A STUDY ON PROBLEMS AND PROSPECTS OF SMALL SCALE INDUSTRIES IN SALEM DISTRICT

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CHAPTER I

INTRODUCTION

1.1 INTRODUCTION OF THE STUDY

Small scale industries (SSI) are those industries in which manufacturing, providing services, productions are done on a small scale or micro scale. For example, these are the ideas of Small scale industries: Napkins, tissues, chocolates, toothpicks, water bottles, small toys, papers, pens. Small scale industries play an important role in social and economic development of India. These industries do a one-time investment in machinery, plants, and industries which could be on an ownership basis, hire purchase or lease basis. But it does not exceed Rs. 1 Crore. Let us discuss in detail about it.Essentially small scale industries comprise of small enterprises who manufacture goods or services with the help of relatively smaller machines and a few workers and employees. Basically, the enterprise must fall under the guidelines set by the Government of India.

1.2 OBJECTIVES OF THE STUDY

Secondary objectives:

- To analyze the demographic profile of the small scale industries entrepreneur

- To study the needs and importance of Small scale industries

- To identify the problems faced by small scale industries

- To find out the government schemes provided for small scale industries

1.3 SCOPE OF THE STUDY

➢ The study is confined to Salem district.

➢ The present study deals with the problems and prospects of small scale industries in Salem District.

➢ The study covers the different problems faced by the small scale industries.

1.4 LIMITATIONS OF THE STUDY

➢ The study is restricted to in and around Salem District due to cost and time constraints.

➢ The study restricts itself within Salem district.

➢ The study is done based on the opinions of the sample taken at random, the size of which is 100.

1.5 RESEARCH METHODOLOGY

Research Methodology is a systematic way to solve a research problem; It includes various steps that are generally adopted by a researcher in studying the problem along with the logic behind them. A research methodology is an outline of how a given piece of research is carried out. It defines the techniques or procedures that are used to identify and analyze information regarding a specific research topic. To fulfill any task, it is necessary to follow a systematic method. Research methodology is the main aspect of research studies. The methodology followed by research is detailed here.

RESEARCH DESIGN

Research design is a conceptual structure within which research should be conducted. Thus the preparation of such a design facilitates research to be as efficient as possible and will yield max information. A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to the research purpose with economy in procedure. It stands for advance planning of the method to be adopted for collecting the relevant data and technique to be used in the analysis, keeping in view the objectives of the research and availability of the respondent's time and money.

TYPE OF RESEARCH

The research was of descriptive design; aim to procure a clear, complete and accurate description of the situation. Descriptive research design is a type of research design that aims to obtain information to systematically describe a phenomenon, situation, or population. More specifically, it helps answer the what, when, where, and how questions regarding the research problem, rather than the why.

METHOD OF DATA COLLECTION

The study basically uses primary and secondary data. The study depends mainly on the primary data and secondary data namely the text books, journals, newspapers, magazines and internet.

PRIMARY DATA

Primary data means data which is fresh collected data. Primary data mainly been collected through personal interviews, surveys etc. Well structured questionnaire has been used for the collection of primary data from the respondents.

SECONDARY DATA

Secondary data means the data that are already available. Generally speaking secondary data is collected by some organizations or agencies which have already been processed when the researcher utilizes secondary data; the process of secondary data collection and analysis is called desk research. Secondary data provides economy in time and cost. It is easily available and unbiased.

TYPE OF SAMPLING

Sampling is a technique of selecting individual members or a subset of the population to make statistical inferences from them and estimate characteristics of the whole population. In this study, sampling techniques used for the survey were convenience sampling. Convenience sampling is a type of non-probability sampling that involves the sample being drawn from that part of the population that is close to hand. This type of sampling is most useful for pilot testing.

SIZE OF THE SAMPLE

The sample taken in this study is 100. Data was collected from 100 small scale industries entrepreneurs of Salem district.

AREA OF THE STUDY

The area of this study is Salem.

TOOLS USED FOR ANALYSIS

The commonly used statistical tools for analysis of collected data is Percentage analysis

Percentage analysis

This method is used to compare two or more series of data, to describe the relationship or the distribution of two or more series of data. Percentage analysis test is done to find out the percentage of the response of the response of the respondent. In this tool various percentages are identified in the analysis and they are presented by way of Bar Diagrams in order to have a better understanding of the analysis.

Number of respondents

Percentage of respondents = _____ X 100

Total respondents
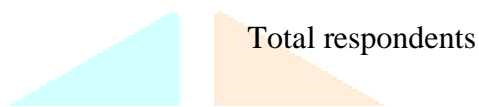
CHAPTER II

REVIEW OF LITERATURE

Ankit Rajgarhia, Rhythm Katyal, 2021 studied about the growth, contribution and challenges by micro, small and medium enterprises in India. to understand the role of MSMEs in the Indian economy and how these MSMEs have grown and flourished in the country.

Hindu Jibril Amin, 2021, study explored the effect of EM dimensions on the performance of SMEs operating within Nasarawa State, Nigeria. EM was conceptualized as innovativeness, risk-taking, and value creation. The research population was 1979 registered SMEs in Nasarawa state, Nigeria.

Adian, Ikmal, 2020 study on impact, responses and the finance of small and medium enterprises in the pandemic period. COVID-19 has affected small and medium enterprises, drawing on newly released World Bank Enterprise Surveys in 13 countries. The study shows that firms of all sizes are severely affected in multiple dimensions; however, firm size matters for the intensity of the different channels of transmission and firms' responses.

CHAPTER III

ANALYSIS AND INTERPRETATION

INCOME OF THE ENTREPRENEUR

SATISFACTION WITH THE BUSINESS

TABLE: 3.1

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE (%)
Highly satisfied	22	22
Satisfied	39	39
No idea	23	23
Highly Dissatisfied	10	10
Dissatisfied	6	6
TOTAL	**100**	**100**

Source: Primary data

INTERPRETATION

The above table shows that 22% of the respondents are highly satisfied, 39% of the respondents are satisfied, 23% of the respondents have no idea, 10% of the respondents are highly dissatisfied and 6% of the respondents are dissatisfied. Thus the majority of respondents are satisfied with the business.

SATISFACTION WITH THE BUSINESS

CHART NO: 3.1
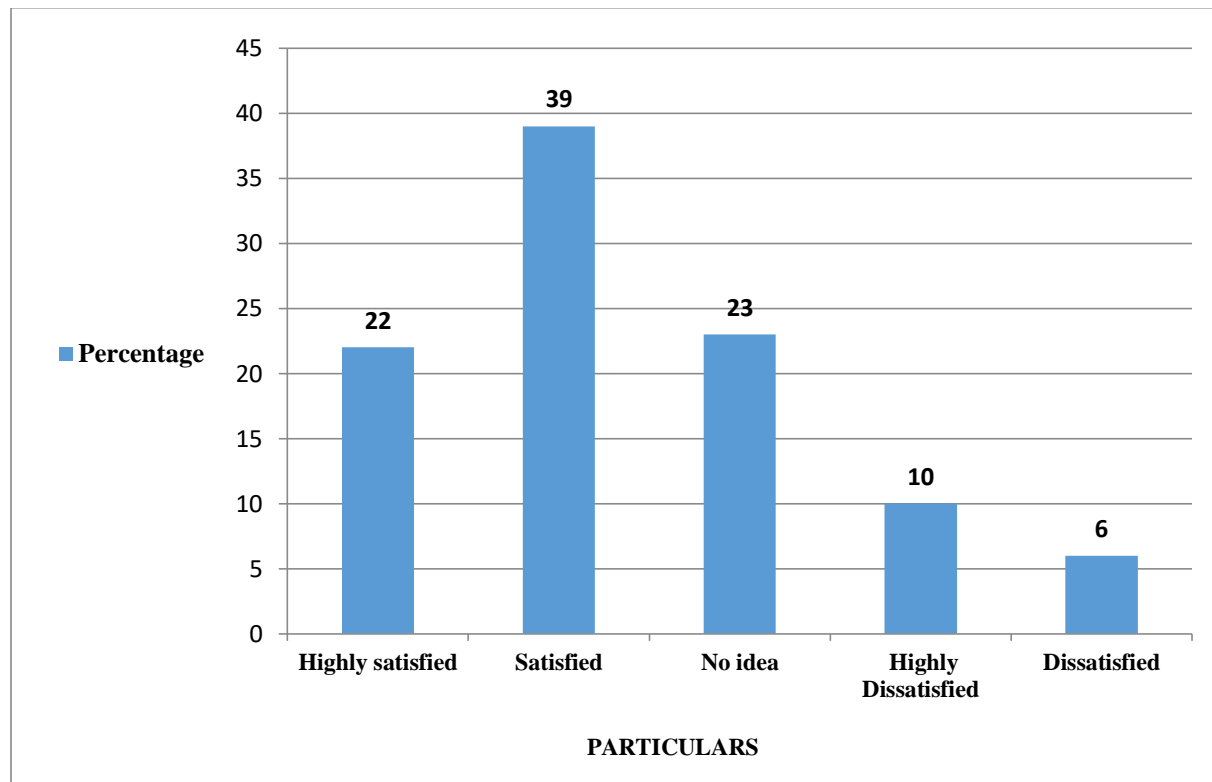
FUTURE PROSPECTS OF THE BUSINESS

TABLE: 3.2

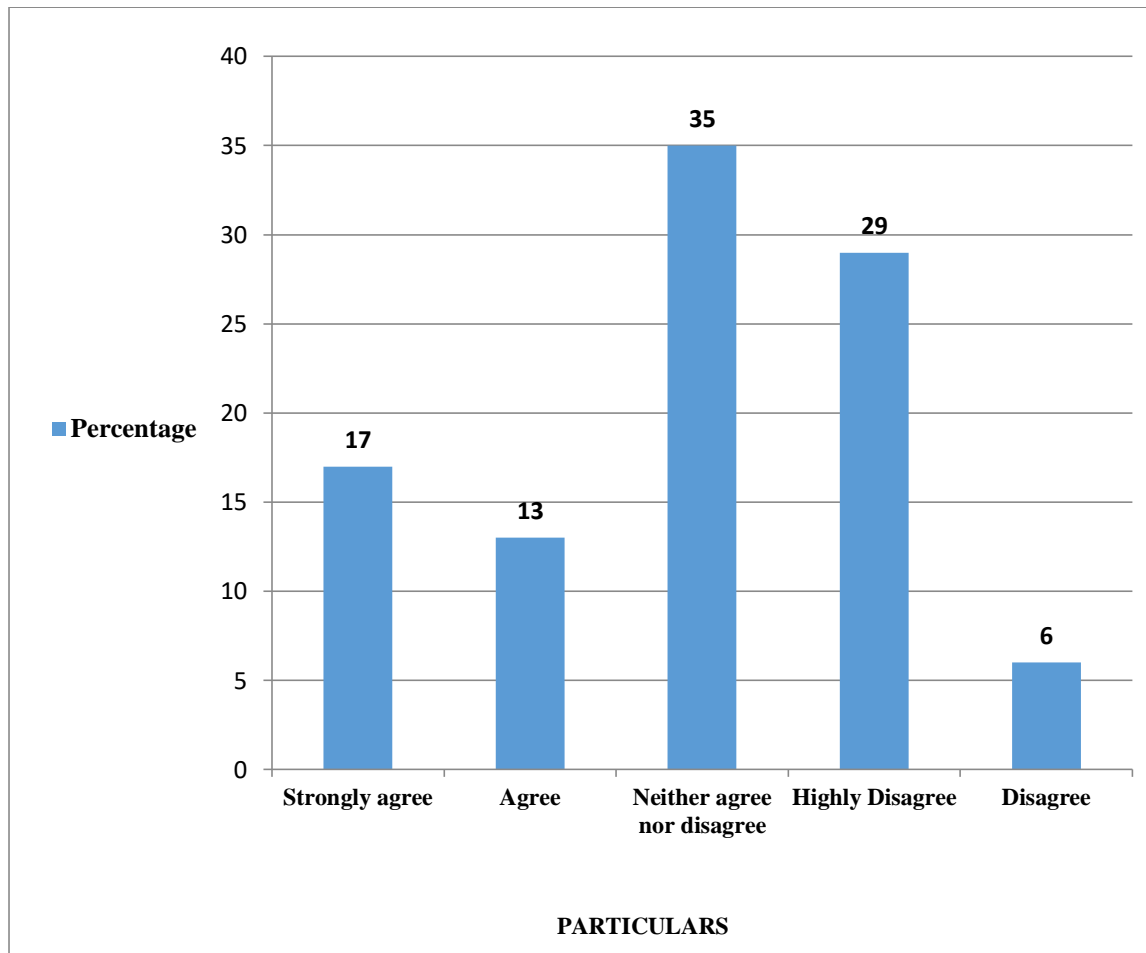| PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE (%)
Strongly agree	17	17
Agree	13	13
Neither agree nor disagree	35	35
Highly Disagree	29	29
Disagree	6	6
TOTAL	**100**	**100**

Source: Primary data

INTERPRETATION

The above table shows that 17% of the respondents strongly agree, 13% of the respondents agree, 35% of the respondents neither agree nor disagree, 29% of the respondents highly disagree, and 6% of the respondents disagree with future prospects of the business. Thus the majority of respondents neither agree nor disagree with future prospects of the business.

FUTURE PROSPECTS OF THE BUSINESS

## CHART NO: 3.2

COMPETITION IN THE BUSINESS

TABLE: 3.3

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE (%)
High	30	30
Moderate	15	15
Low	28	28
Nil	27	27
TOTAL	**100**	**100**

Source: Primary data

INTERPRETATION

The above table shows that 30% of the respondents said that high, 15% of the respondents said that moderate, 28% of the respondents said that low and 27% of the respondents said that nil regarding their level of competition in the business. Thus the majority of the respondents said that their level of competition in the business.

COMPETITION IN THE BUSINESS

CHART NO: 3.3
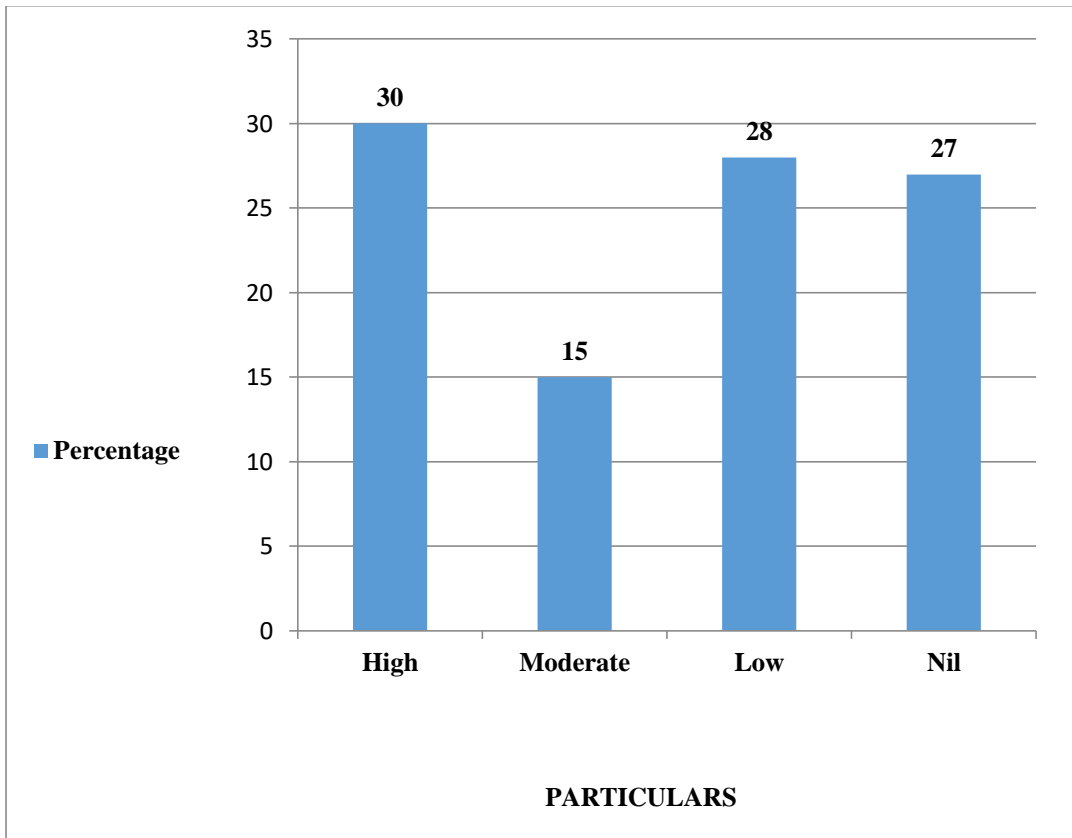
CHAPTER IV

4.1 FINDINGS

- ➢ 35% of respondents neither agree nor disagree with future prospects of the business.
- ➢ 58% of respondents have bank loans to establish the business.
- ➢ 30% of the respondents said that high regarding their level of competition in the business.

4.2 SUGGESTIONS

- ➢ Small Scale Industries try to provide employment opportunities to the people
- ➢ Small Scale Industries should do the innovative business and bring changes for future prospects
- ➢ Small Scale Industries should utilize the bank loan as opportunity to expand the business
- ➢ Small Scale Industries should have the ability to compete the business

4.3 CONCLUSION

The furtherance and advancement of Small Scale Industries is essential for the development of the Indian economy to achieve impartial distribution of income and wealth, economic self-dependence and economic sustainable developments. The major problems of Small Scale Industries in Salem district are raw material availability, power shut downs, price fluctuation, taxation & trade laws, high labor cost, high cost of rent/maintenance, turnover insufficient space etc., To boost the Small Scale Industries sector so that it can take deserved place in the growth mechanism of Indian economy,