Allen et al. (2012)** also stated in their study that in India, non-bank, non-market sources or the informal sources of finance constitutes the most vital form of external finance compared to formal sources. Moreover, the study also concluded that there is a significant relationship between the type of loan from formal sources and the age of the organisation. The young firms borrowed more long-term loans compared to mature firms. On the other hand, mature firms borrowed short-term loans which are significantly higher than the younger firms.

Therefore, it is clear from the above discussion that the young firms are mostly in the need of long-term finance and when they are not able to get the same form formal sources, they resort to informal sources, creditors and other corporations. This analysis was also supported by the studies of **Odit & Gobardhun (2011)** and **Dogra & Gupta (2009)** which concluded saying that in India "the young firms are not offered credit facility by banks so easily" because they are in the nascent stage of their business and possess least experience and knowledge about the business and market. The same issue is also confirmed by **Thorsten & Asli (2006)** by saying that the SMEs face more growth-related issues and have limited and narrow access

to formal sources of fund, making them paralysed to contribute in the growth of the nation.

Contradicting to the above study, **Abor (2008)**, said SMEs with insider ownership don't prefer debt fund in their capital structure much. They generally like to take advantage of internal or personal sources like their own capital, a contribution from friends, and relatives etc. in order to minimise the risk of insolvency. In connection with this **Rajan (2009)** pointed out "the 3Fs (Family, Friends, and Fools)" that most of the SMEs in India rely on for obtaining capital for their businesses.

**Dhameja (2004)** undertook a research on women entrepreneurs in the states of Punjab, Haryana and the Union Territory of Chandigarh. The study intended to explore the entrepreneurial performance, problems and a host of other issues relating to the involvement of women in business. The results revealed that 45.7% were found to be facing the financial problem. Of all, reluctance by financial institutions to extend credit to women was the biggest problem.

**Susan & Dean (2005)** in their study on the Credit issues for Entrepreneurs also stressed on the same issue as discussed earlier. They posit that in the part of a start-up the major issue is the source of finance. The study revealed that the women entrepreneurs are in a disadvantageous position compared to their male counterparts as far as availing finance, both from formal and informal sources are concerned. In a similar study, **Sara et al. (2007)** tried to establish the link between the gender of the entrepreneur, entrepreneurship and the banks' lending conditions. They found that the women entrepreneurs start their business with a lower level of overall capitalization and lower amount of debt finance in the capital structure. Moreover, while sanctioning a loan, the process used by male and female lending officers of the banks or financial institutions modestly differs in their negotiation for



loan applications.

**Irwin & Scott (2010)** in their study presented the issues and challenges faced by the SMEs in the UK for raising bank finance and the effect of personal characteristics of entrepreneurs like education level, gender and ethnicity, found that the entrepreneurs with a lower level of education are more dependent on informal sources like friends and family. On the other hand, graduates are found to have the least difficulty in raising finance. Moreover, women entrepreneurs could easily able to raise finance compared to men which contradicts the findings of **Gry et al. (2006)**. As such, entrepreneurs belonging to an ethnic minority (mostly black owner-managers) faced more problem in raising finance and relied upon "bootstrapping" strategy for obtaining finance.

**Gry et al. (2006)** investigated the funding gap that exists between women and men-owned new businesses in Norway. Compared to men, women entrepreneurs are able to acquire significantly less fund than their male counterparts to develop a new venture which ultimately affected their business growth. **Caleb et al. (2012)** also added in favour by saying that the difficulty of obtaining finance for starting a business is more in case of a female and concluded that the gender of the entrepreneurs has a significant interaction with the other personal factors (**Susan & Dean 2005**). On the contrary, **Christina et al. (2006)** argued that in most of the western countries the barriers to financing are mainly dependent on the owner and firm-related factors rather than the gender of the entrepreneurs.

### Objectives:

The main objectives are as follows:

- To highlight the issues and challenges encountered by entrepreneurs in the process of availing institutional finance.
- To find out how the demographics of the

entrepreneurs are helping them to avail institutional finance.

- To study the major constraints or factors those are in the favour of the entrepreneurs to get financed by a Financial Institution.
- To throw light on the reasons behind opting for non-institutional finance by the entrepreneurs of *Ganjam* district Of Odisha.

### Hypothesis:

The null hypotheses of the study are as follows.

**H<sub>01</sub>**: The higher the Education level of the entrepreneur the higher the likeliness to get institutional finance.

**H<sub>02</sub>**: Experience in Business has no relationship with the ease of getting institutional finance.

**H<sub>03</sub>**: There is no significant difference between the male and female entrepreneurs towards their choice of source of finance

### Methodology:

Basically, the study is descriptive in nature. The secondary data is collected from different journals, magazines and reports. For collecting primary data a structured questionnaire is used. The study is mainly carried out in the three major cities of *Ganjam* Dist. namely *Berhampur*, *Aska* and *Bhanjanagar*. A refereed judgemental sampling technique is used to choose samples as the research is intended to choose only small and medium entrepreneurs who are registered their concern in the Commercial Tax Dept. and having a valid TIN number. The clustered sampling method is used to select sample (entrepreneurs) form different field of business so as to get a more reliable result. A total of 300 entrepreneurs are interviewed using a structured questionnaire out of which only 218 number of responses were found valid form all aspects. The data so collected is analysed using crosstab chi-square test in SPSS 21.

**Data Analysis and Interpretation:****Table 1: Frequency Table**

<b>Characteristics</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>		
Male	66	30.30
Female	152	69.70
Total	218	100.00
<b>Age</b>		
20-30	20	9.20
31-40	95	43.60
41-50	66	30.30
51-60	37	17.00
Total	218	100.00
<b>Qualification</b>		
10th	24	11.00
12th	31	14.20
Graduation	74	33.90
P.G.	47	21.60
<b>Technical&amp;ProfessionalDegree</b>	42	19.30
Total	218	100.00
<b>Businessexperience</b>		
LessthanOneYear	59	27.10
1-2Year	115	52.80
Morethan2Years	44	20.20
Total	218	100.00
<b>TypeofBusiness</b>		
Proprietary	122	56.00
Partnership	86	39.40
Others	10	4.60
Total	218	100.00
<b>Haveyoueverattemptedtogetaloanforyourbusinessfromabank</b>		
No	73	33.49
Yes	145	66.51
Total	218	100.00
<b>Haveyouevergotaloanfromthebankforyourbusiness</b>		
No	106	48.60
Yes	112	51.40
Total	218	100.00
<b>Howdifficultitistogogetaloanfromabank</b>		
VeryMuch	72	33.00
SomeWhat	85	39.00
Don'tKnow	19	8.70
NotReally	27	12.40
Notatall	15	6.90
Total	218	100.00

From the Table-1, that represents the frequency of different characteristics and parameters of the respondents reveals that out of total 218 respondents total numbers of male respondents are 152 amounting to 70 per cent of the total sample size whereas the female is only 30 per cent. The age distribution reveals that the majority of the respondents fall into the categories of middle age between 31-50 years amounting to 74 per cent of the total population. The educational qualification of the respondents shows that around 25 per cent of the respondents are non-graduates i.e. they fall below graduation level of education, whereas 19 per cent of the sample respondents are professional or technical degree holders. The majority of the respondents are graduates and postgraduates amounting to 55 per cent.

If we look at the business experience or time in business data, a total of 27 per cent of the entrepreneurs have newly started their business

hardly one-year-old and the majority of the business is only 1-2 year old which counts to nearly 53 per cent. On the other hand, the total number of proprietary business is 56 per cent whereas 40 per cent business is partnership nature.

When the respondents asked about their attempt and experience in getting a loan from a bank or financial institution it is found that a total of 34 per cent respondents have never attempted to get a loan for their business form a bank. Out of the 145 number of respondents who have tried to get a loan from a bank only 112 respondents have succeeded in getting the same. When the respondents asked about how difficult it is to avail a loan from a financial institution or a bank, 72 per cent respondents said it is somewhat to very difficult to get a loan whereas merely seven per cent respondents said it's not difficult at all. On the other hand, around nine per cent, of respondents are undecided on this question.

**Table 2: Cross tabulation between Choice of Source for Financing Business and Qualification**

Choice of Source for Financing Business	Qualification					Total
	10th	12th	Graduation	P.G.	Technical & Professional Degree	
Bank or Financial Institutions	7	8	28	25	30	98
	29.2%	25.8%	37.8%	53.2%	71.4%	45.0%
Family	3	6	15	7	2	33
	12.5%	19.4%	20.3%	14.9%	4.8%	15.1%
Friend	7	8	13	11	5	44
	29.2%	25.8%	17.6%	23.4%	11.9%	20.2%
Relatives other than family members	1	3	1	2	0	7
	4.2%	9.7%	1.4%	4.3%	0.0%	3.2%
Private Money Lenders	6	6	17	2	5	36
	25.0%	19.4%	23.0%	4.3%	11.9%	16.5%
Total	24	31	74	47	42	218
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

**Table3:Chi-SquareTests**

	Value	df	Asymp.Sig.(2 -sided)
PearsonChi -Square	34.361 <sup>a</sup>	16	.005
LikelihoodRatio	36.714	16	.002
Linear -by-LinearAssociation	15.126	1	.000
NofValidCases	218		

*a.9cells(36.0%)haveexpectedcountlessthan5.Theminimumexpectedcountis.77.*

Table-3 represents the Chi-Square test results. A low p-value value of 0.005 & 0.002 of the Pearson Chi-square and Likelihood ratio respectively (normally below 0.05) specifies that there is a relationship between the two variables.

$$X^2_{Cal} = 34.361$$

$$X^2_{Tab(16,0.05)} = 26.296$$

$$X^2_{Tab(16,0.01)} = 34.000$$

Since the calculated value of Chi-square is greater than the tabulated value. It is evident that 'Choice of Source for Financing Business' and 'Qualification' are reliant. Therefore, we reject the null hypothesis  $H_{01}$  at 5% level of significance. This substantiates that there is an impact of the respondent's

educational qualification on their intention to choose a particular type of source for financing their business. The crosstabs show that out of 42 entrepreneurs who had professional and technical degrees, 30 were found to be interested in choosing bank and financial institutions to finance their business. On the other hand out of 74 graduates and 47 postgraduate entrepreneurs 37.83 percent and 53.19 percent people choose formal source of finance whereas 23 percent graduates and only 4.25 percent post graduates intended to choose private money lenders. In case of the low education group entrepreneurs (10<sup>th</sup> and 12<sup>th</sup> level of qualification) most of them are dependent on family, friend and relatives for funding their business.

**Table 4: Cross tabulation between Choice of Source for Financing Business and Time in Business (Business Experience)**

ChoiceofSourceforFinancingBusiness	Timeinbusiness			Total
	LessthanOneYear	1-2Year	Morethan2years	
BankorFinancialInstitutions	22 37.3%	55 47.8%	21 47.7%	98 45.0%
Family	6 10.2%	15 13.0%	12 27.3%	33 15.1%
Friend	20 33.9%	18 15.7%	6 13.6%	44 20.2%
Relativesotherthanfamilymembers	3 5.1%	4 3.5%	0 0.0%	7 3.2%
PrivateMoneyLanders	8 13.6%	23 20.0%	5 11.4%	36 16.5%
<b>Total</b>	<b>59</b> <b>100.0%</b>	<b>115</b> <b>100.0%</b>	<b>44</b> <b>100.0%</b>	<b>218</b> <b>100.0%</b>



**Table 5: Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.184 <sup>a</sup>	8	.020
Likelihood Ratio	18.186	8	.020
Linear-by-Linear Association	2.448	1	.118
N of Valid Cases	218		

a. 3 cells (20.0%) have expected count less than 5. The minimum expected count is 1.41.

The above table depicts the Chi-Square test output. A lower p-value of 0.020 & 0.020 of Pearson Chi-square and Likelihood ratio i.e. below 0.05, confirms that there is an association between the two variables.

$$X^2_{\text{Cal}} = 18.184$$

$$X^2_{\text{Tab}(8,0.05)} = 15.507$$

Since the calculated value of Chi-square is greater than the tabulated value. It is evident that variables 'Choice of Source for Financing Business' and 'Business Experience' are related. Therefore, it allows us to reject the null hypothesis  $H_{02}$  at 5% level of significance. It can be inferred that there

exist a significant impact of the entrepreneurs experience in business on their intention to choose a particular type of source for financing their business. The crosstabs show that out of 115 respondents who had 1-2 years old start-ups, 55 were found to be interested in choosing bank and financial institutions and 23 like to choose private sources to finance their business. On the contrary 59 numbers of new start-ups, who are not completed one year are mainly showing interest in bank and friend circle to finance their business. In case of business entrepreneurs who have more than two years of experience nearly 50% of the respondents like to choose bank and financial institutions for business loans.

**Table 6: Cross tabulation between Choice of Source for Financing Business and Time in Business (Business Experience)**

Choice of Source for Financing Businesses	Gender		Total
	Female	Male	
Bank or Financial Institutions	27 40.9%	71 46.7%	98 45.0%
Family	12 18.2%	21 13.8%	33 15.1%
Friend	14 21.2%	30 19.7%	44 20.2%
Relatives other than family members	1 1.5%	6 3.9%	7 3.2%
Private Money Lenders	12 18.2%	24 15.8%	36 16.5%
Total	<b>66</b> <b>100.0%</b>	<b>152</b> <b>100.0%</b>	<b>218</b> <b>100.0%</b>

Table7:Chi -SquareTests

	Value	df	Asymp.Sig.(2 -sided)
PearsonChi -Square	1.981 <sup>a</sup>	4	.739
LikelihoodRatio	2.092	4	.719
Linear -by-LinearAssociation	.194	1	.659
NofValidCases	218		

a. 2 cells (20.0%) have expected count less than 5. The minimum expected count is 2.12.

From the Table-7, we can see the two-tailed significance values of Pearson Chi-square and Likelihood ratio respectively are more than 0.05 level of significance, indicates that there is no difference between the two groups. In other words, we can say that there is no sufficient reason available to reject the null hypothesis  $H_{03}$ .

$$X^2_{Cal} = 1.981$$

$$X^2_{Tab(4,0.05)} = 9.488$$

Since the table value of Chi-square is greater than the calculated value, It can be affirmed that variables 'Choice of Source for Financing Business' and 'Gender' are independent thus accepting the null hypothesis  $H_{03}$  at 5% level of significance we can conclude that the gender of the respondents have no role to play while choosing a source of finance for their business. The finding of this study contradicts the findings of **Gry et al. (2006)** and **Caleb et al. (2012)** which says there is a significant difference between the male and female entrepreneurs while opting for debt finance. The crosstabs show that out of 66 female and 152 male respondents 41 percent and 47 percent opt for bank and financial institutions for source of finance which is quite high as compared to other sources compared individually. In general terms we can conclude that most of the respondents whether male or female are more dependent on informal sources rather than formal sources.

### Limitations and Scope:

Following are the limitations and scope of further studies.

- The prime drawback of the study is the sample size and the scope which is very limited and confined to one district only. If the scope and the sample size can be increased then we can obtain a more reliable result.
- Secondly, the entrepreneurs interviewed through a questionnaire, that contains a very limited number of questions that did not allow the researcher to focus on all the issues and still, there are a lot of other factors to be studied, to understand clearly why people are facing problems in getting their business financed by a financial institution.
- Thirdly, the banks or financial institutions perception towards the customers should also be studied to know how they are counselling the entrepreneurs and to know why all the entrepreneurs are not able to obtain a loan.
- Finally, if some other dependent variables like "type of business" the entrepreneurs are engaged in, "the profit" they make and "the risk involved" in the business are taken into consideration, a different outlook of the entrepreneurs towards different sources of finance could be explored.

### Conclusion:

Research indicated that prior experience and educational qualification of the entrepreneurs prefer to choose banks and financial institution for raising fund for investing in their business activities. In spite of this fact around 20.18 per cent of the respondents like to depend on friends to get their business financed. This could be explained by

the fact that a friend is always a good source of help no matter it is financial, physical or psychological. On the other hand, 16.51 per cent of entrepreneurs like to choose private sources and 15.13 per cent like to depend on the family for the fund. On the contrary, only 0.32 per cent of respondents wished to choose relatives to get their business financed. This may be due to the reason that the respondents may be feeling shy of asking for money or maybe they have a conception that their request may not be obliged.

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### Appendix: I

#### Questionnaire:

- Gender: **Male/Female**
- Age: **20-30/31-40/41-50/51-60**
- Highest Educational Qualification: **up to 10<sup>th</sup>/12<sup>th</sup> /Graduation/ P.G./Technical and Professional Degree.**
- Type of Organisation/Firm/Company: **Proprietary/ Partnership/ Any Other**
- Time in business: **less than one year/ 1-2 year/2-3 year/ more than 3year**
- Do you ever attempted to get a loan for your business from a bank: **Yes/No**
- Do you have taken a loan for your business ever from a bank: **Yes/No**
- How difficult it is to get a loan from the bank: **Very Much/Somewhat/Can't Say/ Not Really/Not At All**
- Please a source of finance for your business according to your preference:
- Bank & MFIs
- Family (Parents, Brothers, Sisters Etc.)
- Friend
- In-laws & other relatives
- Private money lenders