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A Study on Impact of Financial Challenges on Entrepreneurial Innovation and Growth in Rajasthan

SHREYA GOSWAMI¹ AND DR. ANURAG MEHTA²

ABSTRACT

This study seeks to explore the effects of financial constraints on the innovation and growth prospects of entrepreneurs in the state of Rajasthan. While the state is renowned for its entrepreneurial activity, entrepreneurs in the area face a variety of financial barriers that impede their ability to innovate and grow. The purpose of the study is to gain insight into the specific financial challenges that entrepreneurs face and their impact on innovation and growth. By collecting data and conducting a thorough analysis, the paper seeks to identify the relationship between financial constraints and business outcomes. The findings of the study can be used to develop tailored strategies and interventions to assist entrepreneurs in overcoming these obstacles. Ultimately, the aim of the research is to create an enabling environment that encourages entrepreneurial innovation and long-term sustainable growth in the state.

Keywords: *Financial Challenges, Entrepreneurs, Innovation and Growth, Financial Literacy.*

I. INTRODUCTION

The role of entrepreneurship in stimulating economic growth, employment generation, and driving innovation is essential. However, many entrepreneurs face financial barriers, especially in finance, that limit their capacity to innovate and expand their businesses. In this research paper, we will focus on the financial challenges and their effects on innovation and growth across the state of Rajasthan. Rajasthan is rich in cultural heritage and offers a wide range of business opportunities. However, its entrepreneurs face unique financial challenges that need to be addressed. These challenges can include: access to capital and finance lack of financial literacy complex regulatory frameworks lack of infrastructure seasonal business fluctuations inability to invest in R&D lack of skilled talent lack of support mechanisms challenges over time.

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This study will help us understand the relationship between the financial constraints faced by entrepreneurs and the outcomes they achieve. This research will build on existing knowledge by highlighting specific financial challenges facing entrepreneurs in the state of Rajasthan and their impact on innovation and business growth. It will also serve as a basis for developing targeted interventions and policy measures that can alleviate these obstacles and create an environment conducive to entrepreneurial success in the state. The next sections of this paper will focus on the literature review and methodology, the results, the analysis, and the discussion. The purpose of this research is to explore the impact of the financial challenges on the innovation and growth potential of entrepreneurs in the State of Rajasthan, and to contribute to a better understanding of the economic dynamics of entrepreneurship. This research will also provide useful insights for stakeholders in order to create a vibrant entrepreneurial ecosystem in the state.

(A) Research Objectives

- To identify and analyze the specific financial challenges faced by entrepreneurs in Rajasthan.
- To explore the impact of financial challenges on entrepreneurial innovation in Rajasthan.
- To investigate the impact of financial challenges on the growth of entrepreneurial ventures in Rajasthan.

(B) Research Problem

The research problem involves identifying and categorizing the various financial challenges that entrepreneurs face in the state of Rajasthan, including but not limited to: Access to capital, Lack of financial literacy, Regulatory complexities, Inadequate infrastructure, Seasonal business fluctuations, Impact of financial constraints on innovation.

Another research problem involves assessing the impact of financial constraints on entrepreneurial innovation in the state. This means looking at how financial constraints affect entrepreneurs' ability to scale operations, access new markets, attract talent, and invest in infrastructures and technology. By understanding the specific obstacles that impede innovation, interventions and strategies can be developed to foster more innovative business ecosystems in the state. By understanding the effects of financial constraints on growth and expansion, strategies can be developed for overcoming growth barriers and promoting sustainable business development in the state.

Examining the Impact of Policy and Support Mechanisms on the Financial Struggles of Entrepreneurs in Rajasthan: A research problem seeks to understand how current policies and support mechanisms are helping to mitigate the financial constraints faced by entrepreneurs in the state of Rajasthan. Examining the gaps and finding areas for improvement can help to design more targeted and effective strategies. Exploring the Differential Impact on Women Entrepreneurs, Rural Entrepreneurs, and Social Entrepreneurs: It is essential to understand the different financial challenges faced by different segments of women entrepreneurs in order to ensure inclusiveness and equitable support. Examining the specific financial challenges of women entrepreneurs and exploring tailor-made solutions to address their specific needs is a key part of this research problem.

(C) Hypothesis Testing

Null Hypothesis (H0): Financial challenges have no significant impact on entrepreneurial innovation and growth in Rajasthan.

Alternative Hypothesis (H1): Financial challenges have a significant impact on entrepreneurial innovation and growth in Rajasthan.

Null Hypothesis (H0): There is no relationship between access to finance and entrepreneurial innovation and growth in Rajasthan.

Alternative Hypothesis (H1): There is a positive relationship between access to finance and entrepreneurial innovation and growth in Rajasthan.

Null Hypothesis (H0): Financial literacy does not significantly influence entrepreneurial innovation and growth in Rajasthan.

Alternative Hypothesis (H1): Financial literacy has a positive influence on entrepreneurial innovation and growth in Rajasthan.

(D) Research Gap

From my previous research on entrepreneurship, it has come to my conclusion that in most of these studies, only the challenges and financial constraints of women entrepreneurs have been addressed.

However, this research explores the financial challenges and constraints of various types of entrepreneurs in the state of Rajasthan. This study will not only explore and highlight the challenges faced by entrepreneurs, but also provide suggestions and solutions on how to overcome these financial challenges while launching or running a startup in the state. Although research has been done in many parts of India, there is still a lack of research on

entrepreneurship in Rajasthan.

(E) Review of Literature

Rajasthan's entrepreneurial landscape has been the subject of several research papers. **(Jain & Jain, 2020)**, for example, found that there has been an increase in the number of entrepreneurs in the state, especially in tourist, handicraft, and IT sectors. However, they also found that there are obstacles to overcome, such as lack of access to finance, and regulatory barriers.

Lack of access to finance continues to be a major challenge for entrepreneurs in the state of Rajasthan as well as across the world. The importance of financial institutions for the promotion of entrepreneurship has been widely discussed in the literature such as the study of the role of the financial institutions in the promotion of entrepreneurship by the authors of the text entitled 'The Importance of Financial Institutions in the Development of Entrepreneurship' **J. V. and Begum, (2019)**.

In the State of Rajasthan SMEs often face difficulties in obtaining loans due to the high collateral requirements and the high interest rates. **(Rajput, 2018)**

The "innovation finance" framework presented by **Acs & Audretsch (2017)** emphasizes the need for adequate funding for innovation. In the state of Rajasthan, the lack of funds for research and development (R&D) can prevent the adoption of innovative technologies and business models.

Research conducted by **Dutta (2016) and Jain (2016)** shows that despite potential, many businesses in Rajasthan are facing growth challenges. These challenges include difficulties in expanding operations, entering new markets, and maintaining competitive edge. Financial constraints are a major factor in these growth challenges.

When it comes to funding, government policies can be a game-changer. For instance, the state government of Rajasthan launched the Startup Policy in 2015 with the aim of creating an environment conducive to the growth of startups by providing incentives and supporting mechanisms. According to **Kothari & Sharma (2015)**.

Microfinance institutions are becoming increasingly popular as a source of small loans for entrepreneurs, especially in rural areas. **(Jain, 2014)** Angel Investors and Venture Capital Networks can help fill the funding gap. **Kumar 2014**.

It's really important for businesses to have a good infrastructure if they want to grow. **In 2014(Singhal and Chaudhary)** a study was done that showed how important it is for businesses to have good infrastructure, both in terms of physical and digital, in order to be able

to access markets, especially in the more remote parts of the country.

Lack of access to finance is one of the main barriers to business innovation in the state of Rajasthan, according to a study by (**Patel & Sreekumar, 2013**). The researchers found that entrepreneurs often struggle to get seed funding for their ideas, resulting in a lack of investment in R&D. This lack of investment can impede the development of innovative products and technologies.

In Gupta and Sharma's (2012) study, "The Impact of Financial Congestion on SME Growth in the State of Rajasthan," they found that SMEs with less access to finance experienced slower growth than those with more access to finance. This was largely due to regulatory barriers and high rates of interest on loans, which impeded entrepreneurs' growth plans.

The role of government policies and initiatives in alleviating financial difficulties is significant. In 2011, the authors of the study "The Impact of Government-Supported Entrepreneurship Programs in the State of Rajasthan" (**Singh & Agarwal, 2011**) found that "regions with higher levels of government support, including subsidies and training programmes, demonstrated higher rates of business growth and innovation."

The role of alternative funding mechanisms for entrepreneurs in the region has been extensively studied by researchers such as **Khan (2010) and Rathore (2010)**. In their research, they found that alternative funding mechanisms such as angel investors and venture capital have been instrumental in providing capital for startups with innovative ideas in the state of Rajasthan.

Infrastructure and market access are essential for business growth. (**Jain and Sharma, 2009**), showed how the lack of physical infrastructure in certain parts of Rajasthan limits the reach of entrepreneurs. Improving infrastructure and connectivity had a positive effect on business growth and market.

Microfinance institutions play a key role in helping entrepreneurs overcome the financial difficulties they face, especially in rural areas in Rajasthan, according to a (**2008 study by Mittal and Mathur**). Microfinance provides access to capital for people who may not otherwise have access to it, thus supporting the growth of businesses in underprivileged areas.

(F) Research Methodology

a. Research Design:

This research adopts a mixed-methods approach, combining both qualitative and quantitative research methods. This allows for a comprehensive understanding of the financial challenges faced by entrepreneurs.

b. Data Collection Methods

Both primary and secondary sources is used to collect the data.

Primary Data -is collected through methods such as interviews, surveys, and questionnaires. In-depth interviews with entrepreneurs provide deep insight into their experiences, strategies and coping mechanisms related to financial challenges. Google Form Questionaries is used to collect the data from various entrepreneurs of different sectors. This can be distributed to a representative sample of entrepreneurs to gather data on specific financial challenges.

Section A consists of demographic profile of respondents, which include name, age, gender, geographic location educational background etc. and Section B consist of questions on various financial challenges faced by the entrepreneurs in operating the firm effectively.

Secondary Data: Secondary data is collected from existing literature, journals, reports, and databases to supplement and contextualize the primary data.

Scope of Study- The present study is conducted in four cities of Rajasthan which includes Jaipur, Udaipur, Jodhpur and Kota.

II. SAMPLING TECHNIQUE

Sampling Unit: - Four Cities of Rajasthan

CITY	RESPONDENTS
Jaipur	80
Udaipur	20
Kota	30
Jodhpur	30

Sample Size: - 160 units

Sampling Method:

Stratified Random Sampling -The study aims to investigate a large population of entrepreneurs, for which stratified random sampling is used. The population can be stratified on the basis of industry, revenue, experience geographic location and many factors to ensure that diverse segments are represented.

Purposive Sampling-Purposive sampling can be used to select specific entrepreneurs experiencing significant financial challenges. This method is used to examine their experiences

and perspectives in detail. Selection criteria may include entrepreneurs who have difficulty raising capital or managing cash flow or facing financial challenges in operating the firm effectively.

Sampling Size: The information on entrepreneurs is collected from 160 entrepreneurs of four cities of Rajasthan. The study aims to focus on the entrepreneurs from variety of sectors and industries.

III. DATA COLLECTED FROM THE RESPONDENTS

(A) Demographic analysis of respondents

PARTICULARS	VARIABLES	RESPONDENTS	PERCENTAGE
Age	18-24	2	1.25%
	25-34	64	40%
	35-44	66	41%
	45-55	24	15%
	Above 55	4	3%
Gender	Male	142	88.80%
	Female	18	11.30%
Education Qualifications	High school or equivalent	25	15%
	Bachelor's degree	60	32%
	Master's degree	56	48%
	Doctoral degree	14	11%
	Illiterate	5	2.50%
Years of Entrepreneurial Experience	Less than 1 year	4	3%
	1-3 years	53	34%
	4-6 years	75	47%
	6-10 years	21	13.20%
	More than 10 years	7	4.50%

Business Startups	Manufacturing Business	14	8.75%
	Online Traditional Jewelry Store	5	3.13%
	Fast-Food Restaurant and Catering Services	16	10%
	Travel and Tourism	10	6.25%
	Food and Beverage (Online Grocery, Vegetables, Fruits & Bakery items)	24	15.00%
	Skincare Brand, Cosmetics	15	9.37%
	Finance Services	10	6.25%
	Furniture, Home Décor	12	7.50%
	E-Commerce Fashion store	18	11.25%
	Electronics, Home& Kitchen, mobiles& Tablet	17	11%
	Education (Advertising)	11	7%
	Agriculture Business	6	3.75%
Motivation to Start Business	Freedom and Passion	55	34.37%
	Tradition	32	20.00%
	Self-Confident and Independent	53	33.75%
	Financially Strong	20	12.50%
Hours Spent on Business	Up to 4 Hours	38	23.75%
	4-8 Hours	51	31.87%
	8-12 Hours	52	32.50%
	12 Hours	19	12.00%
Lack Of Education Adversely Affects Entrepreneurship	YES	85	53.12%
	NO	75	46.87%
Qualities of an	Self Confidence	28	17.50%

Entrepreneur	Wide Knowledge	33	20.62%
	Risk Management	30	18.75%
	Finance Management	40	25.00%
	Decision Making ability	29	18.12%
Strength of the respondent	Business Focus	48	30.00%
	Creative Thinker	36	22.50%
	Self-confidence	28	17.50%
	Knowledge Seeker	48	30.00%
Weakness of the respondent	Lack of management skills	42	26.12%
	Lack of Knowledge and training	45	28.12%
	Lack of entrepreneurial skills	33	20.62%
	Fear of failure	40	25.00%
Ownership	Self-Owned	78	48.75%
	Partnership	48	30.00%
	Joint Venture	34	21.25%
Annual Revenue of Business	Less than 10,00,000	14	8.90%
	10,,00,000- 20,00,000	15	10%
	20,00,000-40,00,000	21	4%
	40,00,000-60,00,000	32	18%
	60,00,000- 80,00,000	34	21.70%
	80,00,000 - 1,00,00,000	38	20.40%
	More than 1,00,00,000	6	3.80%
Business Size (number of employees):	Sole proprietor	12	7.50%
	10-20 employees	39	24.40%
	20-50 employees	63	39.40%

	50-100 employees	40	31.30%
	More than 100 employees	6	3.80%
Main Reason to start a Business	To Support family Earning	33	20.60%
	Social Recognition	40	25%
	Independent/ Self Confident	78	48.80%
	Improve social and family status	73	45.60%
	Financial Need	55	34.40%
	Less Interest in Job	34	21.30%
	Previous Work Experience or Knowledge	46	28.70%
	Family Business	13	8.10%
	Difficulty in securing initial funding	62	38.80%
Common financial challenge faced by entrepreneurs?	Limited access to credit lines	59	36.90%
	Cash flow management issues	76	47.50%
	Financial difficulties	57	57.00%
	Means of Production	46	28.70%
	Labor related problems	28	20.00%
	Challenges with raw material	32	9.40%
	Legal /regulatory conditions	15	6.90%
	Market Conditions	11	3.80%
	Other Problems	6	3.80%
Primary reason for financial challenges among entrepreneurs?	Lack of sales	47	29.40%
	High operating expenses	65	40.60%
	Slow-paying customers	69	43.10%
	Market Competition	88	55%
	Inaccurate financial forecasting	54	33.80%
	Lack of sufficient finance	23	14.40%

What is the main reason given by financial institutions for rejecting loan applications from entrepreneurs?	Insufficient collateral	86	53.80%
	Poor credit history	84	52.80%
	Lack of business experience	100	62.50%
	Inadequate business plan	39	24.40%
	Other	2	1.30%
Which of the following is the most common source of funding for entrepreneurs?	Personal savings	76	47.50%
	Bank loans	98	61.30%
	Government grants	91	56.90%
	Angel investors	39	26.30%
	Venture capital	39	24.40%
	Crowdfunding	12	7.50%
	Other	1	0.60%
What percentage of entrepreneurs struggle to access loans or credit lines from financial institutions?	Less than 25%	53	33.10%
	25-50%	55	34.40%
	50-75%	45	28.10%
	More than 75%	7	4.40%
How do you handle financial emergencies or unexpected expenses in your business?	Using a contingency fund	79	49.40%
	Seeking short-term loans	98	61.30%
	Negotiating with suppliers or creditors	90	56.30%
	Cutting costs and expenses	57	35.60%
	Others	9	5.60%
Do you see many entrepreneurial opportunities for women in Rajasthan?	YES	140	88.10%
	NO	20	12.50%

Improving your business startups	Attending seminars or workshops	36	38.80%
	Reading books or publications	40	38.80%
	Consulting with financial professionals	102	63.70%
	Networking with other entrepreneurs	40	48.80%
What percentage of entrepreneur's face challenges in managing cash flow?	Less than 25%	60	37.50%
	25-50%	43	26.90%
	50-75%	43	26.90%
	More than 75%	14	8.80%
How many entrepreneurs find it challenging to set and maintain a budget for their business?	Less than 25%	60	37.50%
	25-50%	36	22.50%
	50-75%	41	25.60%
	More than 75%	23	14.40%
How many entrepreneurs have faced challenges due to government regulations or policies?	Less than 25%	61	38.10%
	25-50%	32	20%
	50-75%	54	33.80%
	More than 75%	13	8.10%

(B) Data analysis and interpretations

a. Main challenges faced by the entrepreneurs

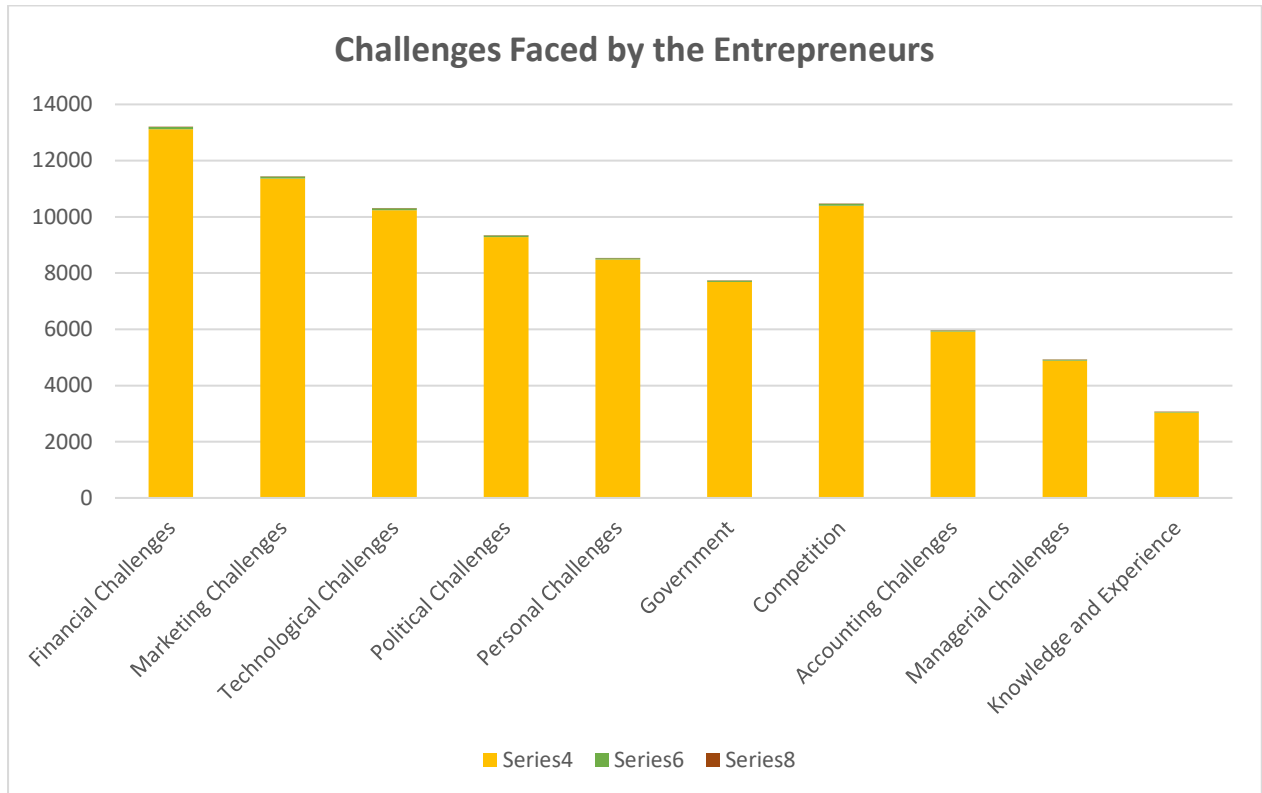
S.NO	Particulars	I	II	III	IV	V	VI	VII	VIII	IX	X	TOTAL
I	Financial Challenges	13	18	20	16	20	22	14	8	11	18	160
II	Marketing Challenges	16	14	12	18	20	18	25	20	10	7	160
III	Technological	15	20	25	15	10	11	14	13	18	19	160

	Challenges											
IV	Political Challenges	15	20	18	10	15	20	16	15	16	15	160
V	Personal Challenges	16	20	21	19	22	11	10	16	11	14	160
VI	Government	15	17	10	16	20	15	20	18	19	10	160
VII	Competition	15	14	16	17	20	14	19	13	16	16	160
VIII	Accounting Challenges	20	15	17	20	17	16	12	15	13	15	160
IX	Managerial Challenges	20	19	19	12	16	15	14	12	18	15	160
X	Knowledge and Experience	18	15	18	19	17	18	11	20	11	13	160

S. NO	100(Rij-0.5)/Nj	CUMULATIVE VALUE	GARRETT VALUE
1	100(1-0.5)/Nj	5	82
2	100(2-0.5)/Nj	15	71
3	100(3-0.5)/Nj	25	64
4	100(4-0.5)/Nj	35	58
5	100(5-0.5)/Nj	45	53
6	100(6-0.5)/Nj	55	48
7	100(7-0.5)/Nj	65	43
8	100(8-0.5)/Nj	75	37
9	100(9-0.5)/Nj	85	30
10	100(10-0.5)/Nj	95	19

S.NO	Particulars	I	II	III	IV	V	VI	VII	VIII	IX	X	TOTAL
I	Financial Challenges	1066	1476	1640	1312	1640	1804	1148	656	902	1476	13120
II	Marketing Challenges	1136	994	852	1278	1420	1278	1775	1420	710	497	11360
III	Technological Challenges	960	1280	1600	960	640	704	896	832	1152	1216	10240
IV	Political Challenges	870	1160	1044	580	870	1160	928	870	928	870	9280
V	Personal Challenges	848	1060	1113	1007	1166	583	530	848	583	742	8480
VI	Government	720	816	480	768	960	720	960	864	912	480	7680
VII	Competition	975	910	1040	1105	1300	910	1235	845	1040	1040	10400
VIII	Accounting Challenges	740	555	629	740	629	592	444	555	481	555	5920
IX	Managerial Challenges	600	570	570	444	480	450	420	360	540	450	4884
X	Knowledge and Experience	342	285	342	361	323	342	209	380	209	247	3040
	MEAN	825.7	910.6	931	855.5	942.8	854.3	854.5	763	745.7	757.3	8440.4

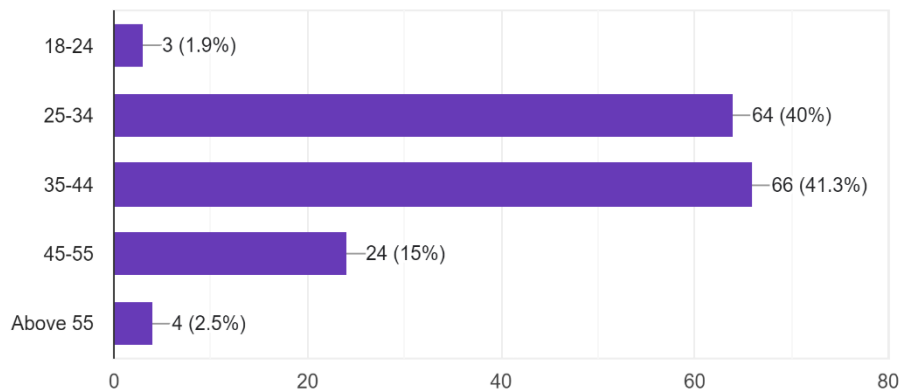
S.NO	PARTICULARS	GARRETT VALUE	AVERAGE SCORE	RANK
1	Financial Challenges	13120	82	1
2	Marketing Challenges	11360	71	2
3	Technological Challenges	10240	64	4
4	Political Challenges	9280	58	5
5	Personal Challenges	8480	53	6
6	Government	7680	48	7
7	Competition	10400	65	3
8	Accounting Challenges	5920	37	8
9	Managerial Challenges	4884	31	9
10	Knowledge and Experience	3040	19	10



Source: Survey Data

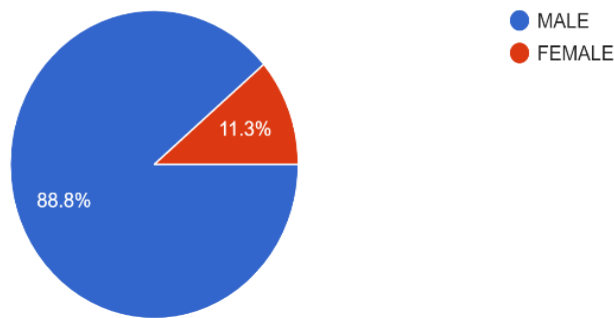
Age of the respondent:-

160 responses

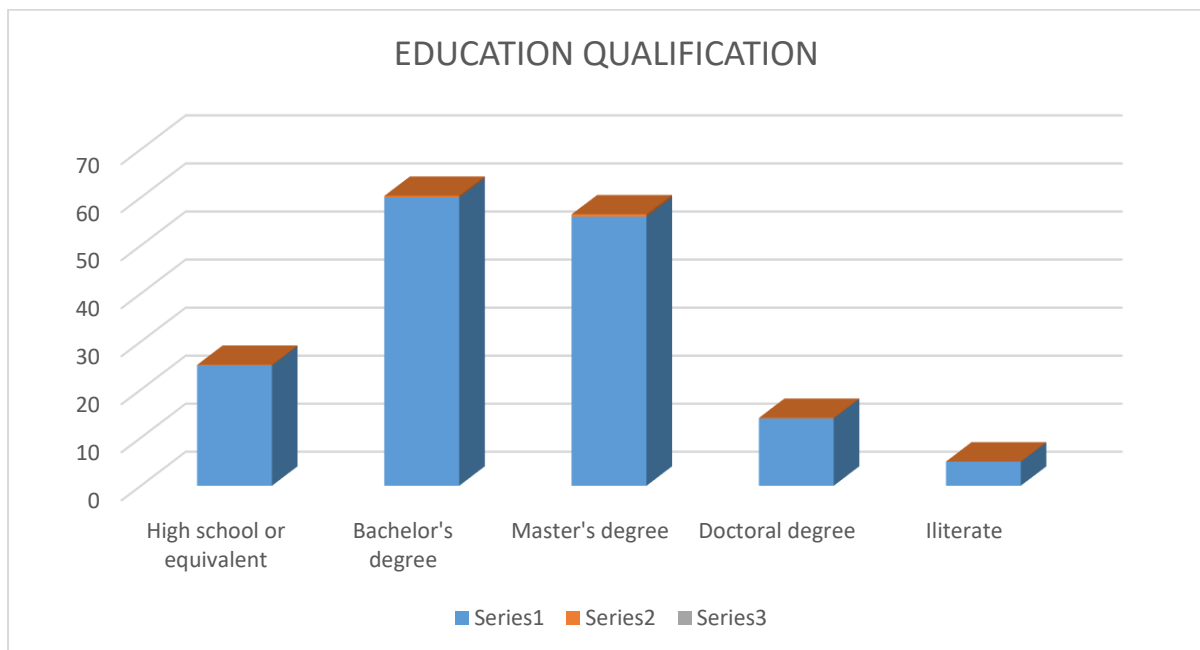


The above table NO. 1 reveals that Demographic profile of the respondents. Out of 160 respondents, 1.25 % (n=2) of the respondents belongs to the age group between 18-24, 40%(n=64) belongs to 25-34 years age group, 41 % (n=66) belongs to 35-44 years and 15%(n=24) belongs to 45-55 years age group, and 3% (n=4) belongs to above 55 years of age group.

Gender
160 responses

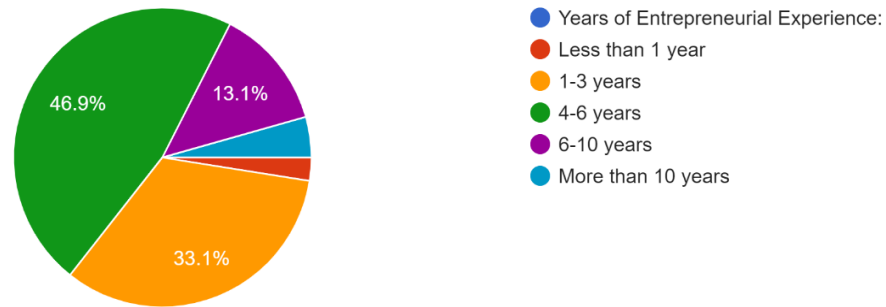


According to the data, out of 160 respondents, 88.80%, (n=142) are male respondents and 11.30% (n=18) are female respondents.

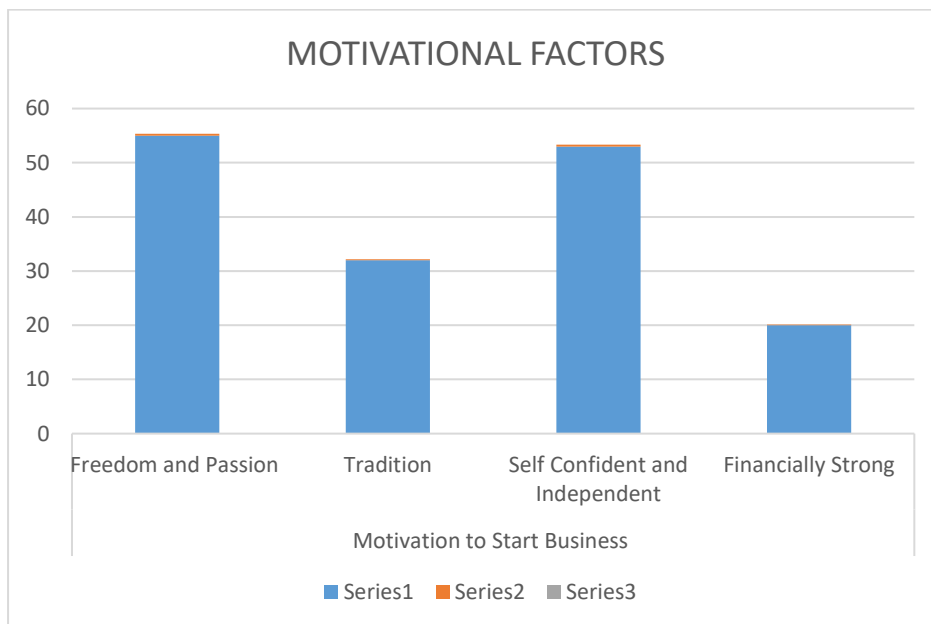


According to the data about the education qualifications of the respondents, 15% (n=25) belongs to High school or equivalent, 32%, (n= 60) have completed their bachelor's degree, 48% (n= 56) have completed their master's degree, 11%, (n= 14) belongs to the doctoral degree, and 2.50 % (n=5) are illiterate.

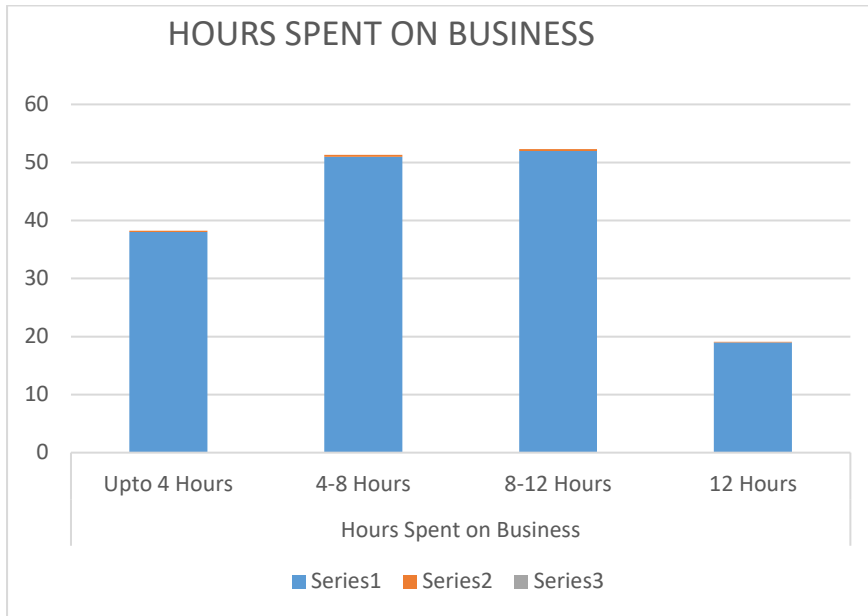
160 responses



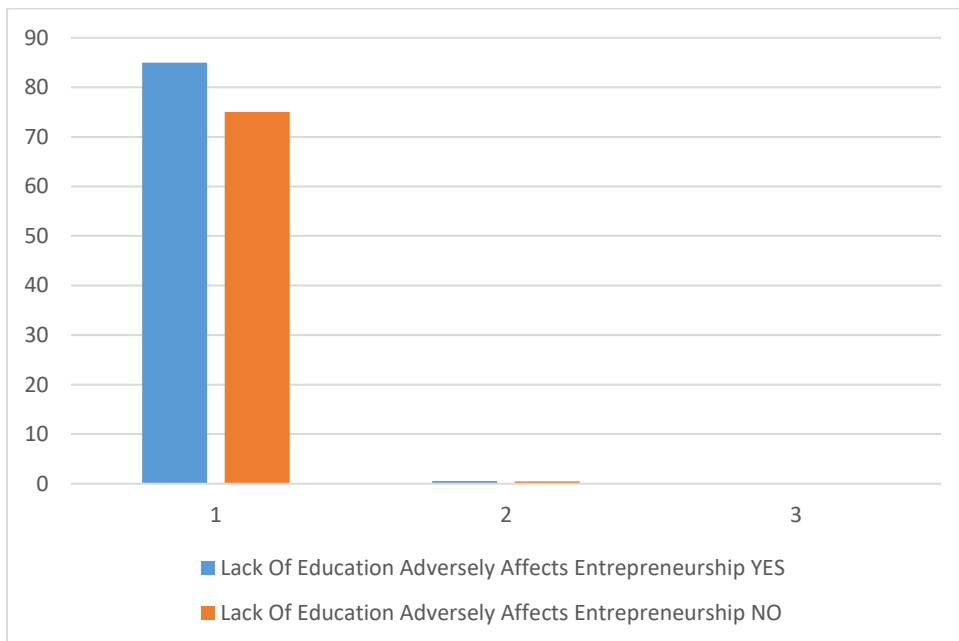
According to the data 3% (n=4) entrepreneurs have experience of less than one year, 34% (n=53) have an experience of (1-3) years, 47%, (n=75) have a experience of (4-6) years, 13.20%, (n= 21) have an experience of 6-10 years, 4.50% (n= 7) have a experience of more than 10 years.



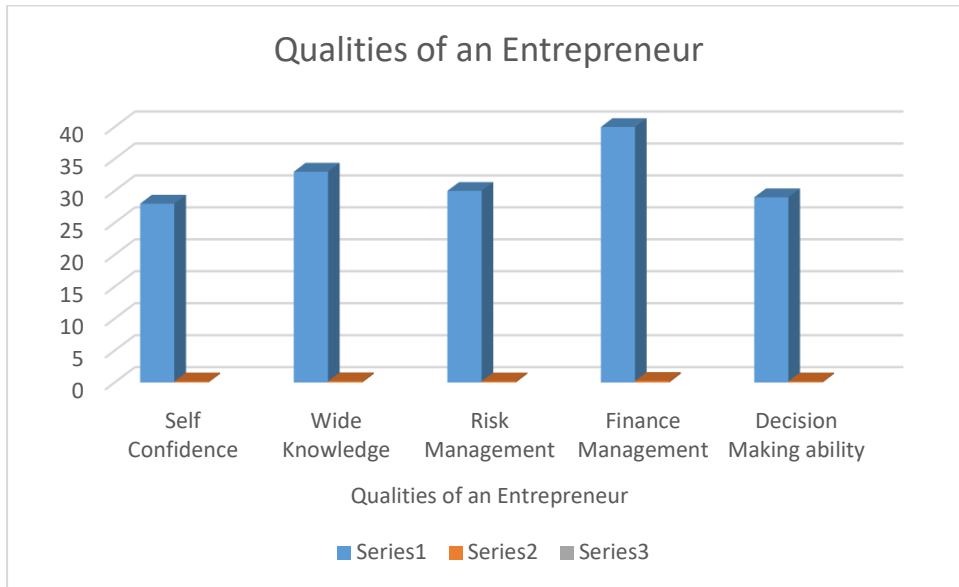
According to the data 35%, (n=55) of the entrepreneurs think that freedom and passion is the best motivation to start a business startup, 20% (n= 32) think that due to the traditional business they start their business startup, 33.75% (n= 53) to be self-confident and independent is the motivation to start a business startup, 12.50%, (n=20) of entrepreneurs think that to be financially strong is the best motivation to start a business startup.



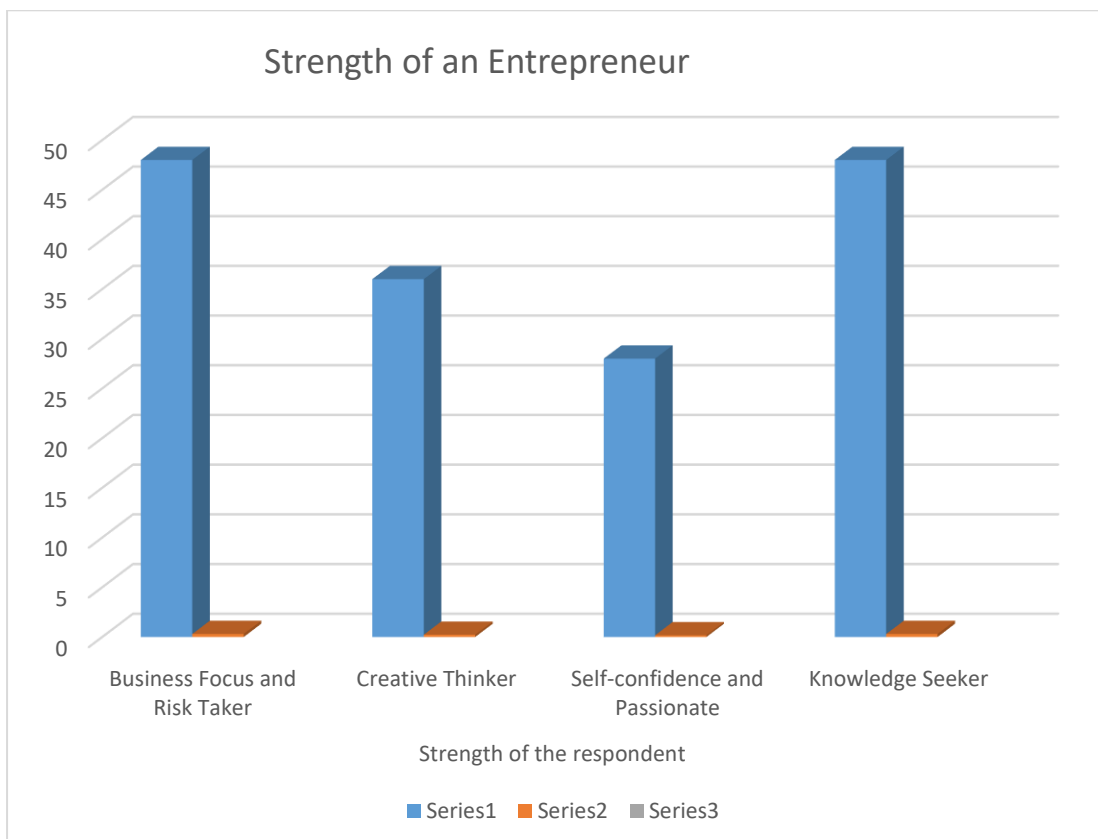
According to the data 23.75%, (n=38) respondents spend up to 4 hours on a business, 31.87%, (n=51) respondent spend 4-8 hours on a business, 32.50%, (n=52) spend 8-12 hours on a business, 12%(n=19) spend more than 12 hours on a business



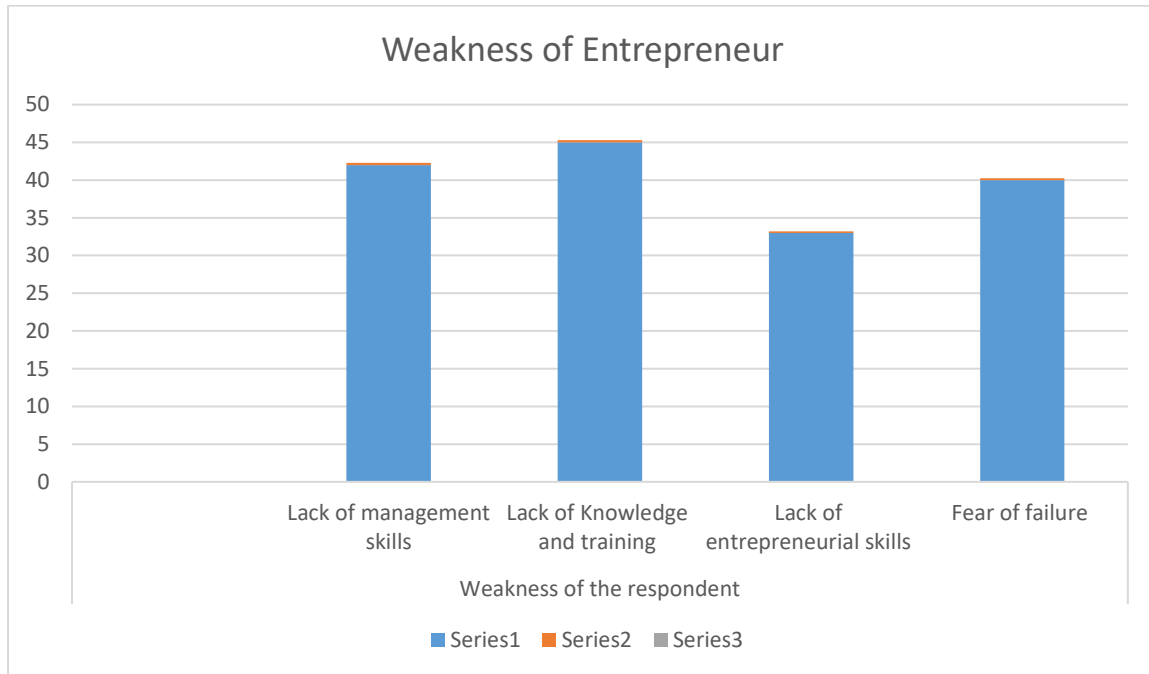
According to the data 53%, (n=85) respondents believe that lack of education adversely affects entrepreneurial activities and 46.87%, (n=75) respondent believe that lack of education does not impact entrepreneurial activities



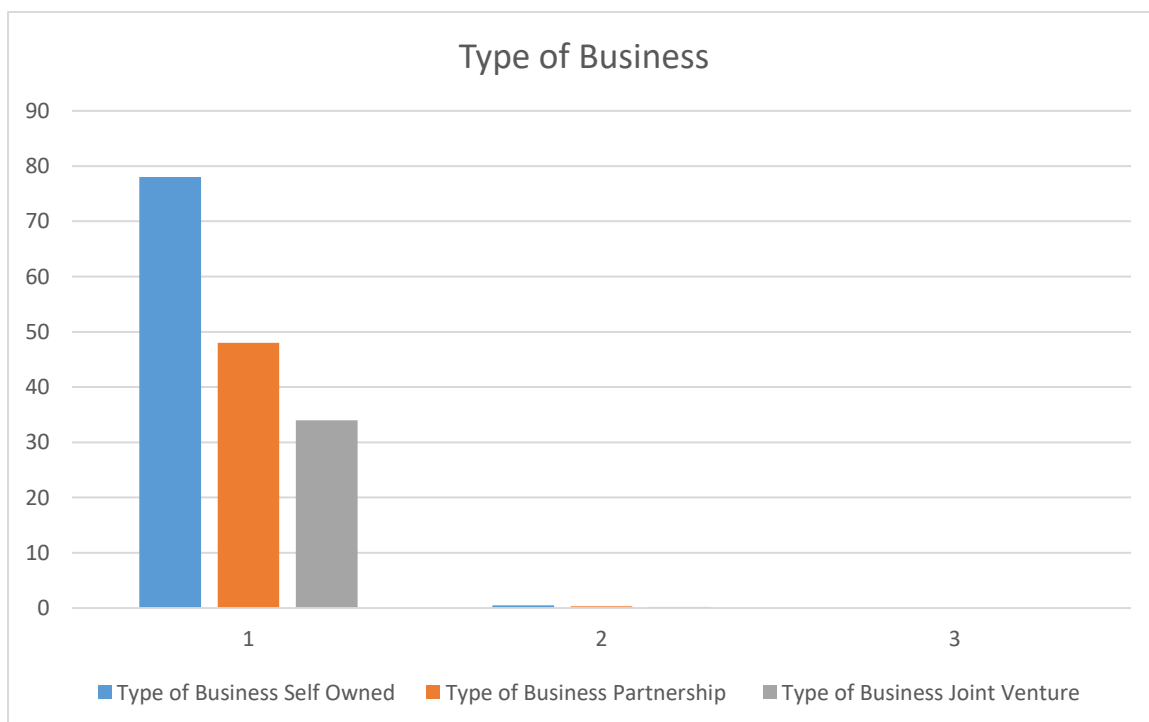
According to the data 25%,(n=40) respondents believe that managing finance for the business is the required quality in every business entrepreneur,20.62% (n=33) respondents believe that wide knowledge of business is the required qualities of an entrepreneurs, 18.75% (n=30) respondents believe that risk management is the required ability for a business, 18.12%, (n=29) respondents believe that decision making ability is the required qualities of an entrepreneur, 17.50%,(n=28) believe that self confidence is the required quality of an entrepreneur to operate a business startup.



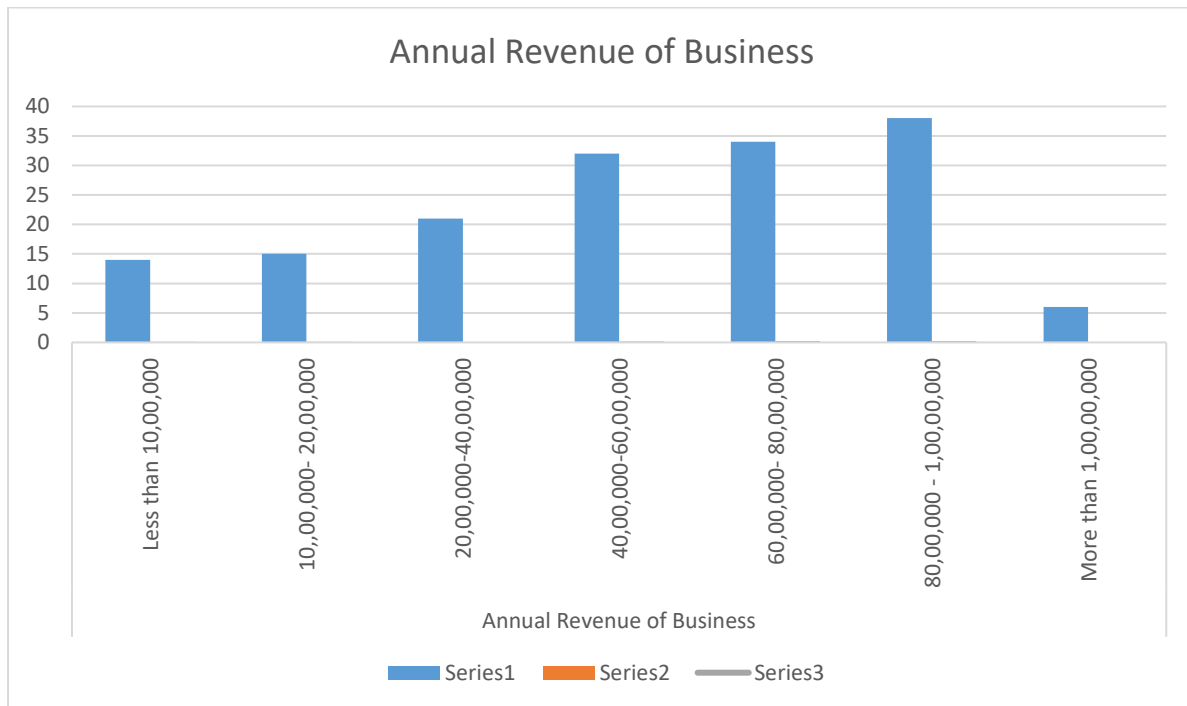
According to the data, 30%, (n=48) believe that Business focus and Risk taker should be the main strength of a business entrepreneur, 22.50%, (n=36) believe that creative and innovating thinking should be the strength of an entrepreneur, 17.50% (n=28) think that self confidence and passionate should be the strength of an entrepreneur.



According to the data 28.12% (n=45) thinks that lack of knowledge and training is the weakness of the respondent, 26.12%, (n=42) think that lack of management skills is the weakness of an respondent, 25%,(n=40) believe that fear of failure is the weakness of an respondent, 20.62%,(n=33), think that lack of entrepreneurial skills is the weakness of the entrepreneur.



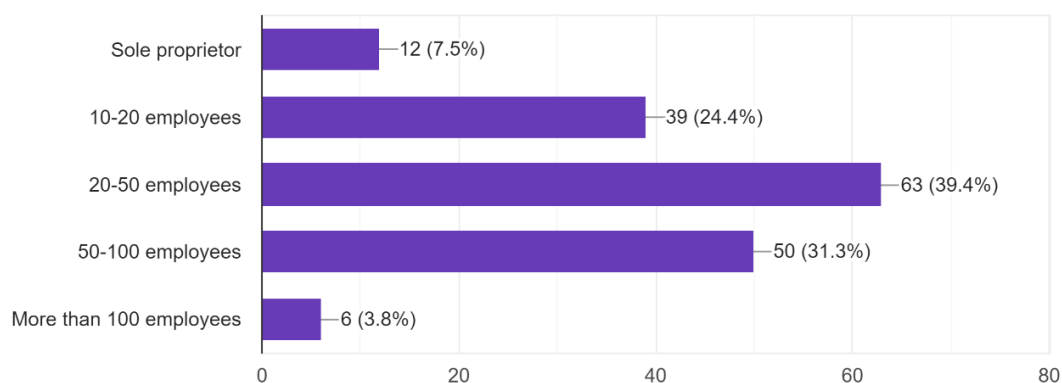
According to the data 48.75%, (n=78) respondents have their self-owned business, 30% (n=48) respondents run their partnership business, 21.25%, (n=34) respondents belongs to the joint venture business.



According to the data 8.90%, (n=14) respondents have the annual revenue less than 10,00,000 10%,(n=15) exists between 10,00,000 - 20,00,000, 13.12% (n=21)respondents have the annual revenue exists between 20,00,000-40,00,000, 18%,(n=32) respondents have the annual revenue exists between 40,00,000-60,00,000, 21.70% (n=34) respondents have the annual revenue exists between 60,00,000-80,00,000, 20.40%,(n=38) respondents have the annual revenue exists between 80,00,000-1,00,00,000, 3.80%,(n=6) respondents have the annual revenue more than1,00,00,000.

Business Size (number of employees):

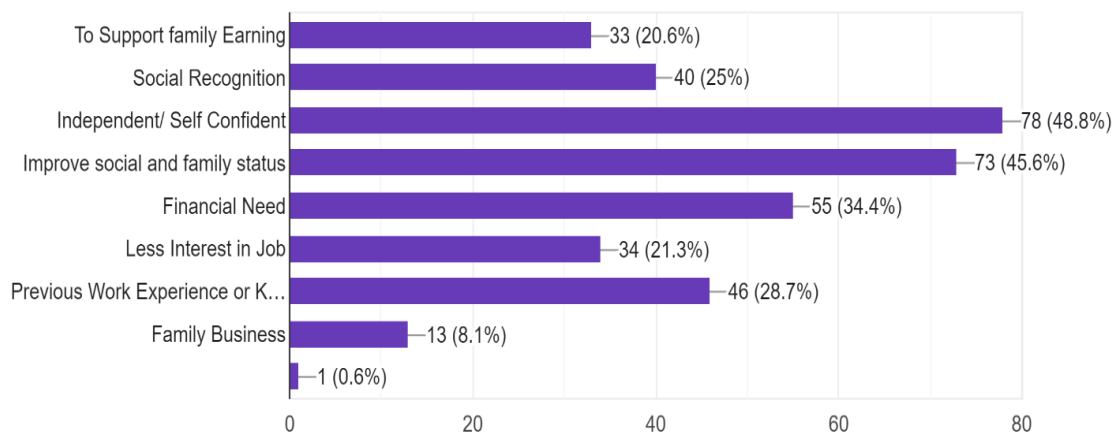
160 responses



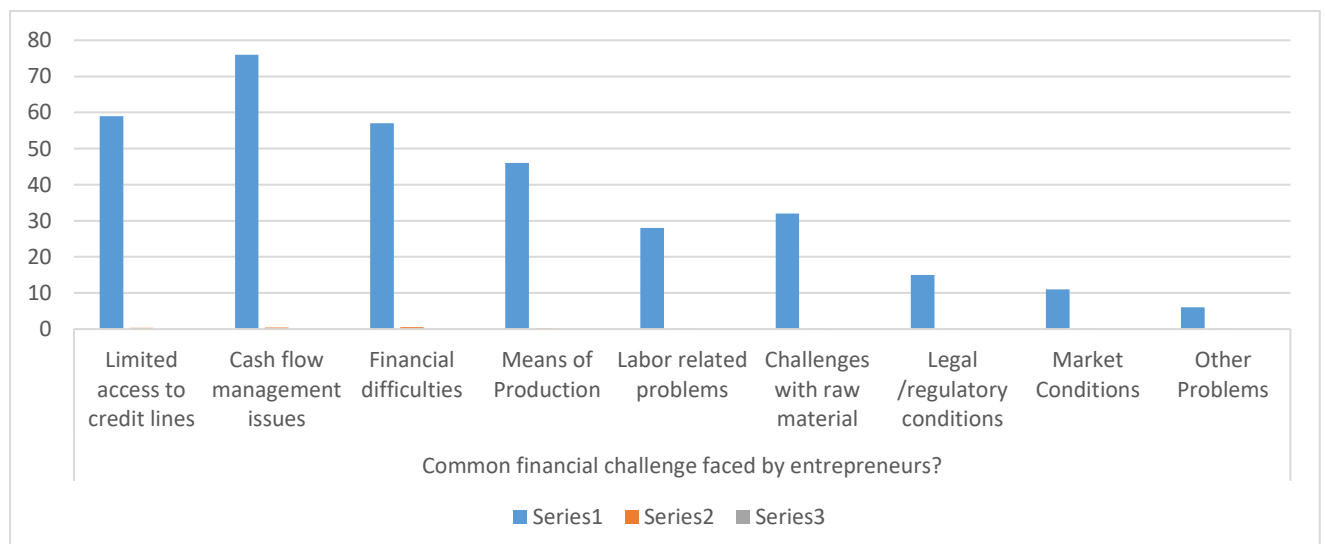
According to the data 7.5%, (n=12) respondents are sole proprietor of the business, 24.4%, (n=39) respondents have 10-20 business employees, 39.40%, (n=63) respondents have 20-50 employees, 31.30%, (n=40) respondents have 50-100 employees, 3.80%, (n=6) respondents have more than 100 employees.

4 What was the main reason behind your decision to start this enterprise?

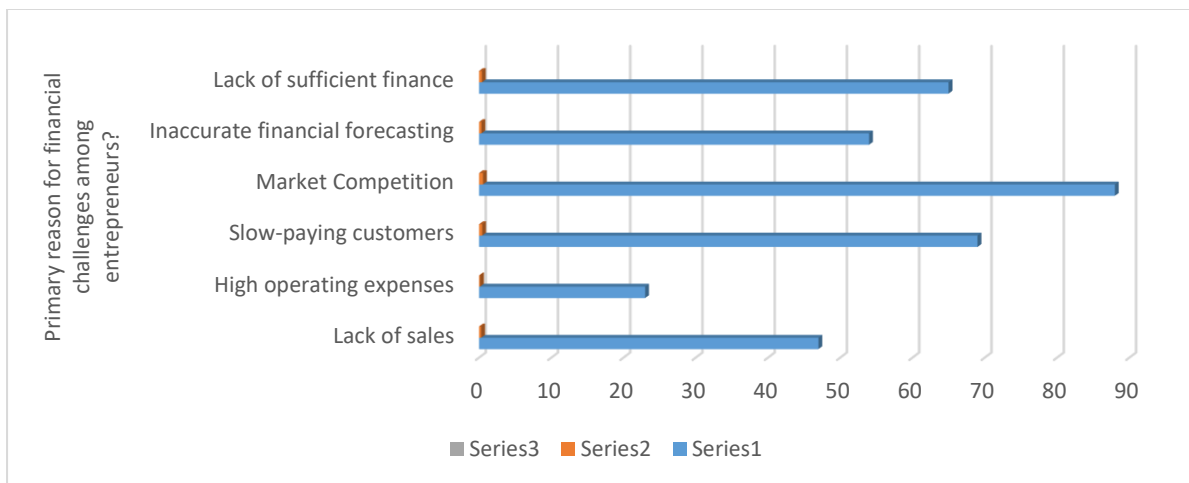
160 responses



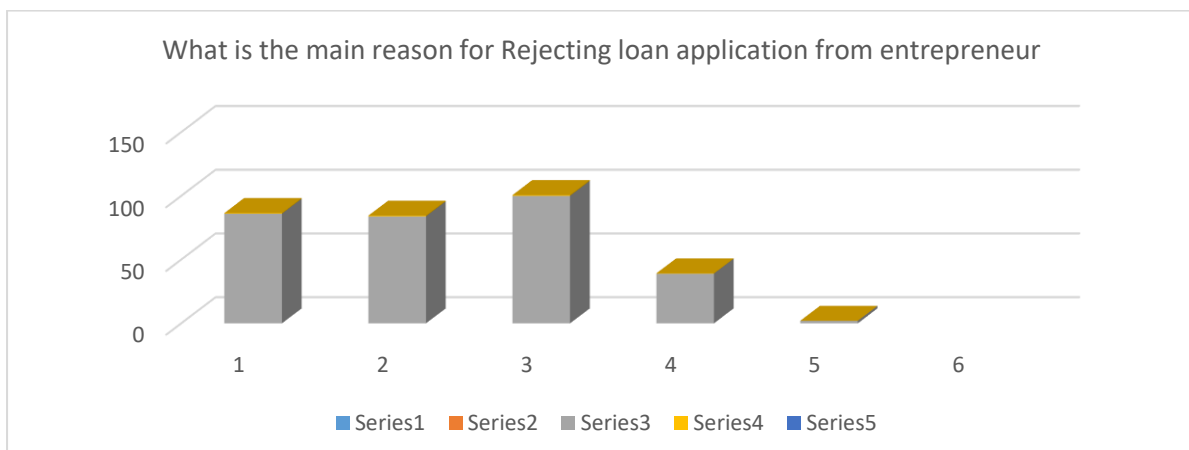
According to the data 20.60% (n=33) respondent thinks that to support family earning is the main reason to start a business 25% (n= 40) thinks that social recognition is the main reason to start a business and 48.80% (n=78)thinks that to be independent and self-confident is the main reason to start a business 45.6% (n= 73) respondent thinks that to improve social and family status is the main reason to start a business 34.40% (n=55) thinks that financial need is the main reason to start a business 21.3% (n= 34) things that less interest in job is the main reason to start a business 28.7% (n= 46) thinks that previous work experience or knowledge is the main reason to start a business 8.10% (n = 13) thinks that to have a family business is the main reason to start a new business startup



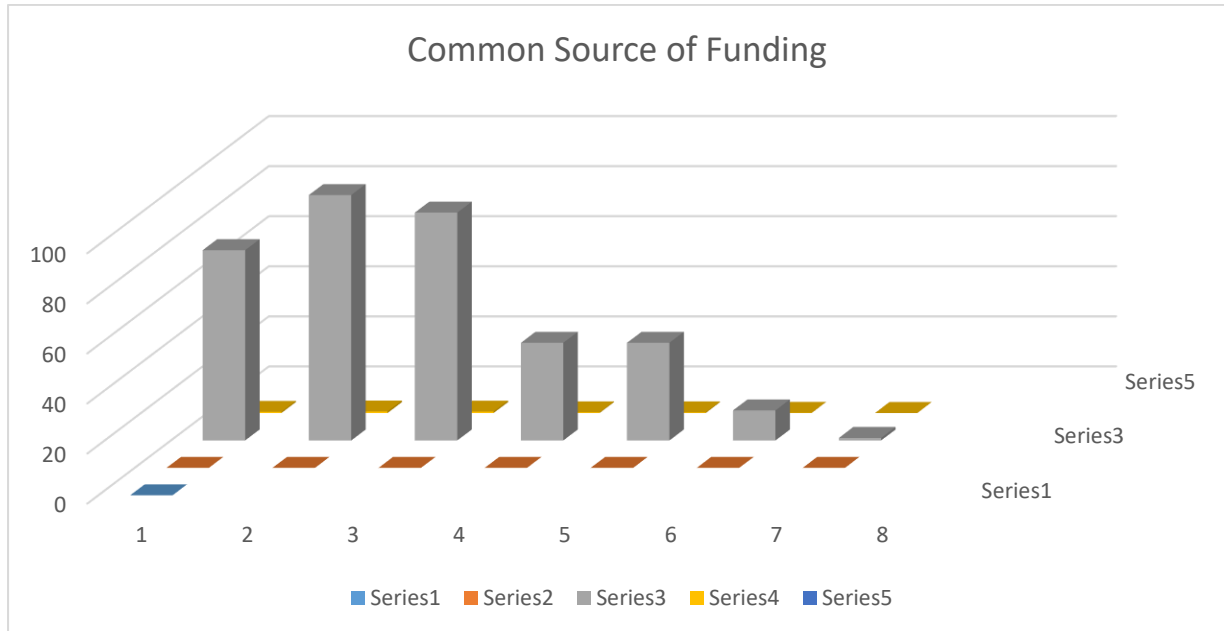
According to the data 37% (n=59) thinks that limited access to credit lines is the common financial challenge faced by the entrepreneurs 47.5% (n=76) thinks that cash flow management issues is the common financial challenge 57% (n=57) thinks that financial difficulties is the common financial challenge 28.7% (n= 46) thinks that means of production is the common financial challenge 20%(n=28) thinks that labor related problem is the common financial challenge 9.4% (n= 32) thinks that challenges with the raw material is a common financial challenge, 7% (n=15)thinks that legal and regulatory conditions of an economy is the common financial challenge 3.80% (n=11) thinks that market condition is the common financial challenge, 3.80% (n=6) thinks that there is some other common financial challenges also which are faced by the entrepreneurs.



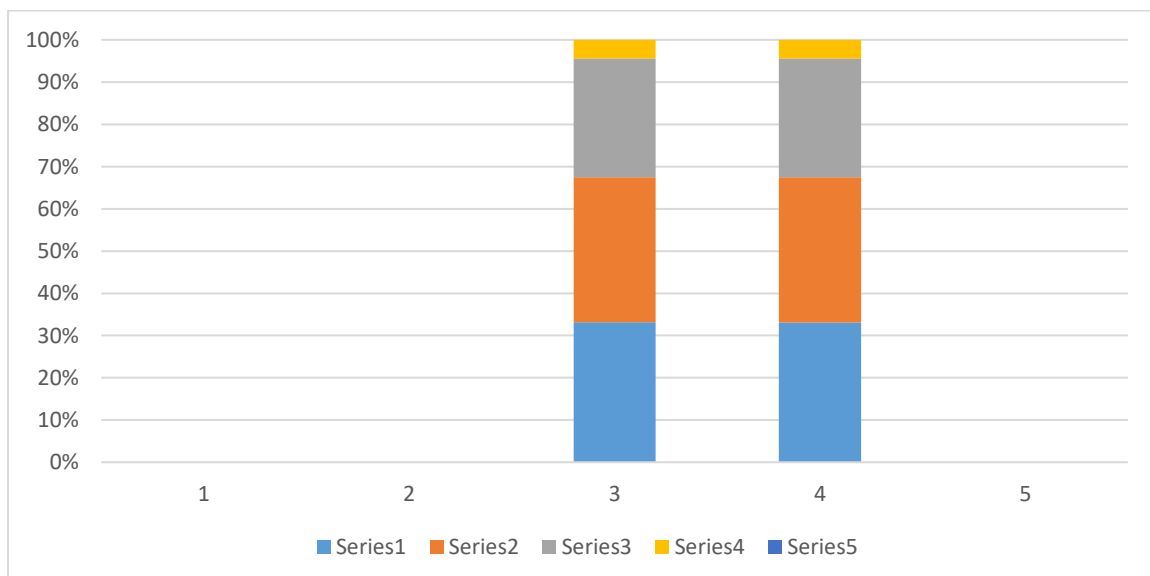
According to the data 29.40% (n=47) thinks that lack of sales is the primary reason for financial challenges, 14.40% (n=23) thinks that high operating expenses thinks that primary reason for financial challenges, 43.10% (n=69) slow paying customers is the primary financial challenges, 55%,(n=88) market competition is the primary financial challenges , 33.80%,(n=54) thinks that inaccurate financial forecasting is the primary financial challenge, 40.60% (n=65) lack of sufficient finance is the primary financial challenge faced by the entrepreneur.



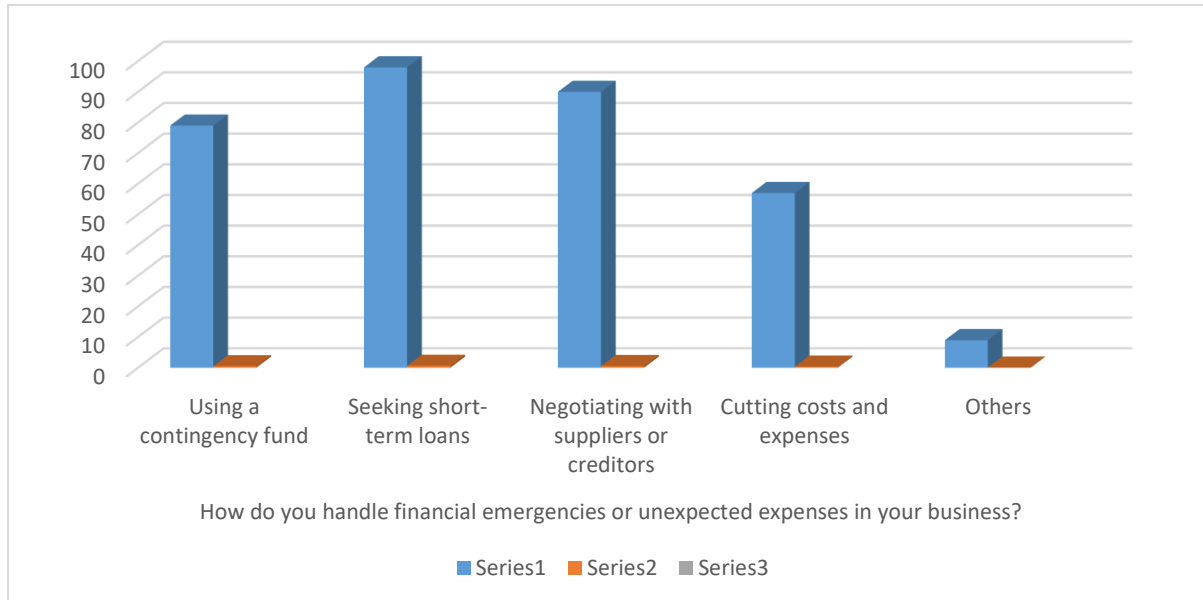
According to the data 53.80%, (n=86) insufficient collateral is the main reason for rejecting loan application, 52.80%(n=84) poor credit history is the main reason for rejecting loan application, 62.50% (n=100) is the main reason for rejecting loan application, 24.40% (n=39) is the main reason for rejecting loan application,1.30% (n=2) thinks that there may be some other reason for rejecting loan applications.



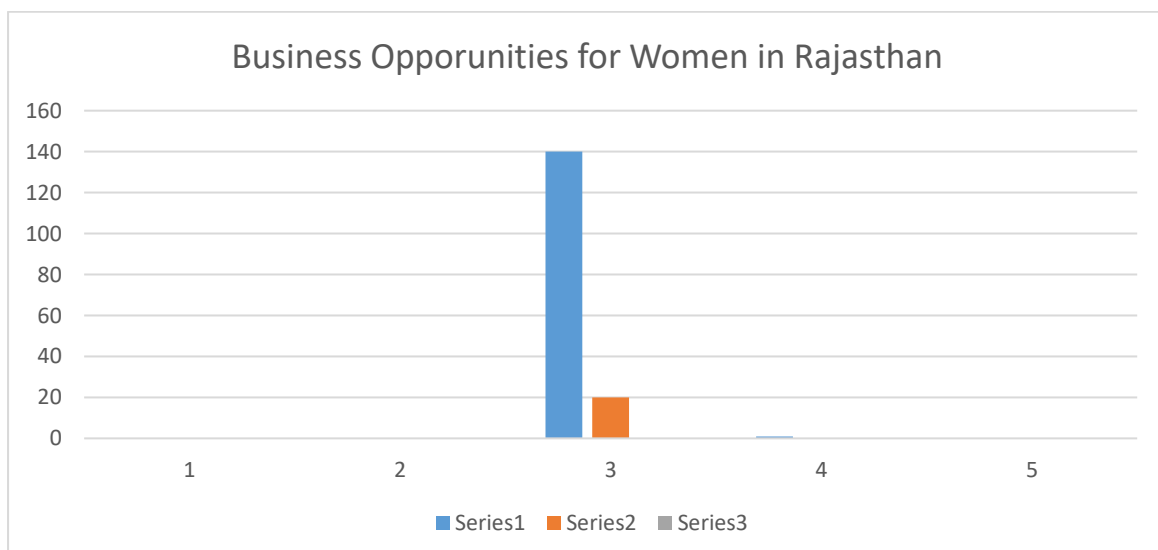
According to the data 47.50% (n=76) thinks that personal saving is the most common source of funding for entrepreneur, 61.30%(n=98) thinks that bank loans is the most common source of funding ,56.90% (n=91) thinks that government grants is the most common source of funding, 26.30% (n=39) angel investors is the common source of funding, 24.40%(n=39) venture capital is the most common source of funding, 7.50% (n=12) thinks that crowdfunding is the most common source of funding, 0.60%(n=1) is the most common source of funding.



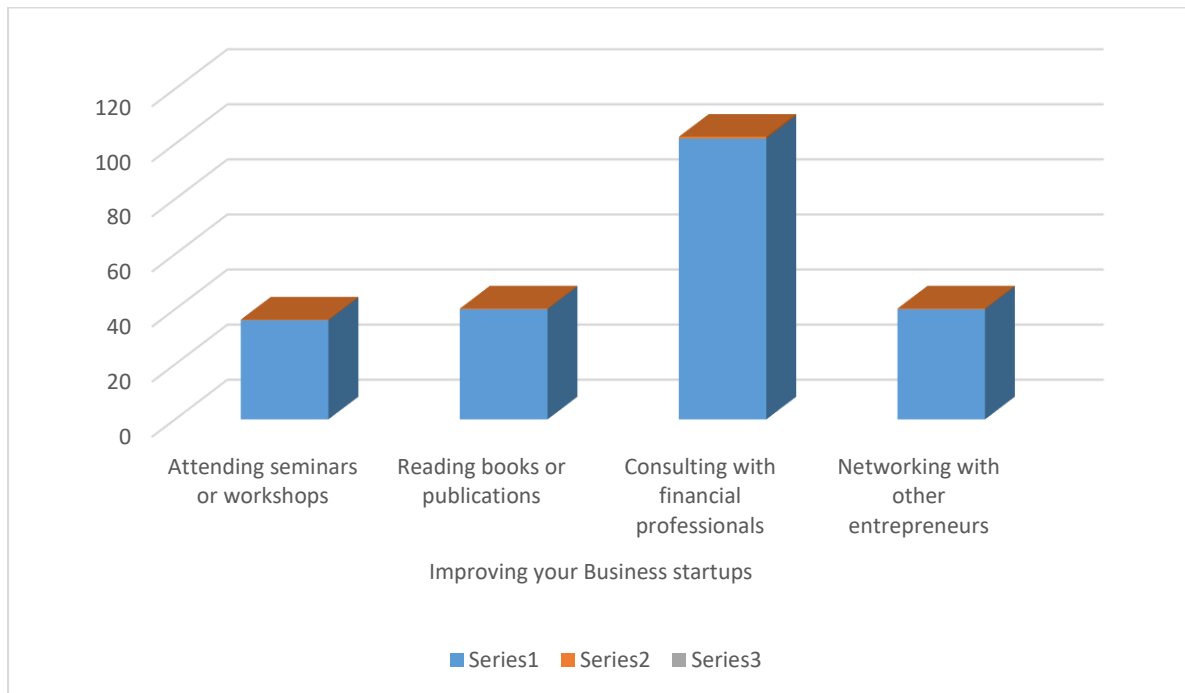
According to the data 33.10%(n=53) thinks that less than 25% entrepreneurs suffer struggle to access loans or credit, 34.40%(n=55) entrepreneurs thinks that 25-50% struggle to access loans or credit, 28%, (n=45) thinks that 50-75% entrepreneurs struggle to access loans or credit, 4.40%(n=7) thinks that more than 75% struggles to access loans or credit lines from financial institutions.



According to the data 49.40% (n=79) respondents thinks that using a contingency fund is the main source to handle a financial emergencies, 63.30%(n=98) thinks that seeking a short term loans, is the main source to handle financial emergencies, 56.30%(n=90) thinks that negotiating with suppliers or creditors is the source to handle financial emergencies, 35.6% (n=57) thinks that to cut the cost and expenses is the source to handle financial emergencies, 5.6% (n=9) thinks that there is some other sources also to handle financial emergencies or unexpected expenses.



According to the data 88.14%(n=140) thinks that there are many entrepreneurial opportunities for women in Rajasthan, 12.50% (n=20) believe that there are no entrepreneurial opportunities for women in Rajasthan.



According to the data 22.5% (n=36) attending seminars or workshops is the source of improving a business startups, 25% (n=40) thinks that reading books or publications is the source of improving a business startups, 63.75% (n=102) consulting with financial professionals is the source of improving a business startups, 48.80% (n=40) thinks that networking with other entrepreneurs is the source to improve a business startups.

IV. CONCLUSION

Limited access to financial resources is a major challenge that significantly affects aspiring entrepreneurs globally. Access to capital is crucial for the expansion of businesses, whether they are in the private or public sector. The challenges encountered by enterprises seeking external funding are mostly attributed to the presence of elevated interest rates, intricate application procedures, failure to satisfy collateral prerequisites, inadequate record-keeping, and the impression among SMEs that their applications would be denied (Wang, 2016). Current and prospective entrepreneurs believe that securing sufficient finance is one of the major obstacles to initiating and growing a new firm.

The study suggests that individuals are inclined towards entrepreneurship mostly due to their possession of professional skills and the desire to attain social prestige, rather than being driven by high unemployment rates. The security, repayment, and distribution processes have a

favorable impact on securing credit. Entrepreneurs have a significant challenge in the shape of exorbitant interest rates charged by informal lenders. The exorbitant interest rates charged by the unorganized sector and the difficulty in obtaining loans from banks due to low loan recovery rates provide significant obstacles to the growth of entrepreneurship. The state government and commercial banks, particularly public sector banks, must urgently intervene to enhance credit and banking accessibility for micro enterprises. Effective collaboration between the government and banks is crucial, necessitating seamless coordination on an ongoing basis. Both lenders and government officials have the duty to promote public knowledge on loan repayment. It is recommended to eliminate the requirement of collateral security for smaller firms. Efficient decision-making in banks should be prompt and adhere to certain time limits in order to reduce delays in approving and distributing loans. Excessive bureaucratic procedures in banks should be minimized. The primary reason for banks' reluctance to lend to micro and small enterprises is the inadequate rate of loan repayment. Banks have partial responsibility for the inadequate recovery. Hence, it is recommended that banks should have efficient follow-up and monitoring procedures to guarantee the proper utilization of loans once they have been given. This would foster a sense of mutual trust and confidence between banks and entrepreneurs.

In the current world, society requires entrepreneurs to strengthen the nation's economy and provide young people work. Entrepreneurs need to be optimistic and open-minded, and they also need to be sufficiently knowledgeable about their industry. It is important to keep up with changes in technology and market conditions if one wants to succeed in business. Various challenges arise for entrepreneurs while launching a business. Although almost all problems have answers, this does not mean that business owners will never meet a problem since they are aware of all the available cures. Many entrepreneurs realize that their largest hurdle when launching their firm is money. One can overcome this issue by saving money, obtaining a bank loan, and receiving government aid.

They must possess the determination to handle the difficulty and survive in their business. This study resulted to the conclusion that the key issues encountered by entrepreneurs were financial challenges, marketing challenges, competitiveness, technology hurdles, External challenges, etc. Through the application of practical expertise and an effective business plan, they are able to overcome the obstacles. Entrepreneurs' major strength is their self-assurance, whereas their biggest exposure is the fear of failure they experience while establishing a firm. As a result, individuals have trust in their abilities to deal with outside pressures and take action to attain their goals.

As already mentioned, entrepreneurs play a role in our nation's economic expansion. However,

startup entrepreneurs who lack past business expertise are more likely to encounter difficulties along the way to success. Developing an enterprise strategy and vision, acquiring startup funding, and locating the ideal business site are among the typical internal problems that new entrepreneurs confront, according to the study's results. Entrepreneurs must contend with external issues including competition, unanticipated financial difficulties, costs, and difficulties in locating suitable clients.

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