

A STUDY ON PROBLEMS FACED BY STUDENTS TOWARDS EDUCATIONAL LOAN IN THANJAVUR DISTRICT

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ABSTRACT

Education has a significant role in the Indian Economy. Higher education involves creation of intellects of world standards and training of skilled human power at mass level without compromising on quality. Education has become a costly affair recently. There are different fee structures, followed by different institutions. Most of the students find it difficult to enter in to the field of education. The problem of finance for education has been prevailing now. It is met by the nationalized and private banks through educational system. The study has been approached from the point of view students in Thanjavur District, who intended to avail the education loan offered by the Nationalized Bank. The study discusses on detail about the problems faced by the students to borrow their money from Nationalized Bank.

INTRODUCTION

The national loan scholarship scheme started in 1963 to finance the meritorious students for pursuing higher education had been discontinued in 1991 owing to non recovery of the loans and financial difficulties of the Central Government. The budgetary allocation for higher education was also decreasing with respect to the increase in enrolment over the last two decades. The 1992 Education Policy provided for the establishment of Self Financing Colleges and Deemed Universities in the private sector to address the gap in Government investment in higher education. It also suggested educational loans for meeting the expenses for higher education. The Central Government and the Indian Banks Association finalized norms for educational loans in 2001. Since then the educational loans grew substantially. An empirical study of 50 students in thanjavur district various problem faced by the student pre and post sanction period of educational loans.

REVIEW OF LITERATURE

R. Srinivasan and Debabrata Das (2011)[1] to study the practices followed in selecting the beneficiary student for grant of education loan for pursuing higher studies in India; problems faced by applicants; background of the problematic borrowers and steps taken to overcome the problems in getting loans. This research paper uses probit model for statistical an. analysis. However, there does not seem to be any discrimination between students with or without prior work experience, for getting education loan. The study further reveals the reluctance of private sector banks in extending loans. This paper is useful to aspiring students.

K.A. Goyal & Vijay Joshi (2012)[2] the official said The banking industry in India has a huge canvas of history, which covers the traditional banking practices from the time of Britishers to the reforms period, nationalization to privatization of banks and now increasing numbers of

foreign banks in India. Therefore, Banking in India has been through a long journey. Banking industry in India has also achieved a new height with the changing times. The use of technology has brought a revolution in the working style of the banks.

OBJECTIVES OF STUDY

- ❖ To identify the problems faced by students pre and post loan sanction period.
- ❖ To recommend the suggestion for reduce the problem of pre and post sanction period for educational .

RESEARCH METHODOLOGY

TYPES AND SOURCES OF DATA:

The source of data used in this study was collected from primary and secondary data. Primary data collection was done through a questionnaire. Secondary data was collected with the books, articles and research papers and internet.

QUESTIONNAIRE DESIGN:

A structured questionnaire was framed for conducting the survey. The questionnaire was presented with exactly the same wordings and in the same order to the entire respondents.

POPULATION:

The sample size of the study is 50 respondents namely the college students.

SAMPLING PROCEDURE:

Sampling technique used for the collection of data required for this research study is simple random sampling method.

SAMPLE SIZE:

Sampling size is complex and involves several qualitative and quantitative considerations. Here sample size is 50.

Limitation of the research

The research is limited to the information collected by structure questionnaire to the students .the sample size is 50.

Data analysis and Interpretation

Table 1. Gender of the student

Variables	No. of respondents	Percentage
Male	30	60%
Female	20	40%
Total	50	100%

Source: Primary data

Interpretation: the above table 1. clearly indicates that out of 50 respondent 60% of respondents are male remaining 40% of respondent are female.

Table 2. problems faced during the pre-loan sanction period

Opinion	No. of respondents	Percentage
Yes	36	72%
No	14	28%
Total	50	100%

Source: Primary data

Interpretation: the above table2. Clearly indicates that 72% of the respondents have opined that the problem faced by pre-loan sanction period. And 28% respondent no problem faced by pre-loan sanction period.

Table 3. problems faced during the post loan sanction period

Opinion	No.of respondents	Percentage
Lack of guidance	20	40%
Non availability of timely inputs	10	20%
Frequent interference from bank officials	5	10%
No proper follow up by bank officials	8	16%
Unfavorable attitude of educational institutions	5	10%
Other extraneous factors	2	04%
Total	50	100%

Source: Primary data

Interpretation: table3. Clearly indicates that 40% of respondents are problem faced by lack of guidance,20% of respondents are problem faced by non availability of timely inputs,10% of respondents problem faced by frequent interference from bank officials , 10% of respondents are problem faced by unfavorable attitude of educational institutions, 16% of respondents are problem faced by no proper follow up by bank officials,4% of respondents are problem faced by other extraneous factors for post loan sanction period.

Table 4. suggestion for reduce the educational loan problems.

Opinion	No.of respondent	Percentage
Placement service by banks	25	50%
Refinancing facility to commercial banks	15	30%
More interest subsidy	10	20%
Total	50	100%

Source: Primary data

Interpretation: table3. Clearly indicates that 50% of the respondents are suggestion for reduce the educational loan problems opinion that placement service by banks.30% opinion that refinancing facility to commercial banks, 20% of respondent opinon that more interest subsidy .out of 50 respondent.

FINDINGS

Percentage analysis

1. Majority of the respondents (60%) are male.
2. Most of the students (72%) are problem faced by pre loan sanction period.

3.It is inferred that majority of the students (40%) are problem faced by post loan sanction period.

4.. Most of the respondent (50%) suggest placement service provided by banks.

CONCLUSION

This research study concluded that most of the students are problem faced by pre and post loan sanction period. The nationalized banks are liberalized rules and regulation for sanctioning educational loan period.

REFERENCES

- 1..kothari C.R. (2007) Research Methodology, New Age Interational publication, New Delhi
- 2..Goyal. K.A and Joshi, V.(1990) Second Edition “A Study of Social and Ethical Issues in banking industry”

