



ECONOMIC FACTOR AFFECTING OF MICRO ENTERPRISES IN KALLAKURICHI TALUK, VILLUPURAM DISTRICT

Commerce

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

Micro enterprises are one of the MSME sectors which disbursed more income generation opportunities increasing national per-capita income and development of Indian economy. Micro enterprises have invested minimum requirement of capital to starts business entity are earning low profit with heavy expenditure for meet routine of enterprises. Micro enterprises have no training facilities and including proper guidance to operate the production and marketing oriented skill among entrepreneurs. Government role of financial assistance not supportive for processing of grant aids in lengthy procedure provide the shot-term business loan. Ministry of MSME enterprises are strongest growth of promote the training, financial assistances, provide necessary requirement through micro enterprises. This paper is highlighted on economic factor affecting of micro enterprises in Kallakurichi taluk, Villupuram District.

KEYWORDS:

Entrepreneurs, Risk, Marketing, Business, Finance,

Introduction

Micro enterprises is self business refers to increasing socio-economic growth of their doing economic activities are services oriented organization. Micro enterprises is not ensuring contribution of export marketing and foreign exchange opportunities is very less because enterprises of small scale unit there are not achieve target market. Working capital is a primary source developing funds starts the initial stages resources of capital formation at every event. Small industries development bank of India are not concentrate financial assistance of credit under multipurpose of grant support to micro enterprises. Generally micro enterprises are operating self learning trading nature without proper provisional registration of government any person are start business. Micro enterprises proprietary has unaware of marketing technique however to attract the public create self confidence among products. Micro enterprises are expectation earning profit regularly not recognize any association establish development of supportive organization. National Institute for Entrepreneurship and Small Scale Business Development creativity of technical testing centre and provide regional centre will establish for benefit of micro enterprises. Banking institution should try it financial assistance arrange reasonable interest rate repayable amount term wise for short and long term business loan. In this regards district industrial centre are visiting of every district must be analyses how to functioning of micro enterprises development growth performance of records.

Objectives

To analyses the economic factor affecting of micro enterprises and its impact on multi-dimension aspects of business unit.

To found out that problems faced by micro enterprises in Kallakurichi Taluk, Villupuram District.

To ascertain technical up- gradation of micro enterprises in tradational business entity.

Hypothesis

There is significant relationship among the production and micro enterprises of the respondents. Hence, the null hypothesis (H0) is rejected.

There is no significant relationship between the marketing and micro enterprises of the respondents. Hence the null hypothesis (H1) is accepted.

There is a significant relationship among external economies and micro enterprises of the respondents. Hence, the null hypothesis (H0) is rejected.

There is no significant relationship among the internal economies and enterprises of the respondents. Hence, the null hypothesis (H1) is accepted.

Research Methodology

The present study is covered descriptive in nature using both primary data and secondary data. Primary data were collected through interview schedule from the respondents in the study area. Secondary data were collected from various journals, magazines, newspaper related website and records of etc. The collected primary data were analyzed by using appropriate Statistical tools like Simple percentage, ANOVA, Regression.

Sampling Design

The study is based on simple random sampling technique. The researcher has collected the primary data through survey fact investigation from respondents in the study areas. Collected primary information gathered like as micro enterprises 180 respondents from services sector were selected on the basis of convenience sampling techniques.

Table -1 Economic Factor of Micro Enterprises

Variables	Respo ndents	Perce ntage	ANOVA
Production Raw materials shortage	47	26.11	F value is 2.261 Table value at 5% level 2.37 df 4 Sig 0.062
Inadequate of labour	39	21.67	
Low capacity utilization	34	18.89	
Less innovation capacity	26	14.44	
Lack of modernization	19	10.56	
Lack of pollution control	15	8.33	
Marketing Lack of marketing support	51	28.33	F value is 0.615 Table value at 5% level 2.21 df 5 Not Sig 0.688
Problems in Exports	37	20.56	
Small market size	42	23.33	
Poor communication of marketing skill	23	12.78	
Personnel contract with customer	27	15	
External Economies in localization	69	38.33	F value is 13.881 Table value at 1% level 3.78 df 5 Sig 0.000
Economies of information	74	41.11	
Economies of by products	37	20.56	
Internal Economies Labour economies	24	13.33	F value is 1.157 Table value at 5% level 2.60 df 5 Not sig 0.326
Technical quality of economies	33	18.33	
Economies in decision making	28	15.56	
Economies off by products	19	10.56	
Economies of regularity	21	11.67	
Superior Techniques	17	9.44	
Managerial Economies	11	6.11	
Financial Economies	9	5	
Risk minimizing economies	18	10	
Total sample 180 and 100 Percentage			

Sources: Primary Data

It is calculated that the F value is (2.261) greater than the table value (2.37) at 5 per cent level of significant. Therefore, there is significant relationship among the production and micro enterprises of the respondents. Hence, the null hypothesis (H0) is rejected.

It is found that the F value is (0.615) less than the table value (2.21) at 5 per cent level of significance. Further, there is no significant relationship between the marketing and micro enterprises of the respondents. Hence the null hypothesis (H1) is accepted.

It is inferred that the value is (13.881) greater than the value table (3.78) at 1 per cent level of significance. Further, there is a significant relationship among external economies and micro enterprises of the respondents. Hence, the null hypothesis (H0) is rejected.

It is analyzed that F value is (1.157) less than the table value (2.60) at 5 per cent level of significance. Further, there is no significant relationship among the internal economies and enterprises of the respondents. Hence, the null hypothesis (H1) is accepted.

Table-2 Micro Enterprises in Kallakurichi

Economic Activities	Respondents	Percentage
Textile sector	12	6.67
Rice selling	8	4.44
Fruit Marketing	13	7.22
Tailoring	9	5
Beauty parlor	11	6.11
Vegetable Marketing	5	2.78
Jewells shopping	14	7.78
Flower shopping	17	9.44
Milk services	7	3.89
Petty shop	6	3.33
Glass & Ceramic	8	4.44
Domestic electronic appliances	13	7.22
Granite and Tiles	6	3.33
Two wheelers sales	4	2.22
Auto components	5	2.78
Agro food processing	7	3.89
Pharmaceutical and Trucks	12	6.67
Paints and chemical	8	4.44
Note books and Stationery	15	8.33
Total	180	100

Sources: Primary Data

Table-3 Coefficients of Economic Factor of Micro Enterprises

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	2.716	0.178	-0.008	15.236	0.000
Problems of working capital	-0.003	0.017	-0.057	-1.254	0.210
Lacking of technology up gradation	-0.003	0.000	-0.074	-1.611	0.108
Multiplicity of labour laws	-0.032	0.020	-0.073	-1.581	0.043
Lacking of business strategy	-0.037	0.024	-0.024	-0.522	0.602
Increasing on local competition	-0.013	0.024	-0.008	15.236	0.000
Lacking of technical training	1.716	0.178	-0.057	-0.177	0.360
Impact on earning foreign exchange	-0.005	0.017	-0.074	-1.254	0.310
Profit and Loss of control					

it is noted that t-tests significance of individual independent variable indicates that Economic factor are significant and dependent variables indicates Problems of working capital, Lacking of technology up gradation, Multiplicity of labour laws, Lacking of business strategy, Increasing on local competition, Lacking of technical training, Impact on earning foreign exchange, Profit and Loss of control.

The standardized co-efficient Beta column gives the co-efficient of independent variable in the regression equation including all predictor's variables.

P value = Problems of working capital (0.0860), Lacking of technology up gradation (0.210), Multiplicity of labour laws (0.108), Lacking of business strategy (0.043). Increasing on local competition (0.602), Lacking of technical training (0.000), Impact on earning foreign exchange (0.360), Profit and Loss of control (0.310).

Recommendations

Working capital is fundamental function of every activity without adequate working capital there is no operating of every business enterprises. Micro enterprises are operating minimum capital however purchases of raw material to pay salaries and wages are high cost of expenditure day today. Technology up gradation is one growth of business strategy to cover customer easy manner. Every micro enterprise has no technical improvement of modern business techniques to close contract of customer. DIC should be providing technical oriented skill updating business change the technical methods. Government of India period to period change the labour laws multiplicity of constitute under law framed relevant to employees. Government should be declaring the legal laws only implementation reducing bonus and pension schemes. Competition is healthy of every micro enterprises are variation methods of business enterprises. Micro enterprises of business are every person are operating there is no provisional registration and not get the government approval with license to starts common are individuals person. Micro enterprises are impact on foreign exchange of earning is limited marketing to sell their product only domestic and not reach foreign market. Ministry of MSME sector should be follows increasing foreign connectivity of business may be implement through our Indian Government.

Conclusion

Micro enterprises are one of the small scale business operations which contribute economic growth of sustainable development of Indian country. Micro enterprises are highly public services oriented of socio-economic growth of vibrant of Indian business nature. Micro enterprises are required maximum capital have invested to establish of business organization are successful production and marketing services of enterprises. Financial assistance not helps any formal institution because micro enterprises earned lien profit they are repayable within minimum period. State financial corporation certain level help of financial support to micro enterprises and also including conducting technical oriented training. Micro enterprises mainly suffered lacking of financial support, marketing strategy, inadequate of labour, lacking of operating of business enterprises and poor communication skills etc. Generally micro enterprises are faced high risk low return because there is no fundamental idea sharing among business owners.

References

1. Aruna. N (2015) Problems Faced by MSME Enterprises- A Special Reference to Small Entrepreneurs in India, Journal of Business and Management, Vol. 17, No: 4, pp.43-49.
2. Jahangir Chauhan (2014) Outsourcing: A New Opportunity Window for MSMEs, journal of organizational Management, Vol. 2, No: 1, pp.8-16.
3. Parimala Devi. B (2015) Facilitating Factors for Women Entrepreneurship in India, International Journal of Science and Research, Vol. 4, No: 5, pp.153-158.
4. Ravin Kadian and Aarti Chaha (2015) Make India Innovative and Competitive: Role of MSMEs, International Journal of Research in Social Sciences and Humanities, Vol. 5, No: 3, pp. 65-74.
5. Upendra Singh Panwa (2014) Role of MSMEs in Entrepreneurs Development in India, European Academic Research, Vol. 4, No: 7, pp.48-58.