

Available online @ www.iaraindia.com
RESEARCH EXPLORER - A Blind Review & Refereed Quarterly International Journal
ISSN: 2250-1940 (P) 2349-1647 (O)
Impact Factor: 3.655 (CIF), 2.78 (IRJIF), 2.77 (NAAS)
Volume VII, Issue 24
July - September 2019
Formally UGC Approved Journal (63185), © Author

FINANCIAL LITERACY OF WOMEN ENTREPRENEURS

Dr. R. GAYATHRI

Head & Associate Professor
Department of Commerce, STC College, Pollachi

T. VANJIKKODI

Assistant Professor in Commerce, STC College, Pollachi

Abstract

Financial literacy refers to the knowledge and understanding the financial concepts there by resulting in the ability to make informed, confident and effective decisions regarding money. Concerns about financial literacy has increased in recent years, and many countries embarked on programmes and other research initiatives to measure the current level of financial literacy, to introduce and to enhance the financial literacy among their people. The study determined the financial literacy of the selected women entrepreneurs in Tiruppur District. A total of 100 women entrepreneurs selected in this study. The purpose of the study is to analyze the financial literacy of women entrepreneurs. On the Whole, the levels of the women entrepreneurs were moderate indicating a not so impressive financial management of their resource.

Keywords: Financial Literacy, Women Entrepreneurs, Financial Performance.

Introduction

Entrepreneurship is very important in economy development of any Nation. Financial literacy means the possession of knowledge and understanding the financial matters. It is mainly used in connection with personal financial matters. According to OECD defines “financial literacy as a combination of Financial Awareness, Knowledge, Skills, Attitude and Behavior necessary to make sound financial decisions and ultimately achieve financial well being. Entrepreneurs achieve financial literacy through a process of financial education”. The relation between financial literacy level and firms operating performs display a significant positive correlation, which strengthens the needs for financial education for business

owners in order to improve economic performance of their business.

Review of Literature

Analysed the level of financial literacy amongst 87 micro entrepreneurs of Kangra district of Himalaya Pradesh based on record keeping, various institutional awareness, savings, investment plans, savings management and various loan products. It is found that most of respondents are responsive of bank loans, Less awareness about other financial institutions. Overall possess low financial skills which reflected in deficient record book keeping, poor cash management, improper saving habits, less awareness of financial products **Kamal Gupta et.al(2014)**, The researched assessed the two pillar of the

economy; financial literacy and financial inclusion and its current scenario as well as common people prospective and about financial instruments. Data collected from 202 Mumbai and Thane Districts Individuals. It is found that level of financial literacy is very low and suggested to encourage financial literacy from school level, National level programs and seep effort to the grass root level **Lavanya Rekha Bahadur (2015)**, The researcher assessed on financial literacy of rural women in Tamilnadu based on three factors: Knowledge, Behavior and Attitude. It is found that very low financial literacy among rural women **Mathavathani et.al. (2014)**.

Statement of the Problem

Women entrepreneurs are playing a prominent role, to progress economy well. Such women are facing problem not only economical but also psychological. Based on phenomenon described above, then it can be formulated in a research statement of business performance and financial literacy of women entrepreneurs in Tiruppur District.

Objectives of the Study

1. To study the type of business done by a women entrepreneurs.
2. To analyze the performance of the business in terms of profitability and the sales.

Research Methodology

This study is focus on primary data and secondary data. The primary data were collected from 100 women entrepreneurs in Tiruppur District through structured questionnaire. The data was collected through convenient sampling method. The secondary data were collected from books, journals, newspapers and website to develop theoretical background of problems of rural women entrepreneurs.

Analysis and Interpretation

This study is aims at financial literacy of Women Entrepreneurs in Tiruppur District. For this purpose the study was conducted for 100 respondents of the women entrepreneurs in Tiruppur District. An attempt has been made in this section to analyze the collected data with reference to activities of the women entrepreneurs a detailed analysis are given below.

Types of Business

Types of business	No. of Respondents (n = 100)	%
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Pickle making	16	16%
Masala powder preparation	31	31%
Milk products	16	16%
Sugar products	12	12%
Tailoring	9	9%
Hotel business	16	16%

The table:1 reveals that out of 100 respondents, 31% of the respondents are doing masala powder preparation, followed by 16% of the respondents are commonly doing pickle making, preparation of milk products and also Hotel business, 12% of the respondents are making sugar products, rest of the respondents are doing tailoring business.

Amount of Initial investment

Amount of initial investment	No. of Respondents (n = 100)	%
Below Rs. 1,00,000	40	40%
1,00,001-2,00,000	33	33%
2,00,001-3,00,000	19	19%
3,00,001-4,00,001	5	5%
Above Rs. 4,00,000	3	3%

Out of 100 respondents 40% of the respondents invested initial investment below Rs 1,00,000, followed by 33% of the respondents invested between Rs1,00,000-Rs 2,00,000, 19% of the respondents invested between Rs 2,00,000- Rs 3,00,000, 5% of the respondents invested between Rs 3,00,000- Rs 4,00,000, rest of the respondents invested high investment of above Rs 4,00,000.

Monthly Sales Turnover

Monthly Sales Turnover	No. of Respondents (n = 100)	%
Below Rs. 10,000	29	29%
10,001-20,000	38	38%
20,001-30,000	14	14%
Above Rs. 30,000	19	19%

The table 3: indicates the monthly sales turnover of the business, out of 100 respondents, 38% of the respondents sales turnover was Rs 10,001-Rs 20,000, 29% of the respondents sales turnover was below Rs 10,000, 19% of the respondents sales turnover was above Rs 30,000, rest of the respondents sales turnover was Rs 20,001-Rs 30,000.

Business profit margin

Business profit margin	No. of Respondents (n = 100)	%
10%	29	29%
20%	23	23%
30%	20	20%
More than 30%	28	28%

The table 4; shows that profit margin of business, out of 100 respondents, 29% of the respondents fix 10% of the profit margin in business, followed by 28% of the respondents fix more than 30% of the profit margin in business, 23% of the respondents fix 20% of the profit margin in business, rest of the respondents fix 30% of the profit margin in business .

Variance among Monthly Income of the respondents and perception towards various levels of Financial Literacy among the women entrepreneur

Source	SS	Df	MS	\bar{X}	Statistical Inference
Financial Knowledge				G1= 14.2444	F=0.474 0.701>0.05 Not Significant
Between Groups	14.863	3	4.954	G2= 13.8182	
Within Groups	1004.137	96	10.460	G3= 13.5833	
				G4= 13.0000	
Saving Skill				G1= 13.6000	F=0.965 0.413>0.05 Not Significant
Between Groups	36.868	3	12.289	G2= 13.8485	
Within Groups	1222.892	96	12.738	G3= 14.7500	
				G4= 12.2000	
Borrowing Skill				G1= 12.6889	F=0.990 0.401>0.05 Not Significant
Between Groups	35.614	3	11.871	G2= 11.7879	
Within Groups	1151.226	96	11.992	G3= 13.1667	
				G4= 13.6000	
Investment Skill				G1= 13.9556	F=4.803 0.004<0.01 Highly Significant
Between Groups	142.567	3	47.522	G2= 12.7879	
Within Groups	949.943	96	9.895	G3= 15.4167	
				G4= 10.8000	
Overall level of Financial Literacy				G1= 54.4889	F=1.356 0.261>0.05 Not Significant
Between Groups	388.128	3	129.376	G2= 52.2424	
Within Groups	9160.622	96	95.423	G3= 56.9167	
				G4= 49.6000	

G1= Below Rs. 10,000, G2= Rs. 10,001-20,000, G3= Rs. 20,001-30,000, G4= Above Rs. 40,000. The table shows that the monthly income and perception towards various levels of financial literacy among the women entrepreneur and its variance. The result shows that the factor investment skill is highly significant which is evidence through the F value = 4.803 at 1% level. On the other hand, the other factors financial knowledge, saving skill, borrowing skill and overall financial literacy is not significant.

Summary and Conclusion

Financial education has a major role to play in encouraging sustainable entrepreneurship and reducing the demand side- barriers to access finance. A targeted of

financial literacy will provide up-to –date information about the level of financial knowledge and skills of entrepreneurs, to help policy makers and monitor overall performance of women entrepreneur. The study reveals that majority of the respondents doing masala powder preparation business and the respondent have invested their initial investment of business below Rs 1,00,000, with the monthly sales turnover was Rs 10,001- Rs 20,000, The most of the respondents are fixing the profit margin at 10% level. So it is inferred that only investment skill is highly associated with the monthly income and financial literacy among women entrepreneur. Finally the researcher conclude that the financial literacy of women entrepreneurs is at medium at the level

of entrepreneurship. The researcher suggested that the government has to organize more number of entrepreneur awareness programme to reach the village and hamlets.

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