

## A Study On Awareness Of Entrepreneurs Towards Microfinance In Kanniyakumari District

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### ABSTRACT

Microfinance has emerged as an important financial mechanism for promoting entrepreneurship and economic development, particularly in developing regions. It provides small-scale financial services such as microcredit, savings, insurance, and other support facilities to individuals who lack access to formal banking institutions. By offering timely financial assistance, microfinance enables small entrepreneurs to start, sustain, and expand their business activities effectively. In district like Kanniyakumari District, microfinance institutions, self-help groups, and banks actively provide financial assistance to small and medium entrepreneurs. Despite the availability of these services, the extent of awareness among entrepreneurs varies depending on factors such as age, education, and experience. Assessing this awareness level is essential to identify gaps and suggest improvements in financial literacy initiatives. Therefore, the present study focuses on analyzing the level of awareness on microfinance among entrepreneurs in Kanniyakumari District. The present study aims to analyze the awareness level of entrepreneurs towards microfinance in Kanniyakumari District. The study is based on both primary and secondary data. Primary data were collected from 60 entrepreneurs using a convenient sampling method. Percentage analysis and Chi-square test were used to analyze the data. The study reveals that majority of the entrepreneurs possess medium level awareness regarding microfinance services and that educational qualification significantly influences awareness level..

**Keywords:** Microfinance, Entrepreneurs, Awareness and Financial Inclusion..

### INTRODUCTION

Microfinance has emerged as an important financial mechanism for promoting entrepreneurship and economic development, particularly in developing regions. It provides small-scale financial services such as microcredit, savings, insurance, and other support facilities to individuals who lack access to formal banking institutions. By offering timely financial assistance, microfinance enables small entrepreneurs to start, sustain, and expand their business activities effectively.

Entrepreneurs play a vital role in generating employment opportunities, increasing income levels, and contributing to regional development. However, inadequate awareness about available financial schemes and services often limits their ability to fully utilize microfinance benefits. Proper awareness helps entrepreneurs understand loan procedures, interest rates, repayment schedules, government subsidies, and risk management practices, thereby improving financial decision-making and business sustainability.

In district like Kanniyakumari District, microfinance institutions, self-help groups, and banks actively provide financial assistance to small and medium entrepreneurs. Despite the availability of these services, the extent of awareness among entrepreneurs varies depending on factors such as age, education, and experience. Assessing this awareness level is essential to identify gaps and suggest improvements in financial literacy initiatives.

Therefore, the present study focuses on analyzing the level of awareness on microfinance among entrepreneurs in Kanniyakumari District. The study aims to examine the relationship between personal factors and awareness level, thereby contributing to better policy formulation and strengthening entrepreneurial development in the region.

### OBJECTIVE

The important objective of the study is to analyze the awareness on microfinance among entrepreneurs in Kanniyakumari District..

## METHODOLOGY

### Sources of data

The study is based on both primary and secondary data. The primary data is collected through a well-structured interview schedule and the secondary data have been mainly collected from the books, journals, magazines, and also from the internet.

### SAMPLING DESIGN

To analyze the awareness on microfinance among entrepreneurs in Kanniyakumari District, a sample of 60 entrepreneurs was selected for the study. The respondents were chosen using the convenient sampling method based on accessibility and willingness to participate. The sample includes entrepreneurs engaged in manufacturing, trading, and service activities.

### STATISTICAL TOOLS USED

The collected data were analyzed with the help of various statistical measures such as *Percentage and Chi-square test*.

### ANALYSIS OF DATA

The data collected are analyzed using suitable statistical tools and presented in the below tables:

#### Age of the entrepreneurs

Age is an important demographic factor that influences experience, decision-making ability, and awareness level of entrepreneurs. Hence, the age of the respondents is considered for the study and presented in the following table.

**Table: 1**  
**Age of the entrepreneurs**

Sl. No.	Age	No. of respondents	Percentage
1	Up to 35	14	23.3
2	35 – 60	35	58.3
3	Above 60	11	18.4
	<b>Total</b>	<b>60</b>	<b>100</b>

#### Source: Primary data

It is inferred from the above table that out of 60 sample entrepreneurs 14(23.3 percent) of them belongs to the age group of up to 35 years, 35(58.3 percent) of the entrepreneurs belongs to the age group of 35 – 60 years and the remaining 11(18.4 percent) of them belongs to the age group of above 60 years.

#### Gender of the entrepreneurs

Gender plays a significant role in entrepreneurial participation and access to financial information. Therefore, the gender of the entrepreneurs is analyzed and presented in the following table.

**Table: 2**  
**Gender of the entrepreneurs**

Sl. No.	Gender	No. of Respondents	Percentage
1.	Male	37	61.7
2.	Female	23	38.3
	<b>Total</b>	<b>60</b>	<b>100</b>

#### Source: Primary data

From the above table it is revealed that 37(61.7 percent) of the respondents are male and the remaining 23(38.3 percent) of them are female.

#### Marital Status of the entrepreneurs

Marital status determines the level of financial responsibility and commitment of an individual. Hence, the marital status of the entrepreneurs is taken into consideration and shown in the following table.

**Table: 3**  
**Marital status of the entrepreneurs**

Sl. No.	Marital Status	No. of Respondents	Percentage
1.	Married	52	86.7
2.	Unmarried	08	13.3
	<b>Total</b>	<b>60</b>	<b>100</b>

#### Source: Primary data

The above table infers that 52(86.7 percent) of the sample entrepreneurs are married and the remaining 08(13.3 percent) of them are unmarried.

#### Educational qualification of the entrepreneurs

Educational qualification of an individual is an important factor in creating awareness about financial services and schemes. Hence, the educational qualification of the entrepreneurs is considered for the study and

presented in the following table.

**Table: 4**  
**Educational qualification of the entrepreneurs**

Sl. No.	Educational qualification	No. of respondents	Percentage
1	Under Graduate	34	56.7
2	Post Graduate	16	26.7
3	Others	10	16.6
	<b>Total</b>	<b>60</b>	<b>100</b>

**Source: Primary data**

The above table shows that 34(56.7 percent) of the sample entrepreneurs are under graduates, 16(26.7 percent) of them are post graduates and the remaining 10(16.6 percent) of them are having other qualifications such as diploma, school education, professional degrees etc.

**Type of Enterprise**

The nature of business influences the need for financial assistance and awareness of microfinance services. Therefore, the type of enterprise operated by the respondents is analyzed and presented in the following table.

**Table: 5**  
**Type of Enterprise**

Sl. No.	Type of Enterprise	No. of respondents	Percentage
1	Manufacturing	18	30
2	Trading	26	43.3
3	Service	16	26.7
	<b>Total</b>	<b>60</b>	<b>100</b>

**Source: Primary data**

The above table shows that 26 (43.3 percent) of the sample entrepreneurs are engaged in trading activities, 18 (30 percent) of them are involved in manufacturing activities and the remaining 16 (26.7 percent) of them are engaged in service-related enterprises.

**Source of Microfinance Awareness**

Entrepreneurs obtain information about microfinance from various sources such as banks, SHGs, and media. Hence, the source of awareness among the respondents is identified and presented in the following table.

**Table: 6**  
**Source of Microfinance Awareness**

Sl. No.	Source	No. of respondents	Percentage
1	Banks	18	30
2	SHGs/MFIs	21	35
3	Media	11	18.3
4	Friends/Relatives	10	16.7
	<b>Total</b>	<b>60</b>	<b>100</b>

**Source: Primary data**

The above table shows that 21 (35 percent) of the sample entrepreneurs gained awareness about microfinance through SHGs/MFIs, 18 (30 percent) of them obtained information through banks, 11 (18.3 percent) of the respondents came to know through media sources and the remaining 10 (16.7 percent) of them gained awareness through friends and relatives.

**Level of awareness towards Microfinance**

Level of awareness is the key variable of the present study. Therefore, the opinion of the respondents regarding their awareness level towards microfinance is collected and presented in the following table.

**Table: 7**  
**Level of awareness**

Sl. No.	Opinion	No. of respondents	Percentage
1	High	17	28.3
2	Medium	36	60
3	Low	07	11.7
	<b>Total</b>	<b>60</b>	<b>100</b>

**Source: Primary data**

The above table infers that from the total 60 respondents 17(28.3 percent) of them are highly aware about

the Microfinance, 36(60 percent) of them are having medium level awareness and the remaining 7(11.7 percent) of the entrepreneurs are having low level awareness about the Microfinance in the study area.

**Association between personal factors and Level of awareness towards Microfinance**

The researcher made an analysis to know about the association between the personal factors of the entrepreneurs and their level of awareness towards Microfinance by adopting chi – square test.

**Age and Level of awareness towards Microfinance**

To understand whether age influences awareness level, the association between age and level of awareness is analyzed using Chi-square test and presented in the following table.

**Table 8**  
**Age and Level of awareness towards Microfinance**

Chi-square value	Degrees of freedom	Table value	Inference
10.84	4	9.488	Significant

**Source: Computed Value**

From the above analysis it is seen that the calculated value (10.84) of Chi-square is greater than the table value (9.488), and hence the null hypothesis is rejected. Hence it is inferred that there is a significant association between the Age and the level of awareness of the entrepreneurs towards Microfinance.

**Gender and Level of awareness towards Microfinance**

To examine whether gender has any relationship with awareness level, the association between gender and level of awareness is analyzed and presented in the following table.

**Table 9**  
**Gender and Level of awareness towards Microfinance**

Chi-square value	Degrees of freedom	Table value	Inference
4.82	2	5.99	Insignificant

**Source: Computed Value**

It is clear from the above analysis the calculated value (4.82) of Chi-square is less than the table value (5.99), and hence the null hypothesis is accepted. Hence it is revealed that there is no significant association between the gender and the Level of awareness of the entrepreneurs towards Microfinance.

**Educational qualification and Level of awareness towards Microfinance**

Education may significantly influence financial awareness. Hence, the association between educational qualification and level of awareness is analyzed using Chi-square test and presented in the following table.

**Table 10**  
**Educational qualification and Level of awareness towards Allopathy Medicine**

Chi-square value	Degrees of freedom	Table value	Inference
11.26	4	9.488	Significant

**Source: Computed Value**

From the above analysis it is seen that the calculated value (11.26) of Chi-square is greater than the table value (9.488), and hence the null hypothesis is rejected. It is found that there is a significant association between the educational qualification and the Level of awareness of the entrepreneurs towards Microfinance.

**FINDINGS OF THE STUDY**

The major findings of the study are:

- The researcher found out that 35 (58.3 percent) of the entrepreneurs belong to the age group of 35 – 60 years.
- From the total 60 respondents, 37 (61.7 percent) of them are male.
- Majority 52 (86.7 percent) of the sample entrepreneurs are married.
- It is found out that 34 (56.7 percent) of the sample entrepreneurs are under graduates.
- Regarding the type of enterprise, 26 (43.3 percent) of the sample entrepreneurs are engaged in trading activities.
- Most 21 (35 percent) of the sample entrepreneurs gained awareness about microfinance through SHGs/MFIs
- The researcher found out that 36 (60 percent) of the sample entrepreneurs are having medium level awareness about microfinance services.
- The personal factors age and educational qualification of the entrepreneurs are dependent to the level of awareness and the factor gender is independent to the level of awareness on microfinance among entrepreneurs.

**CONCLUSION**

The study concludes that awareness on microfinance among entrepreneurs in Kanniyakumari District is generally

at a moderate level, with majority of the respondents possessing only average knowledge about various microfinance services. While entrepreneurs are aware of basic loan facilities, their understanding of interest rates, repayment conditions, subsidy schemes, and risk management practices remains limited. The analysis shows that age and educational qualification significantly influence awareness level, whereas gender does not have any significant association. This indicates that experience and education play a crucial role in shaping financial awareness. Therefore, there is a strong need for conducting financial literacy programs, training workshops, and awareness campaigns to enhance entrepreneurs' knowledge. Improved awareness will ensure better utilization of microfinance services, prevent over-indebtedness, and promote sustainable business growth. Ultimately, strengthening awareness can contribute to entrepreneurial development and socio-economic progress in the district.

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