



## RISK BEARING CAPACITY OF RURAL ENTREPRENEURS IN VILLUPURM

### KEYWORDS

Entrepreneurs, Risk, Marketing, Business, Finance,

**Dr. R. ANANDARAMAN**

Assistant Professor, PG and Research Department of Commerce, Dr. R.K. Shanmugam College of Arts and Science Indili, Kallakurichi, Villupuram District, Tamil Nadu.

### ABSTRACT

Entrepreneurs is one of the emerging trend promote economic inclusive growth in our Indian economy. An Indian entrepreneur is play major role of developing business concepts of marketing linkage leading supply consumer durable goods to foreign countries. Government of India not supportive financial, physical aspects of help through rural entrepreneurs. Entrepreneurs is basic requirement of training, economic resources are downtrodden of rural entrepreneurs because they are not improve the standards living of life. Still now entrepreneurs have no business association extend entrepreneurs fundamental growth of manufacturing and marketing process in rural entrepreneurs. They are doing economic activities of trading relevant suffered risk bearing capacity of rural entrepreneur's number of problems facing day to day. Rural entrepreneurs are not getting financial resources of banking institution provide their rare occasion entrepreneurs drawback refund of borrowing capacity is limited in rural entrepreneurs.

### Introduction

Entrepreneurs are engine drive refers to increasing national and per-capita income which modification of social perspective of rural entrepreneurs. They are developing sustainable growth of economic inflation rate and promoting GDP resources of economic growth of business unit. Recent day entrepreneurs are really facing capital resources are shortage of financial mobilization in rural entrepreneurs. Government of India is not preparing guidelines of entrepreneur's growth and facilities of production and marketing oriented risks factors is very high effective of rural entrepreneurs. District employment centre promote entrepreneurs give proper testing and research development extent the machinery repairs equipment are benefited through rural entrepreneurs. Entrepreneurs are producing of goods and services effective and economic growth of inflation rate change trading activities connectivity of modern business world. Rural entrepreneurs are challenges many obstacles purchasing of raw materials, pay wages and salaries have spent more expenses to investment of capital in trading activities. Ministry of small scale industries certain level help to contribute capital resources and economic oriented training facilities, proper guiding provisional registration of government approval help to rural entrepreneurs. Entrepreneurs is creativity of new innovative of small scale business establish earning more profit and met high external and internal risks based on economic activities of trading activities. Rural entrepreneurs are facing heavy competition in modern business world lacking of new technology up gradation, research and development, strain on government finances is fundamental criteria undeveloped of rural entrepreneurs in Villupuram.

### Review of Literature

**Sultan Singh Jaswal (2014)** has pointed that the Micro, Small and Medium Enterprises (MSMEs) play a vital role in the economic and social development of the country, often acting as a nursery of entrepreneurship and innovation. They also play a key role in the development of the economy with their effective, efficient, flexible and innovative entrepreneurial spirit. The MSME sector contributes significantly to the country's manufacturing output, employment and exports and is credited with generating the highest employment growth as well as accounting for a major share of industrial production and exports. MSMEs have been globally considered as an engine of economic growth and as key instruments for promoting equitable development.

### Objectives

1. To analyses factors influencing and risk bearing capacity of rural entrepreneurs.
2. To ascertain the economic activities and its impacts on rural

entrepreneurs in Villupuram.

3. To know financial assistance of government aids and non financial institution through rural entrepreneurs.

### Methodology

The present study is undertaken both primary and secondary data collected tools of interview schedule technique from rural entrepreneurs in Villupuram. Secondary data gathered already published information through journals, newspaper, magazines, website, related text books and MSME report 2016-17. The researcher has referred data used analysis with help of descriptive nature are framed this articles. In this researcher has selected seven villages each village 20 respondents collected on simple random sampling techniques. Therefore the total sample size is 140 rural entrepreneurs in Villupuram.

**Table-1 Factors Influencing of Rural Entrepreneurs**

Factor	No of Respondents	Percentage
<b>Selection on Site</b> Soil nature and stability of land	22	15.71
Availability of land for further expansion	14	10
Availability of water	13	9.28
Distance from the sources of raw materials and markets	18	12.86
Drainage and sewage	12	8.57
Connectivity of transport	15	10.71
Availability of banking and insurance	20	14.29
Environmental quality	7	5
Presence of polluting industries in the availability	9	6.43
Tax structure and local level	10	7.14
<b>Total</b>	<b>140</b>	<b>100</b>
<b>Impact on Rural Entrepreneurs</b>	47	33.57
Near to market		
Availability of skilled labour	43	30.71
Availability of Electricity power	27	19.29
Repairs and maintenance and services facilities	23	16.43
<b>Total</b>	<b>140</b>	<b>100</b>
<b>Problems</b> Potential for large employment	24	17.14
Requirement of less capital	31	22.14
Contribution to industrial output	19	13.57
Contribution to exports	29	20.71

Linkage of foreign exchange	37	26.43
<b>Total</b>	<b>140</b>	<b>100</b>

Sources: Primary Data

Table.1 factors influencing of rural entrepreneurs 15.71 percent of the respondents are selection on site soil nature and stability of land, 14.29 percent of the respondents are availability of banking and insurance, 12.86 percent of the respondents are distance from the sources of raw materials and markets, 10.71 percent of the respondents are connectivity of transport 10 percent of the respondents availability of land for further expansion 9.28 percent of the respondents are availability of water, 8.57 percent of the respondents are drainage and sewage, 7.14 percent of the respondents are tax structure and local level, 6.43 percent of the respondents are presence of polluting industries in the availability, 5 percent of the respondents are environmental quality.

It is found that 33.57 percent are near to market factor affecting rural entrepreneurs, 30.71 percent rural entrepreneurs are factor affecting availability of skilled labour, 19.29 percent of the rural entrepreneurs are availability of electricity power, and remaining 16.43 percent of the rural entrepreneurs are repairs and maintenance and services facilities.

It is referred that 26.43 percent of the rural entrepreneurs are facing linkage of foreign exchange, 22.14 percent of the rural entrepreneurs are requirement of less capital, 20.71 percent of the rural entrepreneurs are contribution to exports, 17.14 percent of the rural entrepreneurs are potential for large employment, 13.57 percent of the rural entrepreneurs are contribution to industrial output.

Table-2 Risk Bearing of Rural Entrepreneurs

Risk	No of Respondents	Percentage
<b>External Risk</b> Non availability of land	21	15
High cost or rent of land	35	25
Intense and unhealthy competition	17	12.14
High pollution levels	19	13.57
High level of congestion	12	8.57
Raise in local taxes	23	16.43
Saturation of local demand	13	9.29
<b>Total</b>	<b>140</b>	<b>100</b>
<b>Internal Risk</b> Labour economies	10	7.14
Technical economies	14	10
Economic in power	21	15
Economic in by product	13	9.29
Economic in continuation	22	15.71
Technical forces	11	7.86
Managerial forces	12	8.57
Financial forces	21	15
Forces risk and fluctuations	16	11.43
<b>Total</b>	<b>140</b>	<b>100</b>

Sources: Primary Data

It is exhibit that 25 percent of the external risk bearing of rural entrepreneurs are high cost or rent of land, 16.43 percent of the rural entrepreneurs are raise in local taxes, 15 percent of the rural entrepreneurs are non availability of land, 13.57 percent of the rural entrepreneurs are high pollution levels, 12.14 percent of the rural entrepreneurs are intense and unhealthy competition, 9.29 percent of the rural entrepreneurs are saturation of local demand, 8.57 percent of the rural entrepreneurs of the rural entrepreneurs are high level of congestion.

It is analyzed that 15.71 percent of the respondent's external risk are economic in continuation, 15 percent of the respondents are financial forces, 15 percent of the respondents are economic in power, and 11.43 percent of the respondents are forces risk and fluctuations, 10 percent of the respondents are technical economies, 9.29 percent of the respondents are economic in by product, 8.57 percent of the respondents are managerial forces, 7.86 percent of the respondents are technical forces, 7.14 percent of the respondents are Labour economies.

**Factor Analysis**  
**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.4578	
Bartlett's Test of Sphericity	Approx. Chi-Square	1.580E3
	df	91
	<b>Sig.</b>	0.000

KMO is calculated using correlation and partial correlation to test whether the variables in our sample are adequate to correlate. A general rule of thumb is that KMO value should be greater than 0.4578 for a satisfaction factor analysis to proceed. By observing the above results from the table KMO value 0.726, we can proceed with factor analysis.

Bartlett's test of sphericity is to find out the relationship between the variables. The P value is 0.000, which is greater than 0.04578, the assumed level of significance, indicating the rejection of the hypothesis that completion matrix variables are insignificant. It is concluded as evident from table that 3 factors account for 65.1 percent of total variance.

Table-3 Component of Rural Entrepreneurs

Variables	Component		
	Production	Marketing	Capital
Delayed in decision making	0.528		
Unplanned production	0.256		
Lacking proper planning	0.341		
No clear cut market price policy		0.321	
Low capacity utilization		0.214	
Poor profitability		0.412	
High over heads charges			0.211
Lacking of share capital			0.445
Lacking of working capital			0.576
Lacking of new technology up gradation			0.218
Strain on government Finances			0.784
<b>Eigen Value</b>	<b>3.21</b>	<b>2.11</b>	<b>4.11</b>
<b>Total Variances Alpha</b>	<b>0.411</b>	<b>0.614</b>	<b>0.745</b>

As for factor 1, it is evident that there is an increase delayed in decision making variable (0.528), unplanned production (0.256), and lacking proper planning (0.341). This factor 1 can be determined as the production.

As for 2 it is evident that there is an increase in variable no clear cut market price policy (0.321), low capacity utilization (0.214), and poor profitability (0.412). This factor 2 can be determined as marketing.

As for 3 it is evident that there is an increase in variable high over heads charges (0.211), lacking of share capital (0.445), lacking of working capital (0.576), lacking of new technology up gradation (0.218), strain on government finances (0.784) This factor 3 can be determined as capital.

**Suggestions**

Rural entrepreneurs are one of the economic backbones of highly

vibrant of socio-economic growth in our country. They have no entrepreneur's awareness to extent business activity at modern marketing. Government of India prepare pre-plan method however improve on promote production and marketing techniques through rural entrepreneurs.

Planning is goal of organization to achieve target increase production/profit easy manner. Rural entrepreneurs are not deciding planning to manage running of business nature according tentative methods of analysis is lacking of the business organization.

Present day rural entrepreneurs is lacking of new technology up gradation of production testing facilities and training on marketing strategy of business enterprises. Tamil Nadu district Industrial centre must be arranging business innovation training at initial phase.

Risk bearing of rural entrepreneurs is suffered number of obstacles in external risks on non availability of land and infrastructure facilities extent the entrepreneurs in rural and urban area. Rural areas are not availability of land for further expansion of business unit selection on site soil nature and stability of land is not expectation on quality level.

Rural entrepreneurs are major factors influencing of distance from the sources of purchasing of raw materials and markets long distance. Rural entrepreneurs create business association get more benefit extent entrepreneurs at multi-channel level. Ministry of MSMEs sector provide marketing guidance and support financial assistance of rural entrepreneurs in Viiliupuram.

Banking and insurance is fundamental equipment of every business enterprises help the financial transaction and maintain the secret profit in banking institution. Banking sector provide entrepreneurs loan/credit are benefit the financial shortage of rural entrepreneurs. Insurance company should be arranging compensation of claims/loss grant aids to rural entrepreneurs.

### Conclusions

A rural entrepreneur is one of entrepreneurs which produced number of manufacturing goods leading supply of marketing. Rural entrepreneurs are not availability lacking of financial assistance, infrastructure facilities of electricity power, repairs and maintenance and services facilities are highly factors affecting of rural entrepreneurs. Government of India are not framing policy planning of financial budget declare rural entrepreneurs supportive capital resources is shortage of entrepreneurs. Rural entrepreneur pay high taxation of business profit are suffered the rural entrepreneurs get lean profit and maintain high overheads charges pay necessary formalities of local tax. Rural entrepreneurs contribution to industrial output is not directly supply the foreign market facing number of disadvantages such as poor communication of foreign linkage, progress of government delay on permission from countries. In this regards entrepreneurs is potential of employment opportunities promote socio-economic growth of rural people.

### References

1. Krishna Sen and Seikh Salim (2016) Micro Small Medium Enterprises in West Bengal- An Inter District Analysis, international Journal of Science and Research, Vol. 5, No: 2, pp.225-231.
2. Nalla Bala Kalyan Kumar and Sardar Gugloth (2012) Micro, Small and Medium Enterprises in the 21st Century, ZENITH International Journal of Business Economics & Management Research, Vol. 2, No: 5, pp.23-39.
3. Neha Dangi and Ritika (2014) Women Entrepreneurship and Growth and Performance of MSME in India, International journal of Advanced Research in Computer Science and Management Studies, Vol. 2, No: 3, pp.174-183.
4. Afiya Sultana (2012) Promoting Women Entrepreneurship through MSMEs: Growth and Development in the Context Bangladesh, Journal of Business and Management, Vol. 4, No: 1, pp.18-29.
5. Aman Deep Singh (2013) Women Entrepreneurs in Micro Small and Medium Enterprises, International Journal of Management and Social Sciences Research, Vol. 2, No: 8, pp.4-9.