

PERCEPTION OF MICRO ENTREPRENEURS OF PALAKKAD DISTRICT OF KERALA STATE ABOUT EASE 4.0 REFORMS OF GOVERNMENT OF INDIA

***Sivakumar. A. A CMA. Member of Institute of Cost Accountants of India and Assistant Professor of Commerce, Sree Neelakanta Govt. Sanskrit College, Pattambi, Kerala**

****Haritha Ravi Assistant Professor of Commerce. PG Department of Commerce, Yuvakshetra Institute of Management Studies (YIMS), Ezhakkad**

ABSTRACT

Micro entrepreneurs depend money lenders for their short term and medium loan requirements .But Government of India and Reserve Bank of India have formulated many programmes to popularize banking among the masses especially the micro entrepreneurs. EASE 3.0 and EASE 4.0 are the most recent ones. Understanding the perception of the most important sector is very important for the implementation of any banking reforms. Therefore, he researchers try to understand the Perception of Micro entrepreneurs of Palakkad district of Kerala about EASE 4.0 reforms of Government of India.

Key Words: Perception, Palakkad, Micro Entrepreneurs, EASE 4.0, Reforms

INTRODUCTION

Our commercial banks especially the public sector banks are the back bone of our nation and economy. Even though the customers are free to approach any banks including new generation banks still a large chunk of them continue their traditional banking habits and practices .It is a kind of custom and practice. Therefore, Government of India has introduced so many policy reforms including Amendment to Banking

Regulation Act 2017 and Amendment to Banking Regulation Act 2020.After the successful implementation of the EASE 3.0, the commercial banks have to concentrate on EASE 4.0 for a better banking culture to us .Simplified doorstep easy banking is the core of EASE4.0 reforms with respect to public sector banks in India.

SIGNIFICANCE OF THE STUDY

Finance Minister unveiled Ease 4.0 Agenda in a function to congratulate the award winners of Ease 3.0 .Many banks including State Bank of India has won the award for their contribution in Ease 3.0 reforms. Under the above circumstances, knowledge about the developments are necessary to use the better options available as per new policy reforms of Government of India. Palakkad district is one of major district of Kerala and MSME entrepreneurs ,especially the Micro entrepreneurs is one of the important feature the district .All of them have bank accounts as part of Financial Inclusion programmes of Government of India. Now, knowledge about the current developments is necessary to use it .To give proper training to them, knowing about their perception is very vital in the post Covid-19 Period. Therefore, he researchers try to understand the Perception of Micro entrepreneurs of Palakkad district of Kerala about EASE 4.0 reforms of Government of India.

OBJECTIVES

1. To understand the Perception of Micro entrepreneurs of Palakkad

- district of Kerala State about EASE 4.0 reforms of Government of India
2. To understand about EASE 4.0 reforms of Government of India.
3. To understand about the factors affecting loan requirements of micro entrepreneurs of Palakkad district of Kerala State.

HYPOTHESIS

1. H_0 : There is no significant difference between the age of micro entrepreneurs of Palakkad district of Kerala State and their perception towards EASE 4.0 reforms of Government of India
2. H_0 : There is no significant difference between the gender of micro entrepreneurs of Palakkad district of Kerala State and their perception towards EASE 4.0 reforms of Government of India.
3. H_0 : There is no significant difference in the level of satisfaction towards the customers ' services delivered by the public sector banks between the beneficiaries of Public sector banks(Micro entrepreneurs and general public)
4. H_0 : Various financial factors have no effect on the future loan requirements.

REVIEW OF LITERATURE.

1. Berger, A. N., & Udell, G. F (2002) conducted a study on “Small Business Credit Availability and Relationship Lending: The importance of Bank Organizational Structure”. Here the researchers found that there was a drastic reduction in the credit availabilities to the micro, small and medium enterprises.
2. Vijayakumar T & Naresh B (2013) had published a paper on “Women Entrepreneurship in India- Role of women in Small and Medium Enterprises” in the journal of Trans Asian Journal of Marketing and Management Research. According to them the problems of finance were inadequate finance, difficulties in getting credit from bank, low risk bearing capacity, lack of collateral security, unaware of source of finance etc. Entrepreneurs and woman entrepreneurs suffered due to lack of credit facilities.
3. Umar P & Kumar D (2014) made a study on “Women Entrepreneurship and MSMEs in North India”. Small and Women entrepreneurs also faced the problems financial resources and working capital. They don't have access to the external funds due to lack of collateral and credit in the market because women have no properties in their name. They were unable to understand the difficult and complicated formalities of securing loan and not able to bear the huge transaction cost.
4. Siddiqui M. A (2018) conducted a study on “Problems & Challenges of Indian MSMEs in The Post Demonetization Era” deals with various financial problems and inadequate and non-timely credit, limited knowledge, not sufficient working capital etc.

SAMPLE SIZE OF THE STUDY

Researchers have used both the primary data and secondary data as part of this research. As the population is very large, Sample Size of 385 is enough as per Z score analysis. Stratified Random Sampling method is adopted to collect data from 385 micro entrepreneurs and 385 common people.

METHODOLOGY OF THE STUDY

Primary Data were analyzed using statistical tools and testing of hypothesis like One-Way Analysis of Variance, independent sample t-test and multivariate data analysis techniques like multiple regression analysis. Secondary data is collected from the website of Ministry of Finance. SPSS Software is used to analyze the data and for testing hypotheses.

DATA ANALYSIS.

Secondary data in respect is collected from the website of Ministry of Finance.

Following are the important features of Ease 4.0

1. Through Ease 4.0, RBI wants to bring changes in the banking sector
2. Through Ease 4.0, Reserve Bank of India wants to bring changes in the commercial banking sector. After the implementation of Ease 4.0, our nationalized will have facilities like private sector banks. This is the desired change.
3. Enhanced Access & Service Excellence 4.0 (Ease 4.0) is a policy change.
4. Following are the objectives of Ease 4.0
 - i. To use technologies like business analytics. Service at the doorstep is the new policy. Banks will approach the

customers at his/her doorsteps to attract deposits and sell products like mutual funds. Banks will use facilities like social media.

- ii. To speed up the digital transformation process to give better services to the customers.
- iii. To provide 24*7 banking services to the customers. To use cloud based banking system in the banking sector.
- iv. To popularize the Mobile app facility. Employees of the banks have to give all possible helps to the customers to download mobile app.
- v. To digitalize loan applications and speedy response to the applications of the Agricultural loans, Retail loans and MSME loans.
- vi. Uninterrupted banking services to the customers using modern cyber security measures.
- vii. Better co-operation between public sector banks and NBFCs
- viii. To evaluate the performance of banking staff through IT based facilities.
- ix. To increase the speed of financial inclusion measures through the popularization of Atal Pension Yojana and sukanya samridhi yojana etc.

x. To give personal training to the scale V,
scale VI officers of the bank

H₀: There is no significant difference between the age of Micro entrepreneurs of Palakkad district of Kerala State and their perception towards EASE 4.0 reforms of Government of India

TESTING OF HYPOTHESIS

ANOVA for Age and Perception of micro entrepreneurs of Palakkad district of Kerala State towards Significance of EASE 4.0

Table No. 1.

(Source: computed from Primary Data).

Table -2.

Perception

	N	Mean	Std. Deviation	Std. Error
20-40	184	4.0870	.99344	.07324
40-60	168	4.5357	.96584	.07452
60-70	33	3.9697	1.26206	.21970
Total	385	4.2727	1.03124	.05256

ANOVA Table

	S.S	Df	M.S	F	Sig.
Between Groups	21.000	2	10.500	10.354	.000
Within Groups	387.364	382	1.014		
Total	408.364	384			

(Source: computed from Primary Data).

Table 2 revealed that One way ANOVA was applied to find whether the mean scores vary accordingly to the age of micro entrepreneurs of Palakkad district of Kerala State towards their perception about Significance of EASE 4.0 The p-value is less than 0.05 in the above case .Therefore, the result is significant and hence the null hypothesis is rejected. Therefore, it is inferred that there is

significant difference between the Age and Perception of micro entrepreneurs of Palakkad district of Kerala State towards Significance of EASE 4.0.

H₀: There is no significant difference between the gender of micro entrepreneurs of Palakkad district of Kerala State and their perception towards EASE 4.0 reforms of Government of India.

ANOVA for Gender and Perception of micro entrepreneurs of Palakkad district of Kerala State towards Significance of EASE 4.0.

Table No. 3

Descriptive statistics				
Perception				
	N	Mean	Std. Deviation	Std. Error
Male	181	4.1050	.99165	.07371
Female	204	4.4216	1.04515	.07318
Total	385	4.2727	1.03124	.05256

(Source: computed from Primary Data).

Table No. 4.

ANOVA Table

	S.S	Df	M.S	F	Sig.
Between Groups	9.613	1	9.613	9.233	.003
Within Groups	398.751	383	1.041		
Total	408.364	384			

(Source: computed from Primary Data).

Table 4 revealed that One way ANOVA was applied to find whether the mean scores vary accordingly to the gender of micro entrepreneurs of Palakkad district of Kerala State towards their perception about Significance of EASE 4.0. The p-value is less than 0.05 in the above case. Therefore, the result is significant and hence the null hypothesis is rejected. Therefore, it is inferred that there is significant difference between the gender and their Perception of micro entrepreneurs of Palakkad district of

Kerala State towards Significance of EASE 4.0.

H₀: There is no significant difference in the level of satisfaction towards the customers 'services delivered by the public sector banks between the beneficiaries of Public sector banks (micro entrepreneurs and general public).

Independent Sample t-test is applied to test the null hypothesis. Following are the details

Table No. 5.

Group Statistics

type	N	Mean	Std. Deviation	Std. Error Mean
perception micro	385	4.2727	1.03124	.05256
public	385	3.5870	1.64518	.08385

(Source: computed from Primary Data). *5% level of significance

Table No. 6.						
Independent Samples Test						
Test for Equality of Variances		t-test for Equality of Means				
F	Sig.	t	df	Sig. (2-tailed)		
Perception	Equal variances assumed	117.401	.000	6.929	768	0.000
	Equal variances not assumed			6.929	645.400	0.000

(Source: computed from Primary Data).

*5% level of significance

The table 6 reveals the result of independent t test applied to test the significant difference in the level of level of satisfaction towards the customers ‘ services delivered by the public sector banks between the beneficiaries of Public sector banks(micro entrepreneurs and general public).The calculated **p** value is 0.000 and the **t** value is 6.929.Since the p value is less than 0.05,the null hypothesis is rejected.it is found that there is no significant difference in the level of satisfaction towards the customers ‘ services delivered by the public sector banks between the beneficiaries of Public

sector banks(micro entrepreneurs and general public).it is found from the mean value that micro entrepreneurs have more satisfaction towards the customers ‘ services delivered by the public sector banks.

H0: Various financial factors have no effect on the future loan requirements.

Multiple regression coefficient measures the relationship between various financial factors and the future loan requirements.

Here the multiple regression analysis for future loan requirements (Y) was

performed with 7 independent variables affecting the future loan requirements such as Annual Income, Existing loan amount, current sales, income tax, current total cost

of production, current GST and amount involved in the expansion.

$$Y = a_0 + b_1X_1 + b_2X_2 + b_3X_3 + \dots + b_7X_7$$

Table : 7.
Descriptive Statistics

	Mean	Std. Deviation	N
Loan required in the next yer	5.7806E5	2.67576E5	385
Annual Income	2.0109E6	8.51024E5	385
Existing Loan	1.2362E6	2.18317E6	385
Current Sales	3.6769E6	1.29122E6	385
Income Tax	1.2784E6	1.31306E6	385
Current total Cost of Production	1.6660E6	5.87188E5	385
Current GST	4.0818E5	4.43887E5	385
Expansion amount	7.1013E5	1.71015E5	385

(Source: computed from Primary Data).

Table : 8.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.582 ^a	.339	.328	2.19266E5

(Source: computed from Primary Data).

***5% level of significance**

a. Predictors: (Constant), Expansion amount, Current total Cost of Production, Existing Loan, Income Tax, Current GST, Annual Income

b. Dependent Variable: Loan required in the next year

The model summary table shows the overall predictability of the regression model. Adjusted

loan requirements exercise 32.8 percent influence on the dependent variable the future loan requirements.

R² value 0.328 states that all the independent variables affecting the future

Table 9

ANOVA^b

Model		S.S	df	M.S	F	Sig.
1	Regression	9.320E12	6	1.553E12	32.309	.000 ^a
	Residual	1.817E13	378	4.808E10		
	Total	2.749E13	384			

(Source: computed from Primary Data).

a. Predictors: (Constant), Expansion amount, Current total Cost of Production, Existing Loan, Income Tax, Current GST, Annual Income

b. Dependent Variable: Loan required in the next year

ANOVA results reveals p-value as 0.000 (F Value=32.309) which is less than 0.05 and it indicates that regression model is statistically significant. So the null hypothesis is rejected. Hence there is significant relationship exists between the variables tested in the hypothesis.

Table 10
Coefficients of Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.160E6	92680.966		12.511	.000
	Annual Income	-.003	.019	-.011	-.184	.854
	Existing Loan	.002	.006	.020	.405	.686
	Income Tax	.023	.010	.113	2.319	.021
	Current total Cost of Production	.043	.027	.094	1.589	.113
	Current GST	-.339	.035	-.563	-9.653	.000
	Expansion amount	-.760	.087	-.486	-8.705	.000

(Source: computed from Primary Data).

a. Dependent Variable: Loan required in the next year

It is identified from the coefficient table that current sales, income tax, current total cost of production, current GST and

amount involved in the expansion have effect on the future loan requirements.

FINDINGS.

1. It is found there is significant difference between the Age and Perception of micro entrepreneurs of Palakkad district of

Kerala State towards Significance of EASE 4.0

2. It is found that there is significant difference between the gender and their Perception of micro entrepreneurs of

Palakkad district of Kerala State towards
Significance of EASE 4.0

3. it is found that there is no significant difference in the level of satisfaction towards the customers ' services delivered by the public sector banks between the beneficiaries of Public sector banks(micro entrepreneurs and general public).it is found from the mean value that micro entrepreneurs have more satisfaction towards the customers ' services delivered by the public sector banks

4 .It is found that Adjusted R^2 value 0.328 states that all the 7independent variables affecting the future loan requirements exercise 32.8 percent influence on the dependent variable the future loan requirements.

5. It is found that that current sales, income tax, current total cost of production, current GST and amount involved in the expansion have effect on the future loan requirements.

CONCLUSION.

Like Ease 3.0, Ease 4.0 is a great effort by the Government of India to induce confidence in the banker .It helps the customers to get loan at his door steps.

REFERENCES:

1. Berger, A. N., & Udell, G. F. (2002). Small Business Credit Availability and Relationship Lending: The Importance of Bank Organizational Structure. *The Economic Journal* , 112 (477).
2. Kumar, P., & Kumar, D. (2014). Women Entrepreneurship And MSMEs In North India. *International Journal Of Research* , 1 (6)
3. Siddiqui, M. A. (2018). Problems & Challenges of Indian MSMEs in The Post Demonetization Era. *aWeshkar* , 24 (1)
4. Vijayakumar, T., & Naresh, B. (2013). Women Entrepreneurship In India-Role of Women In Small and Medium Enterprises. *Trans Asian Journal of Marketing and Management Research* , 2 (7), 13-24