

## A STUDY ON ENTREPRENEUR'S PERCEPTION TOWARDS MSME SCHEMES

M. Uma,

(Assistant Professor,

Department of B.Com (AF) & B. Com (BA),PSGRKWCW, &  
Research Scholar, Department of commerce–PSG CAS)

([uma@psgrkcw.a.in](mailto:uma@psgrkcw.a.in))

Dr. R. Umamaheswari,

(Associate Professor & Head, Department of B.Com (AF) - PSG CAS)

([umaswasthik@gmail.com](mailto:umaswasthik@gmail.com))

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### ABSTRACT

The driving force of today's economic scenario is changing towards entrepreneurship which brings more competitiveness and life enhancement opportunities for the beginners and as well as existing entrepreneurs. The study aims at finding the opinion of entrepreneurs about MSME schemes that are available for the financial assistance of small and medium scale enterprises. The study was conducted with 55 respondents and found out that there are few entrepreneurs who are still unaware about the various schemes and remaining entrepreneurs have a greater opinion about the schemes available and know the benefits which are available to them.

Keywords: MSME, Entrepreneurs and opinion.

### INTRODUCTION

The driving force of today's economic scenario is changing towards entrepreneurship which brings more competitiveness and life enhancement opportunities for the beginners and as well as existing entrepreneurs. Investment pattern determines the concept of enterprise as small, medium and large scale enterprise. MSME bring the

employment opportunities in the business era and also it plays a major role in national wealth and income distribution and helps in rural and backward area development. By analyzing the frequent contribution made by these sectors Government of India has initiated various steps such as MSME and its activities was enlarged by assisting the plant and machinery and trading activities with the help of Micro Small and Medium Enterprises development act (MSMED) 2006.

### **Definition According to MSME development Act 2006.**

- In the case of manufacturing enterprise A micro enterprise is one in which the investment in plant and machinery does not exceed 25 lakhs.
- In the case of Service enterprises A micro enterprise is one in which the investment in plant and machinery does not exceed Rs 10 lakhs.

By overall expense of about 63.4 million units throughout the geographical expanse of the country, **MSMEs** contribute around 6.11% of the manufacturing **GDP** and 24.63% of the **GDP** from service activities as well as 33.4% of India's manufacturing output.

### **Investment of Manufacturing or the Production Sector**

MICRO –Less than or equal to Rs. 25 lakhs

SMALL –More than 25 lakhs but limited to Rs. 5 crore

MEDIUM –More than 5 crores but less than 10 crores.

### **Investment of Service Sector**

MICRO –Equipment does not exceed Rs. 10 Lakhs

SMALL –Equipment is more than 10 Lakhs but limited to Rs. 2 Crore

MEDIUM –Equipment is more than 2 Crore but less than 5 Crore.

MSME provides various employment opportunities and resource utilization and income generation, perhaps it also faces major problems such as recognition and getting financial

assistance. There are schemes which are offered by Central Government for the benefits of MSME. They are:

- Udyog Aadhaar memorandum
- Zero Defect Zero Effect
- Quality Management Standards & Quality technology Tools
- Grievance Monitoring System
- Incubation
- Credit Linked Capital Subsidy Scheme
- Women Entrepreneurship

### **OBJECTIVE OF THE STUDY**

- To analyze the awareness level of the entrepreneurs towards MSME schemes
- To analyze the opinion of entrepreneurs towards MSME schemes

### **SCOPE OF THE STUDY:**

This study has been limited to the Coimbatore city with respect to 55 respondents only. This study reveals the exact position of the available schemes in common public. The study also brings out the importance of MSME and MSMED. The study can be extended by conducting the research in various parts of India which might represent the geographical perception variation among the people.

### **RESEARCH METHODOLOGY**

The study was conducted in Coimbatore area with 55 respondents. The methodology used for sampling in this study was stratified random sampling method. Tools used to analyze the data are simple percentage and chi square. These results are restricted to opinion of 55 respondents which have its own constraints.

## DATA ANALYSIS

The research has been done by conducting a primary research with the help of questionnaire with the sample size of 55 respondents.

- Description of Respondents

Variables	Characteristics	No of Respondents (55)	Percentage-100%
Age	18-24	10	18
	25-31	<b>32</b>	<b>58</b>
	32-37	13	23
	Above 37	0	0
Sex	Female	25	45
	Male	<b>30</b>	<b>55</b>
Education	Graduated	<b>33</b>	<b>61</b>
	Post-Graduated	13	24
	Others	9	16
Annual Income	<Rs 250000	10	18
	Rs 250000- Rs 500000	17	31
	Rs 500000- Rs 1000000	<b>20</b>	<b>36</b>
	>Rs 1000000	8	15

From the above statistics it is revealed that most of respondents fall under age bracket of 25-31 which is 58% and other two age group category possess 42%. From the

data 55% of respondents are male while 45% are female. 61% of respondents are graduated, 24% are post graduated while rest 16 % are uneducated.

Maximum respondents have family income of Rs500000- Rs 1000000 i.e. 36%, while 31% respondents have family income between Rs 250000 –Rs 500000, 18% respondents have less than Rs 250000 while the rest 15% have more than Rs 10, 00,000.

Number of years of being an entrepreneur

Particulars	Number of respondents	Percentage
0 to 2 years	7	13
2 to 4 years	18	33
4 to 6 years	24	45
6 to 8 years	6	9

From the table it is clear that nearly 45 % of the respondents are running their enterprise for 6 years. There are nearly 89% of entrepreneurs who are aware of the MSME schemes which are available by Central Government for the financial assistance.

### Level of awareness of entrepreneurs about MSME schemes

List of Schemes	Number of Respondents	Percentage
UdyogAadhaar memorandum	33	67
Zero Defect Zero Effect	45	92
Quality Management Standards & Quality technology Tools	24	49
Grievance Monitoring System	29	59
Credit Linked Capital Subsidy Scheme	45	92
Women Entrepreneurship	48	98
Incubation	45	92

The table depicts the level of awareness about the various schemes of MSME by Central Government Majority of the respondents are aware of Women entrepreneurship, Zero defect and Zero Effect, Credit linked capital subsidy scheme and Incubation schemes.

## CHI-SQUARE

While the tabulated value of  $\chi^2$  turns out to be **2.43** which is more than Chi square critical value. This means at 0.05 significance level the value of  $\chi^2$  is less than the tabulated value of  $\chi^2$  which means the hypothesis is rejected and it can be concluded that the attributes aren't related. Thus the null hypothesis that there is no significant relationship between the educational level and opinion towards the MSME schemes is rejected.

## SUGGESTIONS

The ministry can make arrangements for MSME schemes of Central Government to reach the rural areas through medium of advertisements. Subsidies can be given better for improvement of schemes.

## CONCLUSION

These MSME sectors play a major role in Indian economy by providing more manufacturing output, employment and major exports of the country. These sectors persistently have a higher growth rate when compared to other industrial sector. The involvement of MSME Act brings out the era of entrepreneurship with a greater note. The act doesnot encourage provisions for more flexible employment policies, nor does it have provisions to promote entrepreneurship among women in spite of the clear objective laid out in the 11th five-year plan (2007).

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