

# SMALL SCALE ENTREPRENEURS AND ITS IMPACT ON ECONOMIC ACTIVITIES IN VILLUPURAM

<sup>1</sup>Dr. S. KARTHIKEYAN, <sup>2</sup>Dr. R. ANANDARAMAN

<sup>1</sup>Assistant Professor, <sup>2</sup>Assistant Professor

<sup>1</sup>Commerce, Deputed from Annamalai University,  
Government Arts College, (Autonomous), Kumbakonam, Tamil Nadu.

<sup>2</sup>Commerce, PG and Research Department of Commerce,

Dr. R. K. Shanmugam College of Arts and Science, Indili, Kallakurichi.

Email - <sup>1</sup>karthiksampathpillai@gmail.com , <sup>2</sup>ranandaraman1984@gmail.com

**Abstract:** *Small scale entrepreneurs are one of the sole trading business units which consideration of employment opportunities doing on economic activities earning additional income develops their society. Entrepreneurs refers to increasing economic inflation rate change promote the GDP measurement of our country. Small scale entrepreneurs earning money easy task develop their business firm not depend on other person they starts small scale business have minimum capital requirement. Hence working capital is a backbone of every trading activity to fulfill the basic requirement of business expenditure to meet purchasing of raw materials, pay wages and salaries including working progress of manufacturing etc. This paper is highlighted on small scale entrepreneur and its impact on economic activities in Villipuram.*

**Key Words:** *Entrepreneurs, Capital, Economic, Hypothesis, Marketing.*

## 1. INTRODUCTION:

Small scale entrepreneurs are manufacturing and service sector has significantly highly vibrant of economic growth in our country. Entrepreneurs is creativity of new innovation product marketing sell their goods and services through rural marketing. They are not proper advertising marketing channel is not availability promote the small scale business unit. Ministry of small scale industries are not allotted special funding budgets and training facilities they are undeveloped of their business firm. Basically small scale business is minimum investment to organizing running of enterprises they depend on any financial institution. Still now entrepreneur's expansion and growth of business unit develop the national and international trading activities. Small scale entrepreneurs are inadequate knowledge of skill experience they are not managed trading association. In this regards NGOs is one of the social intermediaries and effective mechanism to promote certain guidelines framing through change innovate of business enterprises. 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 Villipuram.

## 2. 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.

**Report (2017)** have noted that in the economic and social development of the country by fostering entrepreneurship and generating largest employment opportunities at comparatively lower capital cost, next only to agriculture. MSMEs are complementary to large industries as ancillary units and this sector contributes significantly in the inclusive industrial development of the country. The MSMEs are widening their domain across sectors of the economy, producing diverse range of products and services to meet demands of domestic as well as global markets.

**Prathajeet Dass (2017)** has reviewed micro small medium enterprises constitute the backbone of an economy in maintaining an appreciable growth rate and in generating employment opportunities. This sector has been regarded as a engine of economic growth and social development in many developed and developing countries. Contribution to the Indian economy in terms of employment generation, containing regional disparities, fostering equitable economic growth and enhancing export potential of the country has been phenomenal. Despite some infrastructural deficiencies and challenges like floe of institutional credit and inadequate market linkages, this sector has registered remarkable

success with regards to increasing number quantum of investment, scale of production and overall contribution national GDP.

### 3. STATEMENT OF THE PROBLEMS:

Small scale entrepreneurs is one of the socio-economic growth in our country which refers increasing production capacity not achieve multinational markets. Entrepreneurs do not know effective of marketing skill analysis price sensitive day to today. Small scale entrepreneurs have investment financial resources are shortage not extent the production and marketing performance. Small firm pay high overheads charges such as interest, rent, tax, salary remain same whether production is in small or large quantities. Banking and non banking companies not provide the financial assistance because the major impact on repayment of loan within short period. Government funds are uplifted to small scale firm change political defense of their own country. Small scale entrepreneurs are poor management capacity supervision and controlling of the business firm not improve quality of techniques of modern trading activities.

### 4. OBJECTIVES

To understood various factors affecting on economic activities through small scale entrepreneurs

To analysis impact on small scale entrepreneurs promoting the large scale business.

To ascertain socio-economic factors determines business management of small scale entrepreneurs

### 5. RESEARCH METHODOLOGY

The present study is undertaken descriptive nature collected primary and secondary data. The primary data collected first hand information through investigation methods from respondents. Secondary data referred journals, magazines, newspaper, websites and related published official report etc. Collected both data are used analyzed purpose to apply in advanced methods of research.

### 6. SAMPLING TECHNIQUE

The study is based on simple random sampling technique. The researcher has collected the primary data through interview schedule from small scale entrepreneurs in study areas. In Villupuram there are divided into two stratum as 60 respondents from urban and 60 respondents from rural were selected on the basis of probability sampling techniques. Collected primary data were analyzed by using appropriate statistical tools like Simple percentage, ANOVA. Therefore total sample size is restricted to 120 respondents for the study.

**Table -1.1 Factors of Small Scale Entrepreneurs**

Factor	No. of Respondents	Percentage	ANOVA
<b>Primary</b> Availability of raw materials	26	21.67	F value is (3.233) greater than the significant value (0.00) at 1 per cent level of <b>Significant</b>
Proximity to the market	11	9.17	
Availability of labour	15	12.5	
Transport Facilities	30	25	
Communication Skill	18	15	
Fuel and power	20	16.67	
<b>Total</b>	<b>120</b>	<b>100</b>	
<b>Secondary</b> Climatic condition	14	11.67	F value is (4.521) greater than the significant value (0.00) at 1 per cent level of <b>Significant</b>
Availability of financial	25	20.83	
Industrial climate	17	14.67	
Cost consideration	20	16.67	
Political stability and peace	31	25.83	
Social and religious factors	23	19.17	
<b>Total</b>	<b>120</b>	<b>100</b>	
Problems in co-ordination	21	17.5	F value is (14.284) greater than the significant value (0.000) at 1 per cent level of <b>Significant</b>
Loss of control	14	11.67	
Lack of customization	16	13.33	
Excess of supply	15	12.5	
Industrial disputes	11	9.17	
Lack of close customer contract	19	15.83	
Depended on export	24	20	
<b>Total</b>	<b>120</b>	<b>100</b>	

Sources: Primary Data

Table no.1 found that 21.67 percent of the respondents are availability of raw materials, 9.17 percent of the respondents are proximity to the market, 12.5 percent of the respondents are availability of labour, 25 percent of the respondents are transport facilities, 15 percent of the respondents are communication skill, and remaining 16.67 percent of the respondents are fuel and power. Out of 100 percent of the respondents 11.67 percent of the respondents secondary factor are climatic condition, 20.83 percent of the respondents are availability of financial, 14.67 percent of the respondents are industrial climate, 16.67 percent of the respondents are cost consideration, 25.83 percent of the respondents are political stability and peace, 19.17 percent of the respondents are social and religious factors. It is calculated that 17.5 percent of the respondents are problems of co-ordination in small scale enterprises, 11.67 percent of the respondents met by loss of control, 13.33 percent of the respondents are lack of customization, 12.5 percent of the respondents are producing excess of supply, 9.17 percent of the respondents are disposing industrial output, 15.83 percent of the respondents are lacking of close customer contract, 20 percent of the respondents are depending on export. It is calculated that the F value is (3.233) greater than the significant value (0.00) at 1 per cent level of significant. Therefore, there is significant relationship among the primary factor of small scale entrepreneurs with regards to economic activities of the respondents. Hence, the null hypothesis (Ho) is rejected. It is calculated that the F value is (4.521) greater than the significant value (0.00) at 1 per cent level of significant. Therefore, there is significant relationship among the secondary factors of small scale entrepreneurs and economic activities of the respondents. Hence, the null hypothesis (Ho) is rejected. It is calculated that the F value is (14.284) greater than the significant value (0.000) at 1 per cent level of significant. Therefore, there is significant relationship between the overall factors of small scale entrepreneurs and economic activities of the respondents. Hence, the null hypothesis (Ho) is rejected.

**Table -2.1 Small Scale Entrepreneurs**

<b>Economic Activities</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Agro based (food)	12	10
Soda water (beverage/Tobacco)	15	12.5
Cotton textile	23	19.17
Woolen, silk & artificial Thread based clothes	16	13.33
Ready-made garments & embroidery/hosiery	5	4.17
Paper & Paper products	13	10.83
Leather based	4	3.33
Chemical/Chemical based	11	9.17
Rubber, Plastic & petro based	6	5
Mineral based	5	4.17
Metal based (Steel Fab.)	3	2.5
Electrical machinery and transport	7	5.83
<b>Total</b>	<b>120</b>	<b>100</b>

**Sources:** Primary Data

Table.2 Economic activities of small scale entrepreneurs out of 120 respondents 10 percentage of the small scale entrepreneur are doing agro based (food) ,12.5 percent of the respondents Soda water (beverage/Tobacco), 19.17 percent of the respondents are cotton textile, 13.33 percent of the respondents are economic activities by woolen, silk & artificial thread based clothes, 4.17 percent of the respondents are ready-made garments & embroidery/hosiery, 10.83 percent of the respondents are paper & paper products, 3.33 percentage of the respondents are leather based, 9.17 percent of the respondents are economic activities by chemical/chemical based, 5 percent of the respondents are doing by rubber, plastic & petro based, 4.17 percent of the respondents are mineral based, 2.5 percent of the respondents are Metal based (Steel Fab.) and remaining 5.83 percent of the respondents are doing economic activities by electrical machinery and transport.

**Table -3.1 Impacts on Small Scale Entrepreneurs**

<b>Impacts</b>	<b>Important</b>	<b>Most Important</b>	<b>Neutral</b>	<b>Un Important</b>	<b>Least Important</b>	<b>Total</b>
Purchasing of machinery	41 34.17	13 10.83	17 14.67	14 11.67	35 29.17	<b>120</b> <b>100</b>
Division of labour	16 13.33	23 19.17	22 18.33	34 28.33	25 20.83	<b>120</b> <b>100</b>
High cost purchases of materials	53 44.17	14 11.67	21 17.5	8 6.67	24 20	<b>120</b> <b>100</b>
High level customer satisfaction	36 30	18 15	13 10.83	24 20	29 24.17	<b>120</b> <b>100</b>
Huge overheads charges	39	14	25	20	22	<b>120</b>

	32.5	11.67	20.83	16.67	18.33	<b>100</b>
Product Innovation	58	11	14	21	16	<b>120</b>
	48.33	9.17	11.67	17.5	13.33	<b>100</b>
Lacking of Advertisements	19	37	23	31	10	<b>120</b>
	15.83	30.83	19.17	25.83	8.33	<b>100</b>
Risk bearing Capacity	25	31	27	19	18	<b>120</b>
	20.83	25.83	22.5	15.83	15	<b>100</b>
Growth and Expansion	51	22	14	17	16	<b>120</b>
	42.5	18.33	11.67	14.67	13.33	<b>100</b>
Resource of Finance Assistance	19	35	21	25	20	<b>120</b>
	15.83	29.17	17.5	20.83	16.67	<b>100</b>

**Sources:** Primary Data

Table- 3 reveals that impacts on Small Scale entrepreneurs 34.17 percent of the respondents purchasing of machinery is important, 28.33 percent of the respondents opinion that division of labour is unimportant, 44.17 percent of the respondents said that high cost purchases of materials is important, 10.83 percent of the respondents high level customer satisfaction is neutral, 11.67 percent of the respondents huge overheads charges is important, 9.17 percent of the respondents product innovation is most important, 8.33 percent of the respondents lacking of advertisements is least important, 15 percent of the small scale entrepreneurs risk bearing capacity is least important, 11.67 percent of the respondents growth and expansion is neutral, 15.83 percent of the respondents resource of finance assistance is important.

## 7. RECOMMENDATIONS:

Small scale entrepreneur's resource of capital mobilizing is shortage of financial commitment. They are not growth and expansion of business firm in multinational level supply of their product due to poor marketing skill and financial resources connectivity of trading activity. Trade association should be arrange business oriented skill development programme through district industrial centre wise. Research and development is one of the major criteria to produce innovate product launching in tradational market. Small scale entrepreneur's research and development function is not available effectively among the enterprises. Government promotes research and development to establish new product for expansion and growth of their small scale enterprises. Resource of financial assistance is inadequate of working capital management in small scale entrepreneurs. They are not expansion of production and marketing of their product disbursed effectively growth of goodwill in small scale entrepreneurs. Banking and non banking financial institution should be supportive grants aids through various schemes are benefit depend on new entrepreneurs. Machinery equipment is one of the most powerful tool are produced manufacturing output which consumer preferable latest quality and quantity of product. Small scale entrepreneurs are mange production facilities of high-tech machinery not invest money in their firm. State Industrial Corporation of India analysis and supportive small scale enterprises provide production relevant machinery equipment in manufacturing and service sector. Small scale entrepreneur's risks bearing capacity is increasing day to day because ineffective of the management running the business enterprises and also pay high taxation under income tax Act. Government of India should be come forward small scale entrepreneurs 50 percentage of profit after tax is exempted. Transport facilities are one of the primary factors to disburse of good exchange from one place to another place easily transferred of materials throughout the country. Small scale entrepreneurs have spent low investment of money they are extent the product in various places in India and foreign countries. Small scale entrepreneurs faced working capital management resources is lacking they have extent further production of goods. Now day's purchases of high cost purchases of materials and finished goods. Government of India should be come forward support of financial assistance to small scale entrepreneurs.

## 8. CONCLUSION:

Small scale entrepreneurs are one of the manufacturing sectors which produce a commodity on small scale enterprises with small firm. They have huge investment in plant and machinery is characterized by mechanization, division of labour and production sale of large quantities. Small scale entrepreneurs not reach large market because major impacts high speed of machinery equipment is not able to produce in very short period. Cost of production is low and quality is high level supply of consumer durable goods. Small scale entrepreneurs can be produce number of variety product are not customer satisfy the entire market. Entrepreneurs have faced many obstacles due to lacking of investment, advisement, research and development, risk bearing capacity, growth and expansion, political stability and peace, social and religious factors depended on export etc. Ministry of MSMEs removes certain factors to provide financial assistance subsidy scheme and policies implementation to small scale entrepreneurs.

**REFERENCES :**

1. Ishu Garg and Suraj Walia. (2012): Micro Small Medium Enterprises in Post Reforms India status and Performance, *International Journal on Latest Trends in Engineering and Technology*, Vol. 1, No:4, pp. 134-142.
2. Jahangir Chauhan (2014), Outsourcing: A New Opportunity Window for MSMEs, *Journal of organizational Management*, Vol. 2, No: 1, pp.8-16.
3. Fatema Khatun., and Faridus Kabi A.T.M, (2014): Women SME Entrepreneurs in Ensuring Women Empowerment in Bangladesh, *American International Journal of Research in Humanities, Arts and Social Sciences*, Vol. 4, No: 1, pp.61-68.
4. Garima Chaudhary (2014), A Study on Marketing Aspect of Medium and Small Enterprises, *International Journal of Emerging Research in Management and Technology*, Vol. 3, No: 10, pp. 40-49.
5. 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.
6. Ashu Katyail., and Betsy Xaviour, (2015): A Study on MSME Propelling Economic Development of India and Discussion on Current HR Issue in India, *International Journal of Scientific and Research Publications*, Vol. 5, No: 2, pp. 1-11.
7. Prathajeet Dass. (2017), Micro Small Medium Enterprises in India: opportunities, Issues and challenges, *Great Lakes Herald*, Vol. 11, No: 1, pp.77-88.