

## Working Capital Problems of Women Entrepreneurs in Kanyakumari District

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### Abstract

Entrepreneurship plays an important role in the growth of any development of society's entrepreneurship culture and qualitative business development services which are the major requirements for the Industrial growth. A constant flow of new enterprises sharpens competition, increase innovation throughout the society and ensures enterprises to be suited better challenges of global competition. The development of the country as a whole depends on multiple factors. Entrepreneurship is having a significant role in ensuring the suitable economic growth. It has the potential to propel a nation in the path of development and solve the problem of poverty, illiteracy and unemployment. It can be nurtured well and made flourish on providing a conducive environment. An Entrepreneur is an individual who, rather than working as an employee, founds and runs a small business, assuming all the risks and rewards of the venture. The Entrepreneur is commonly seen as an innovator, a source of new ideas, goods service and business or procedures. They do this by identifying the avenues creating awareness, training the interested and developing the entrepreneurship, facilitate in arranging the finance and assisting them in initiating the enterprise. In the dynamic world women entrepreneurs are an important part of the global growth for substained economic development and social progress. In India, women have played key roles in the society, their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. Thus, a women Entrepreneur is one who starts business and manages it independently takes all the risks, faces the challenge boldly with an iron will to succeed women entrepreneurs is an economic activity of those women think of a business enterprise, initiate it, organize the enterprise and undertake risks and handle economy uncertainty involved in running a business enterprise. This study revolves around the fact that the difficulty in meeting day-to-day expenses, working capital problems and overdues of loan for women entrepreneurs.

**Keywords:** RBI - Reserve Bank of India, GOI - Government of India

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## **1. INTRODUCTION**

Entrepreneurs play a key role in an economy. These are the people who have the skills and initiative necessary to anticipate current and future needs and bring good new ideas to market. Entrepreneurs who prove to be successful in taking on the risks of a startup are rewarded with profiles, fame and continued growth opportunities. Those who fail to suffer losses and become less prevalent in the market. An Entrepreneur is an individual who, rather than working as an employee, founds and runs a small business, assuming all the risks and rewards of the venture. The Entrepreneur is commonly seen as an innovator, a source of new ideas, goods service and business or procedures.

Women Entrepreneur is a person who is an enterprising individual with an eye for opportunities and an uncanny vision, commercial acumen with tremendous perseverance and above all a person who is willing to take risks with the unknown because of the adventurous spirit she possesses. Thus, a women Entrepreneur is one who starts business and manages it independently takes all the risks, faces the challenge boldly with an iron will to succeed women entrepreneurs is an economic activity of those women think of a business enterprise, initiate it, organize the enterprise and undertake risks and handle economy uncertainty involved in running a business enterprise.

An entrepreneur requires two types of finance for running his enterprise. They are fixed capital and working capital. Fixed capital is used to buy assets and working capital is used to run day to day affairs of the business. In the present study, the investigator has made an attempt to know how many respondents have faced the difficulty in meeting the day-to-day expenses of the concern. Day-to-day expenses includes payments of wages, salaries, rent, electricity bill and the like.

Entrepreneurship has a significant role to play in ensuring sustainable economic growth. It can flourish in an environment conducive to entrepreneurial development and initiatives. Since early twentieth century it has been recognized as an essential ingredient of economic development all over the world and playing a vital role in the development of industries. Entrepreneurship is considered a process by which entrepreneurs make a link between opportunities and resources. During many occasions its bridges the gap between Science and Market place. It is a dynamic activity that purchases the entrepreneur to bring in changes in the process of production or innovation in production.

## **2. REVIEW OF LITERATURE**

The various studies relating to the performance and evaluation of women business enterprises are discussed below:



**A.R. Patel (1995)** in his article, "Entrepreneurship and small Business Development for Women". Stated that the emergence of Women Entrepreneurs in Kerala as an outcome of the encouragement they receive from their family members. According to him the respondents go for self-employment by availing the concessions extended by the government departments and agencies. He suggested that Government of India should introduce suitable programmes and schemes to benefit both men and women belonging to low income groups.

**Papisetty Rama Mohana Rao (2004)** in his study "Problems of women Micro Enterprises in Chennai with special Reference to access to credit" found that inadequate infrastructure, high labour mobility, shortage of electrical and delayed realisation of debtors etc. were the main problems faced by the women entrepreneurs. It is also revealed that access of credit has been the exclusive privilege of rich and powerful. Women micro entrepreneurs suffered due to lack of recognition in the community. They have limited access to resources such as credit and improved means of production and marketing skills.

### **3. OBJECTIVES OF THE STUDY**

- To identify difficulty in raising working capital.
- To find out the source of working capital problems.
- To analysis the repayment and overdues.

### **4. RESEARCH METHODOLOGY**

The present study has been undertaken in the four blocks of Kanyakumari District. This study is based on both primary and secondary data. The primary data is collected by using an interview schedule and secondary data is obtained from books, journals and web sites.

### **5. SAMPLE SIZE**

In this study the investigator has adopted disproportionate stratified random sampling method. 120 respondents have been selected. This, the sample size is 120.

### **6. DIFFICULTY IN MEETING DAY-TO-DAY EXPENSES**

The data relating to this variable difficulty in meeting the day-to-day expenses have been collected and presented in the below table 1.

**Table 1: Difficulty in meeting day-to-day expenses**

Sl. No	Blocks	Difficulty of Working Capital		Total
		Yes	No	
1	Agasteeswaram	28 (27.18)	2 (11.76)	30
2	Kurunthancode	26 (25.24)	4 (23.53)	30
3	Melpuram	24 (23.30)	6 (35.30)	30
4	Thovalai	25 (24.27)	5 (29.41)	30
Total		103 (100)	17 (100)	120
Percentage		(85.83)	(14.17)	(100)

Source: Primary Data through Survey work.

Note: Figures in Parenthesis indicates percentage.

The above table indicates that, in Agasteeswaram block, most of the respondents i.e., 27.18 percent find difficulty in meeting the day-to-day expenses that means all the respondents find difficulty. From the study we can infer that 85.83 percent of the respondents find difficulty in meeting the day-to-day expenses. 14.17 percent of the respondents have not faced difficulty. So it is concluded that most of the respondents have faced difficulty in meeting the day-to-day expenses.

#### 7. SOURCE OF WORKING CAPITAL PROBLEMS

It is the interaction between current assets and current liabilities. It is the amount of capital necessary to run a business. The working capital problems solved by the respondents they adopt different methods such as by availing O.D from banks, by availing short-term loans, by borrowing from friends and relatives, by borrowing from private money lenders, by availing cash credits from banks and so on.

**Table 2: Sources of Working Capital Problems**

Sl. No	Blocks	Methods of Solving (For Number of Women Entrepreneurs)					Total
1	Agasteeswaram	10 (35.71)	2 (7.14)	3 (10.71)	3 (10.71)	10 (35.71)	28 (27.18)
2	Kurunthancode	5 (19.23)	6 (23.08)	4 (15.38)	6 (23.08)	5 (19.23)	26 (25.24)
3	Melpuram	7 (29.17)	5 (20.83)	3 (12.5)	6 (25.0)	3 (12.5)	24 (23.30)
4	Thovalai	6 (24.0)	5 (20.0)	6 (24.0)	5 (20.0)	3 (12.0)	25 (24.27)
Total		28	18	16	20	21	103 (100)

Source: Primary Data through Survey work

Note: Figures in Parenthesis indicates percentage.

The above table reveals that in Agasteeswaram block most of the respondent i.e., 71.42 per cent of the respondents solved their day-to-day expenses, problem by availing O.D from banks and by availing Cash Credit from banks, In Melpuram, half of the respondents solved their day-to-day expenses problem by availing O.D from banks and by borrowing from money lenders. In Thovalai block 48 percent respondents solved their problems by availing O.D from banks and by friends and relatives. In Kurunthancode 46.16 percent of the respondents solved their problems by availing short-term loan and by borrowing from money lender.

In the study area, 27.18 percent of the respondents have solved their day-to-day expenses problem by availing O.D from banks, 20.39 percent of availing cash credit from banks, 19.42 per cent by borrowing from money lender, 17.48 percent by availing short-term loans, 15.53 percent by borrowing from friends and relatives. So, it is concluded that majority of the entrepreneurs depend on bank O.D.

#### 8. REPAYMENT OF LOANS

The repayment of loans to the beneficiaries is of considerably importance for the success of credit movement. The loans should be rapid gradually. The repayment of loans not only ensures recycling of public money but also builds confidence among the general public. Besides, the outstanding loans not only indicate sluggish use of credit but also affects future plans of economic activity for new entrepreneurs. The repayment of loan schedule is given below in table 3:

**Table 3: Amount repaid as percentage of total credit availed**

Sl. No	Blocks	Borrowed Amount	Repaid Amount	Percentage of Loan Repaid
1	Agasteeswaram	8015850	1817950	22.68
2	Kurunthancode	10633600	2796636	26.30
3	Melpuram	14036450	2217759	15.80
4	Thovalai	1043830	296761	28.43

Source: Primary Data through Survey work.

From the above table it is revealed that an Agasteeswaram block respondents have repaid 22.68 per cent. In Kurunthancode and Thovalai blocks respondents had repaid 26.30 per cent and 28.43per cent. In Melpuram block that have repaid less than 20.0 percent.

#### 9. OVERDUES

Overdues are considered to be a serious problem. Over dues erode the financial resources of an institution and ultimately affect its normal functioning. The test for sound working of a financial institution is the overdues. Loan overdues is defined as loan balance which could not be recovered. The accumulations of overdues have been causing serious concern to the RBI, GOI, and State Governments. The amount of loan overdues of banks during the study period is given below in table 4:

**Table 4: Over-dues performance of banks**

Sl. No.	Blocks	Loan Over Dues in Banks	Percentage
1	Agasteeswaram	1817950	27.81
2	Kurunthancode	2796636	34.22
3	Melpuram	2217759	20.87
4	Thovalai	2967610	39.30

The analysis regarding overdues performance of banks is highest in order as in blocks i.e., Thovalai with 39.30 percent, Kurunthancode with 34.22 percent Agasteeswaram with 27.81 per cent and the overdues performance is lowest in Melpuram with 20.87 percent.

#### 10. FINDINGS

- Majority of the respondents find difficulty in meeting the day-to-day expenses.
- Most of the respondents solved their day-to- day expenses by availing cash credit from the banks, friends and relatives.
- 28.43 per cent of the respondents have repaid the loan amount.
- 32.76 per cent of the respondents have overdues.

#### 11. SUGGESTIONS

Based on the data collected from the respondents and discussion with them, certain suggestions are given to improve the performance of women enterprises.

- The working capitals have to be increased to meet the day-to- day expenses of the business.
- The short-term loan amount can be increased for the development of the women enterprises.
- The women entrepreneurs repay the loan amount to have the confidences to lead their enterprise.
- Repayment period have to be increased and rate of interest is to be reduced by the financial institutions.
- Awareness programmes are to be given to the women entrepreneurs regarding the availability of credit facilities and to have maximum utilization of credit.

#### 12. CONCLUSION

The women entrepreneurs towards performance have been determined by several independent variables. The variables that are statistically significant indicates the performance of women entrepreneurs. Thus, the development of the performance of women business enterprises has raised the national economy. Proper training and loan amount with low interest have been given to them for their business development.

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