

## Examining the Impact of Business Loan Accessibility on Empowering Student Entrepreneurs: A Study on University Students' Perceptions

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### ABSTRACT

*This study the impact of loan accessibility on student entrepreneurs at Jatiya Kabi Kazi Nazrul Islam University (JKKNIU). A questionnaire survey was conducted with 350 students, employing primary sources to perform the quantitative analysis. The data was collected using a stratified random sampling technique in the area of JKKNIU. The survey revealed that students possess clothes and online enterprises. Most (38%) have operated their companies for 1-2 years. While 92% have sought loans to enhance their company operations, the majority have taken personal (32%), NGO (30%), and bank (26%) loans. They borrowed primarily to develop their business (30%) and acquire essential items (28%). Student entrepreneurs in their neighborhood encountered difficulties while seeking for financing (86%). Approximately 62% of student entrepreneurs report that securing loans is challenging. Moreover, the absence of secured finance impeded corporate expansion (28%), resulted in lost investment opportunities (24%), and postponed the commencement of the firm (16%). Elevated interest rates (32%), challenging application processes, and collateral limitations (22%) impede the accessibility of loans for student entrepreneurs. Furthermore, they had challenges in meeting Equated Monthly Installment (EMI obligations due to a 32% capital shortfall, fulfilling other tax liabilities, and expanding the firm by 18% while repaying a loan. Seventy-two percent of respondents believe the government should intervene, while forty-six percent want a twelve-month grace period. This study advocates for government, policymakers, private sector entities, lending institutions, and pertinent authorities to promote financial literacy,*

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*facilitate access to funds and grace periods, and foster collaboration between educational institutions and private sector lending agencies, thereby enabling student entrepreneurs to enhance the nation's economic growth.*

**Keywords:** Student Entrepreneur, Business Loan, Empowerment, JKKNIU.

## INTRODUCTION

Business relies on entrepreneurship throughout its entire cycle. A business's vitality and adaptability are shown by entrepreneurial talents and adaptive management techniques, which promote development and learning (Diandra & Azmy, 2020). Young entrepreneurs are often college students. Student entrepreneurship entails innovative resource use and integration to identify and exploit possibilities through profit-driven businesses (Gupta & Gupta, 2017). Student entrepreneurs are creative architects who launch new firms rather than expand or safeguard current ones (Marchand, Hermens, & Sood, 2015). Additionally, university students who started their own enterprises to cover their basic demands. Many budding businesses seek loans to ease their financial concerns. Loans are credit arrangements in which a party receives a quantity of money with the expectation that the principal and interest will be returned later (Kagan, 2023). Financial resources, particularly loans, promote equality and reduce inequities among entrepreneurs and businesses (Akhtaruzzaman, 2019). Young entrepreneurs in Bangladesh are coming up with new company concepts (Palak, 2021). In recent decades, Bangladesh has seen a boom in new businesses in financial technology, educational technology, healthcare, logistics, and internet commerce. Over 2,500 startups operate in the nation, with 200 new ones each year. (Uzzaman, 2023).

Student entrepreneurs encounter numerous challenges when seeking loans for their business start-ups. These challenges include inadequate networking, poor credit history, fear of debt, age-related stereotypes, documentation issues, lengthy loan acquisition processes, security concerns, high interest rates, ineffective business plans, and social rejection (Donovan, 2021). In our country, student entrepreneurs face numerous challenges, such as limited access to institutional funding, restricted entry to lucrative markets, inadequate marketing and branding efforts, insufficient strategic planning, limited availability of suitable workspaces, gaps in business management skills, inaccurate financial records, lack of new product development initiatives, and insufficient ongoing business support. (Ahmed, et al., 2012). Student entrepreneurs faced challenges that hindered the growth of their small businesses. In that case, students seek loan accessibility

to enhance their businesses accordingly. This study significantly contributes by offering insights into the effects of loan accessibility on student entrepreneurs, enabling relevant authorities to implement effective measures to address concerns and support the growth of young entrepreneurs, such as students.

## **AIM AND OBJECTIVES OF THE STUDY**

The primary objective of this study was to investigate the effects of loan accessibility on student entrepreneurs at JKKNIU.

### **Specific objectives of this study were**

- a. To assess the impact of loan accessibility on the business of student entrepreneurs at JKKNIU.
- b. To examine the challenges faced by the student's entrepreneurs who are unable to get a loan.
- c. To suggest way forwards of enhancing loan accessibility for student entrepreneurs

## **REVIEW OF THE RELATED LITERATURE**

This study covers several previous publications on loan accessibility for JKKNIU student entrepreneurs covers several angles. The study explores how loan accessibility affects JKKNIU student entrepreneurs. Previous studies have analyzed loan accessibility, company experience, partnerships, and business structure to identify concerns and assess loan accessibility. The review examines JKKNIU student entrepreneurs' loan procurement and application issues. This section examined loan accessibility hurdles, business consequences, and outcomes. The literature review proposed clear remedies to the challenges. These insights help perform the current study.

### **Impact of loan Accessibility on The Business of Student Entrepreneurs at JKKNIU**

Biney (2019) examined Accra's Ghana youthful street vendors' business potential and problems. The researcher lacks of jobs is driving street selling. The research found that congested roadways, pursuing moving automobiles, and extreme weather harmed these people. Young entrepreneurs struggled to grow their businesses due to excessive financing prices and insufficient collateral. The research recommends that government-affiliated and non-banking financial organizations provide financial resources, mentoring, and technical help to

young Ghanaians starting businesses (Biney, 2019). Ng'ang'a and Sakwa (2015) evaluated Kenyan young entrepreneurs' loan availability and socioeconomic variables. Social factors including entrepreneurial motivation and education affected young entrepreneurs, according to the study. The research suggests that government, finance, and policymakers should include social factors when creating loan regulations for young entrepreneurs (Ng'ang'a & Sakwa, 2015).

For minority entrepreneurs, Bewaji et al. (2015) assessed funding accessibility. The researcher used quantitative survey methods to study how minority entrepreneurs can get public bank funding for their new firms. Theories and perspectives impacted the researcher's inquiry. The empirical study found that ethnic minority entrepreneurs got less financial institution loans than non-minority enterprises. Educational background helps ethnic minority entrepreneurs acquire bank finance. The research also offers various methods minority entrepreneurs may improve their reputation and finances. Financial institution loan managers use the study to evaluate minority entrepreneur applications (Bewaji, Yang, & Han, 2015).

Sansa (2019) examined how loan criteria affect Tanzanian small companies' credit availability. This study evaluated how loan covenants and bank processes affect loan accessibility following mixed-method study through surveys, interviews, and document reviews with 89 respondents. The study found that bank-imposed covenants affected small firms' capacity to get loans from financial institutions, with consumers' opinions of their compliance difficulties changing. The study show that banks have strict loan extension processes to reduce defaults and maximize loan use. To help small businesses get financing, the researcher suggests improving business environment, boosting SMEs, increasing the banking sector, and developing company relationships (Sansa, 2019).

Chandrayanti et al. (2020) explored how entrepreneurial attributes impact western Indonesian small company loan availability. The study used quantitative methods to determine if small-business entrepreneurial attributes impact loan eligibility. Purposive sample polled 221 small-business owners regarding loan accessibility. The study indicated that small-scale enterprises' entrepreneurial qualities affect performance and financing availability. The study found that small-scale entrepreneurship mediates loan refusal. The study also proposes techniques to boost entrepreneurial performance to receive a loan (Chandrayanti, et al. 2020).

## **The Challenges Faced by the Student's Entrepreneurs**

Nkun (2020) examined young entrepreneurs' financial issues using mixed methodologies and a Ghanaian case study. Recent grads need minimal incentive to start a small business, according to the survey. The researcher investigated startup and credit issues. At least 20 small firms and 40 University of Ghana students running start-ups or five years of business experience were studied. The poll indicated that most youths consider personal, demographic, and environmental variables when starting a business and want a strong government policy. The study also recognized young entrepreneurs' capital, credit, and loan issues (Nkun, 2020). Further, Rembiasz (2017) investigated student entrepreneurship from a development perspective. Along with higher education, the expert argues entrepreneurial endeavors are crucial. Using polls, the study indicated that most students are involved in business. They encountered various challenges to become entrepreneurs. Entrepreneurship and businesses are complex nowadays, as the poll showed. In that case, the researcher suggests emphasizing business starting and finance in higher education entrepreneurship. Early entrepreneurial training is particularly important for a knowledge-based economy (Rembiasz, 2017).

Additionally, Shabnaz and Islam (2021) analyzed Bangladeshi university students' business objectives. According to the data, most university students desire to start a business. Lack of jobs in our country lets youngsters be entrepreneurs. The quantitative analysis found BD students' entrepreneurship challenges. Lack of government support, funding, and commercial competence are challenges. Researchers hope the study's findings will help policymakers, authorities, and the government support students' small-scale entrepreneurship (Shabnaz & Islam, 2021). Alongside, Saari (2020) revealed that SMEs drive economic growth and job creation. Nigerian SMEs struggle to secure bank loans, which might lead to collapse. The study examined Lagos State SMEs' issues. The poll indicated that many SMEs had bank loan applications rejected, short loan maturity conditions, and trouble acquiring business plan financing. Thus, the study recommends improving corporate accounting and exploring venture capitalists, angel investors, and crowdsourcing. Report advises banks and government provide financial aid (Saari, 2020).

Ackah and Vuvor (2011) analyzed Ghanaian SME credit access. The poll explored Ghanaian SMEs' greatest financial institution lending difficulties. The researcher quantitatively examined 80 Accra and Tema SMEs. The study indicated

that SMEs had problems meeting institutional lending requirements such collateral and equity. High loan rates and short repayment times hinder credit growth. Loan defaults also impact cash flow. Research suggests financial institutions should offer factoring, credit reporting enforcement, and SME tax incentives (Ackah & Vuvor, 2011).

### **Loan Accessibility for Student Entrepreneurs**

Szkuta et al. (2017) examined ways to finance creative, growth-oriented startups. Mixed methods helped the researcher uncover critical issues. The study indicated that public equity funding boosts high-growth company employment and turnover. Profitability falls for 3–4 years before rising. It typically impacts top-supported firms. Country and regional equity schemes encourage private investment without congestion. Growth with equity doesn't ensure innovation. Network and VC investment aid commercialization. Results depend on regional innovation, business size, and quality (Szkuta, Stamenov, & Ianshyna, 2017). Additionally, Rusu and Roman (2020) revealed how business environment and financial resources impact Romanian university students' entrepreneurial tendencies. The study explores how new entrepreneurs see startup money and whether it affects their company choice. The paper also examines how policymakers may fund young entrepreneurs. Students desire to be entrepreneurs, but money is a problem. Young entrepreneurs lack market experience and guarantees. Information and business reforms affect youthful entrepreneurship (Rusu & Roman, 2020).

Kabonga and Zvokuomba (2021) evaluated student entrepreneurs' motives, outcomes, issues, and coping methods. Human agency theory, which views entrepreneurship as students pursuing various objectives, guided the study. To understand student entrepreneurs' perspectives, the research used qualitative methods including in-depth interviews and FGDs. Employment opportunities, family background, poverty, curricular influence, and conspicuous consumption affect student entrepreneurship. Student entrepreneurs faced funding, bureaucracy, and balancing education and business. Kaboga & Zvokuomba (2021) suggest university support for student enterprises and decreasing bureaucracy to promote campus entrepreneurship. Desai et al. (2020) examined student debt and entrepreneurship. The report claims student loan debt and entrepreneurship integrate labor markets, higher education, business vigor, innovations, and capital markets. Research examined 800 debt-related business owners. The survey showed student entrepreneurs severely leveraged. The study provides coping mechanisms (Desai, Looze, & Pechenina, 2020).

Staff (2019) adds that 90% of Arab enterprises are SMEs and produce most jobs. Arabian countries recognize this and have developed SME development initiatives. Promoting competitive, job-creating SMEs takes greater work. Money, a business-friendly environment, human resources, and infrastructure are needed to encourage entrepreneurship. Strategic efforts include financial access, SME capabilities, business-friendliness, and efficient and sustainable SME support schemes through finance, administration, communication, and assessment (Staff, 2019).

## **RESEARCH GAP**

The study identified a gap in the existing literature following a comprehensive review. This study investigates the accessibility of loans for student entrepreneurs, a topic not previously addressed in the literature. The study noted that previous studies predominantly employed qualitative and mixed methodologies, whereas this study utilized quantitative methods. The previous study employed significantly smaller samples than expected for the present investigation. The study utilizes structured survey questions for data collection, in contrast to previous investigations. Notwithstanding these discrepancies, the study identified and evaluated several pertinent challenges associated with the research. These findings establish a foundational basis for this investigation.

## **METHODS AND MATERIALS**

The research employed a quantitative methodology grounded on positivist philosophy and utilized an exploratory research strategy. The quantitative method has been utilized to gather survey data. It utilized a number of data collecting methods and procedures. Both primary and secondary sources were utilized to gather the necessary data and information for the study's objectives. Primary data was obtained from the field using a questionnaire to gather survey information. The data gathering survey was executed utilizing several technologies and approaches, including social media platforms, email, and Google Forms. Books, journals, research papers, opinions, news, reports, websites, etc., served as secondary sources of vital literature. A total of 350 participants from JKKNUI in Bangladesh participated in the survey. It is crucial to note that the respondents were students from the designated study region, chosen stratified random sampling by the researchers. Consequently, to achieve the primary aim of the study, the quantitative technique has been utilized in an exploratory approach. Survey data has been obtained from the JKKNUI in Bangladesh. The JKKNUI was chosen as the field for this investigation for a variety of significant reasons.

First and foremost, the university's remote location presents students from economically disadvantaged backgrounds with specific challenges in their pursuit of entrepreneurship. Secondly, the institution has a considerable population of students aspiring to become entrepreneurs, for whom securing credit presents a fundamental challenge. Third, this university is pertinent for research as a potential location for assessing the impact and collaboration of financial institutions and banks at the local level. Data has been specifically evaluated utilizing MS Excel and SPSS software. The study adhered to social science research ethics, ensuring a balance between potential research dangers and benefits, with all ethical considerations scrupulously upheld.

## FINDING OF THE STUDY

### Demographic Information of The Respondents

Gender	Frequency	Percentages (%)	Cumulative Percentage (%)
Male	266	76%	76
Female	84	24%	100
Age Category			
17-20	21	6%	6
21-25	308	88%	94
25-30	21	6%	100
Educational Status			
1 <sup>st</sup> Year	7	2%	2
2 <sup>nd</sup> Year	35	10%	12
3 <sup>rd</sup> Year	56	16%	28
4 <sup>th</sup> Year	105	30%	58
Post-graduation	147	42%	100

Sources: [Field Survey at JKKNIU, 2024]

The study examined how business loan accessibility empowers student entrepreneurs and found different demographics and student perspectives. 76% of responders were men and 24% female. This suggests a large sample gender gap. Most participants (88%) were between 21 and 25 years old, reflecting the population concentrated in university's golden years. The 17-20 and 25-30 age groups, each 6%, had lesser representations. 42% of responders were postgraduates, indicating that many had advanced academic experience. Student composition



was as follows: 30% were fourth-year students, 16% third-year, and 10% second-year. Since just 2% of students were first-years, entrepreneurial interest varied by academic stage. Senior students were more involved with business financing, maybe due to their greater understanding and preparation for entrepreneurial options. The low presence of first-year and younger students may imply a lack of entrepreneurial resources or a reluctance to seek business financing early in their academic careers. The gender disparity highlighted the need for focused efforts to encourage female students to become entrepreneurs. The results showed that age, gender, and academic diversity are crucial to equal financial resources and a more inclusive student entrepreneur environment.

### IMPACT OF LOAN ACCESSIBILITY AMONG THE BUSINESS OF STUDENT ENTREPRENEURS AT JKKNIU

#### Types of Business Student Entrepreneurs Operating

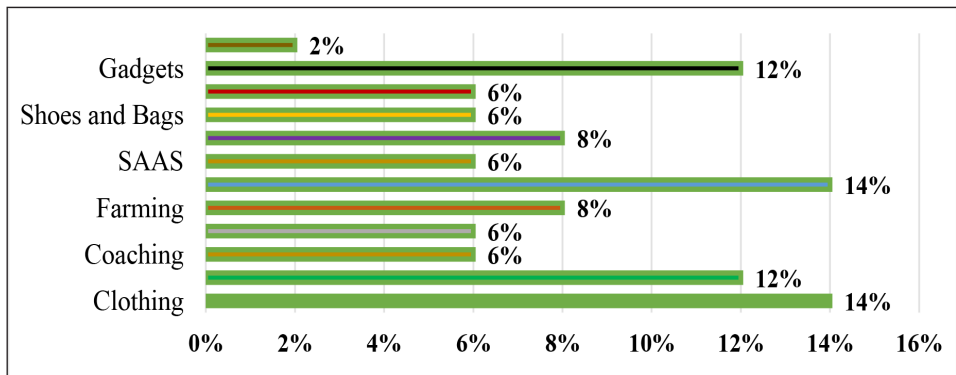


Figure 1: Types of Business Student Entrepreneurs Operating  
Sources: [Field Survey at JKKNIU, 2024]

The bar chart 1 shows types of JKKNIU business student entrepreneurs. Most student entrepreneurs (14%) worked in clothes and internet business (plants/foods/apparels/cosmetics). Additionally, 12% of respondents run restaurants and gadgets. For 6% of respondents, coaching, cloud cooking, SAAS, shoes and bags, and bakery were their functioning enterprises. 8% respondents run farming, book, and stationary businesses. Other 2% were in pharmacy-related businesses. This shows the sum of JKKNIU student entrepreneurs' firms.

### Duration of Respondents Business Operation

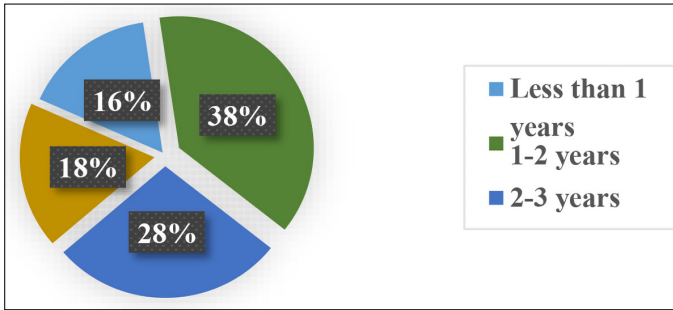


Figure 2: Duration of Respondents Business Operation  
Sources: [Field Survey at JKKNIU, 2024]

The pie chart 2 illustrates the duration of respondents’ business operations. The survey results indicated that the majority of students are involved in entrepreneurial activities or managing their businesses for an expected duration of 1-2 years, comprising 38% of the total respondents. Additionally, a small percentage of respondents said that they had been operating their firm for 2-3 years, accounting for 28%. A minimum of 18% of the total respondents indicated that they have been operating their firm for over three years. Conversely, the remaining respondents are novices in the business sector, having operated for less than one year, constituting around 16% of the total respondents.

### Partnership Regarding Business

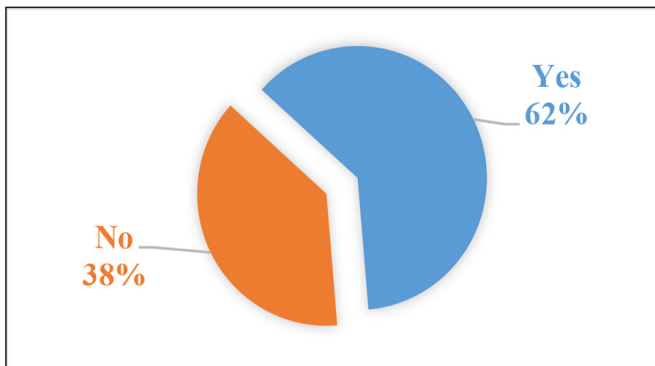


Figure 3: Partnership Regarding Business  
Sources: [Field Survey at JKKNIU, 2024]

As the above figure 3 shows whether the respondents do have partner for their business or not. It’s clearly identifiable that most of the respondents positive about it and identified as they do have partner, accounting for 62% of the total respondents. While, the rest of them 38% of the total respondents operating

business by their own and do not have any partner regarding their business. This clearly indicates that student entrepreneurs mostly rely on having partners for their business.

### Applied for Loan to Support Entrepreneurial Venture

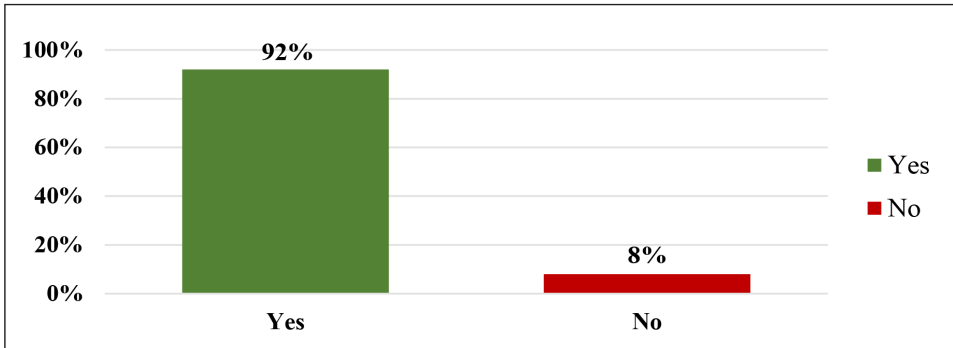


Figure 4: Applied for Loan to Support Entrepreneurial Venture  
Sources: [Field Survey at JKKNIU, 2024]

The individual inquired with participants about their applications for loans to aid their business endeavors. Survey findings shows that most of the respondents answered positively as they do apply and got a loan to support their entrepreneurial activities, accounting for 92% of the total respondents. Although, a slight portion of the respondents 8% rejected the question and answered no as they didn't apply for the loan to support their entrepreneurial activities.

### Institutions of Loan Applied by Student Entrepreneurs

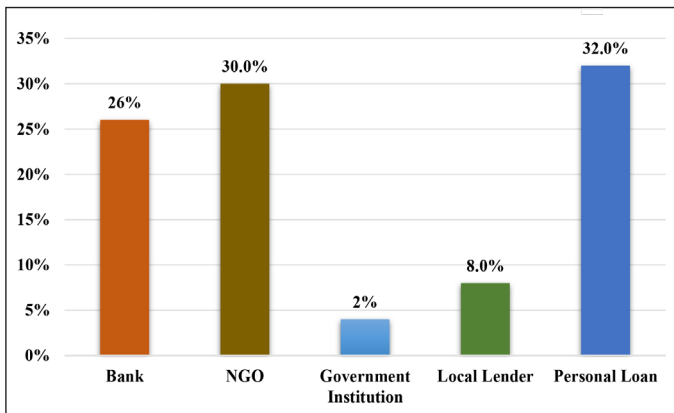


Figure 5: Institutions of Loan Applied by Student Entrepreneurs  
Sources: [Field Survey at JKKNIU, 2024]

The above figure 5 column chart shows institutions of loan applied by the student entrepreneurs. The survey findings show that most of the students get loan from personal loan which estimates 32% of the total respondents. Alongside, a maximum number of 30% of the total respondents applied for loan in the institutions like NGO. Whether, there is a minimum number of respondents apply loan at bank accounting for 26% of the total respondents. While, the rest 8% seeks loan from local lender and 4% taken loan from government institution. The findings regarding their loan applied in the institutions are thoroughly discussed.

### Purpose of Taking Loans

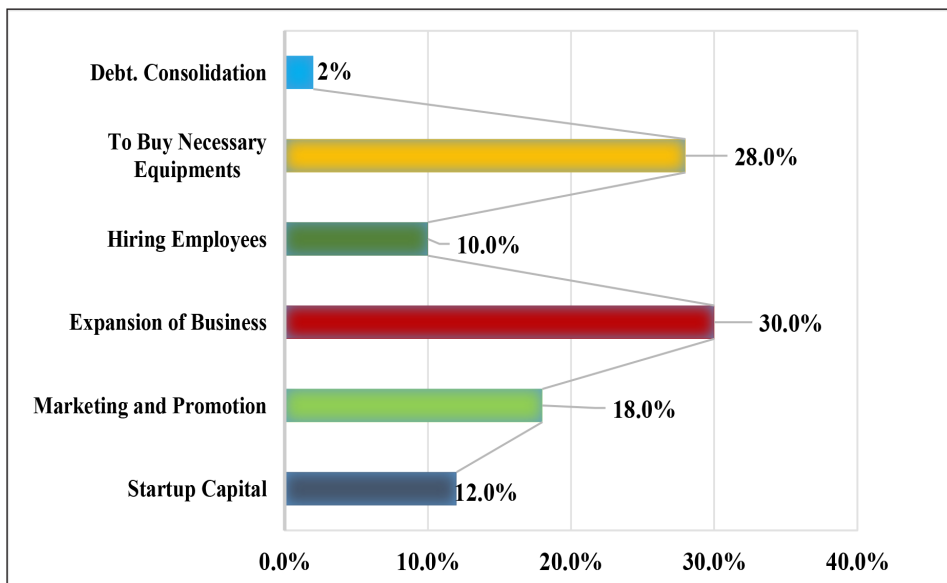


Figure 6: Purpose of Taking Loans  
Sources: [Field Survey at JKKNIU, 2024]

The findings of the survey revealed that most of the student entrepreneurs seek and takes a loan for the expansion of business, accounted for 30% of the total respondents. The second largest purpose of the student entrepreneurs of taking loans are to buy necessary equipment's, estimated 28% of the total respondents. Additionally, 18% of the total respondents do take loans for the purpose of marketing and promotion of their businesses. While, 10% of the overall respondents takes loan to hire employees for the organization. While, 12% of the total respondents take loans as a startup capital. A shortage number of respondents only 2% take loans for their debt consolidation.

### Faced Obstacles During the Application Process of a Loan

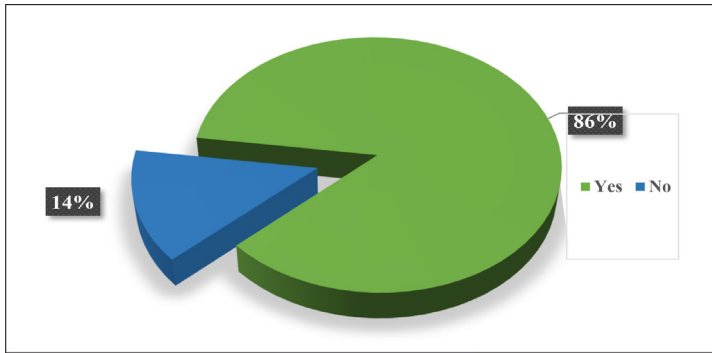


Figure 7: Faced Obstacles during the Application Process of a Loan  
Sources: [Field Survey at JKKNIU, 2024]

The pie chart illustrates that the respondents were inquired about any challenges they encountered during the loan application process for their business venture. The survey findings clearly show that most of the respondents replied yes regarding the question, estimating around 86% of the total respondents. While, rest of the 14% among total respondents doesn't face any obstacles during the application of a loan. This clearly indicates that there has been a drawback regarding the loan application process for student entrepreneurs in the area of JKKNIU. In that case, the relevant authorities should initiate proper action to resolve this matter.

### Rating the Ease of Access to Loan for Student Entrepreneurs

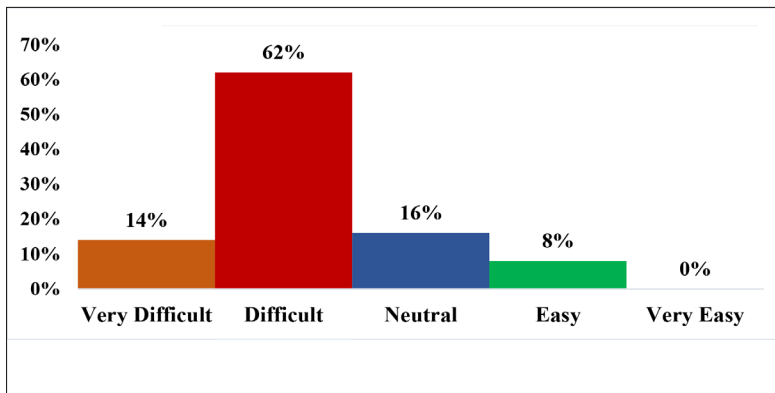


Figure 8: Rating the Ease of Access to Loan for Student Entrepreneurs  
Sources: [Field Survey at JKKNIU, 2024]

The above column chart shows that most of the student entrepreneurs believes that it is very difficult 14% and difficult 62%) of the total respondents to get a loan for running the business venture. Alongside, 16% of the total respondents didn't respond to the matter whether there is ease of access to loan for student entrepreneurs or not. While, a minimum 8% of the total respondents agree that there is little bit ease of access to loan as a student entrepreneur.

**The Challenges Faced By The Student’s Entrepreneurs**

Most of the times young entrepreneurs have to face barriers for their entrepreneurial venture. In this section, the second objective of the study which aims to identify the challenges faced by the student entrepreneurs who are unable to get a loan. the overall findings regarding this objective have been shown in the below one by one.

**Due To Not Getting the Loan, Challenges Faced by Student Entrepreneurs**

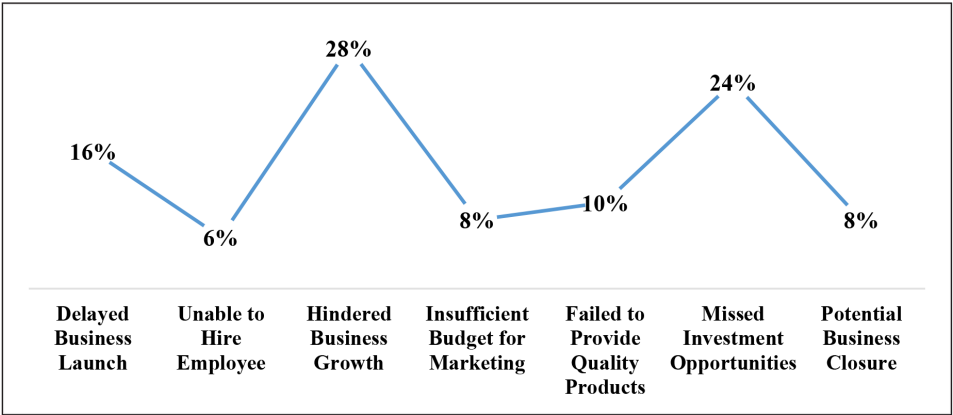


Figure 9: Due to not Getting the Loan, Challenges Faced by Student Entrepreneurs  
 Sources: [Field Survey at JKKNIU, 2024]

The above line chart shows that due to not getting the expected loan, student entrepreneurs have to face numerous challenges regarding their entrepreneurial activities. The survey findings show that student entrepreneurs have to deal with the problem like hindered business growth, accounting for 28% of the total respondents. Secondly, they have to face missed investment opportunities due to not getting the loans, estimate 24% of the total respondents. Additionally, 16% faced the obstacles of delaying their business launch due to not able to grab the loan. Furthermore, 10% of the total respondents failed to provide good quality

products and service regarding the matter. While, a number of 8% dialed with the obstacles like insufficient budget for marketing. But it is a matter of great concern that, the study able to identify there has been more issues have to face by student entrepreneurs via not getting the loan which includes, unable to hire employee 8% and potential business closures 6% of the total respondents.

### Main Obstacles of Access to Loans as a Student Entrepreneur

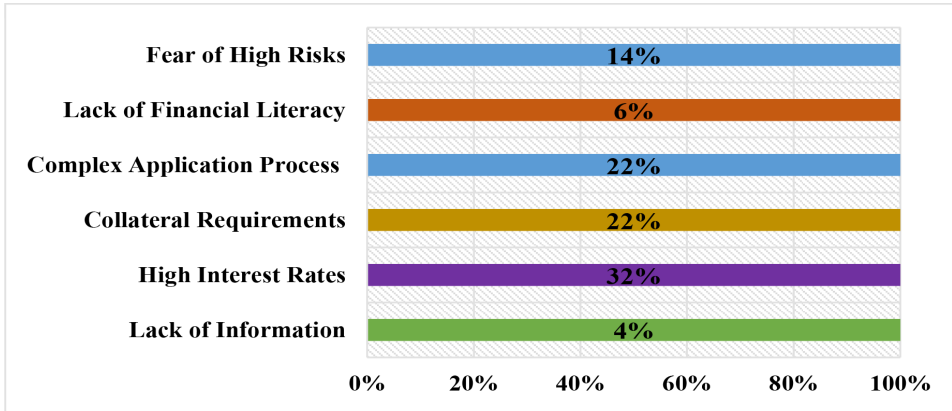


Figure 10: Main Obstacles of Access to Loans as a Student Entrepreneur  
Sources: [Field Survey at JKKNIU, 2024]

The above figure shows the main obstacles of access to loans as a student entrepreneur in the area of JKKNIU. The study indicates that a majority of student entrepreneurs encounter challenges such as elevated interest rates, which represent 32% of the total respondents. Besides, both the complex application process and collateral requirements have been identified by 22% of the total respondents regarding the issue. While, the obstacles like fear of high risks accounted 14% lack of financial literacy accounted 6% and lack of information about the access to loan is accounted 4% of the total respondents. These findings clearly show the gross picture of the obstacles faced by the student entrepreneurs to access loans in the respective area of the study.

### Challenges During Returning a Loan

Student entrepreneurs are the thinktanks and emerging talents of the country. They have a bright future to contribute to the economy of the Government. But it is a matter of fact that most of student entrepreneurs had to face significant number of challenges while returning a loan which was taken for the business ventures by the student entrepreneurs. Below a figure has been demonstrated to show the actual condition.

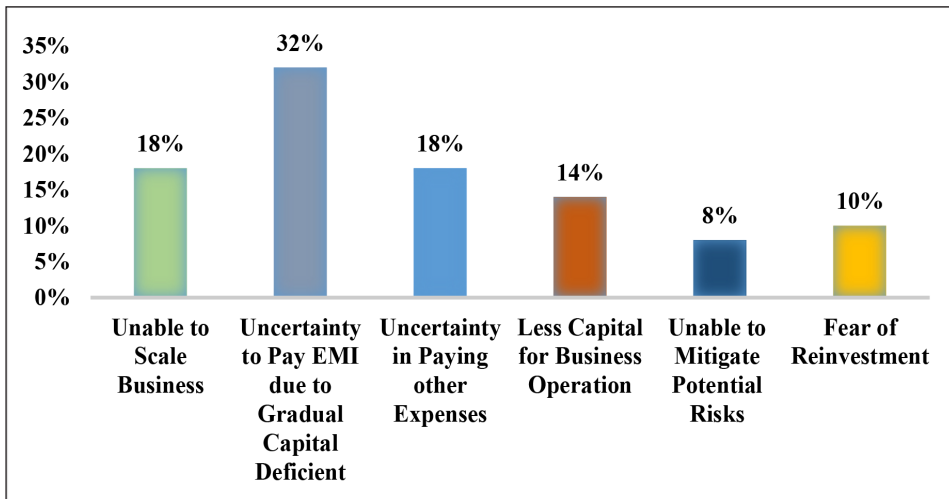


Figure 11: Challenges during Returning a Loan  
Sources: [Field Survey at JKKNIU, 2024]

In the above column chart, challenges faced by the student entrepreneurs while returning a loan has been illustrated. The survey findings as shown in the figure 17 clearly encapsulates that most of the respondents faces challenges like uncertainty to pay EMI due to gradual capital deficient, accounting for 32% of the total respondents. Additionally, student entrepreneurs have to deal challenges like 18% both unable to scale business and uncertainty in paying other expenses. While, 14% of the respondents answered that they face less capital for business operation challenges while returning a loan which was taken before. Moreover, 10% of the total respondents fear of reinvestment due to returning a loan. Finally, some of the student entrepreneurs believes that they unable to mitigate potential risks in terms returning a loan.

### Way Forwards of Enhancing Loan Accessibility For Student Entrepreneurs

In this last section and final objectives, the study suggests some wy forwards regarding the matter of concern which aims to identify the impact of loan accessibility on the business of student entrepreneurs in the area of JKKNIU. The research findings have been gathered and analyzed properly with statistical methods.



### Should Government Take Initiatives?

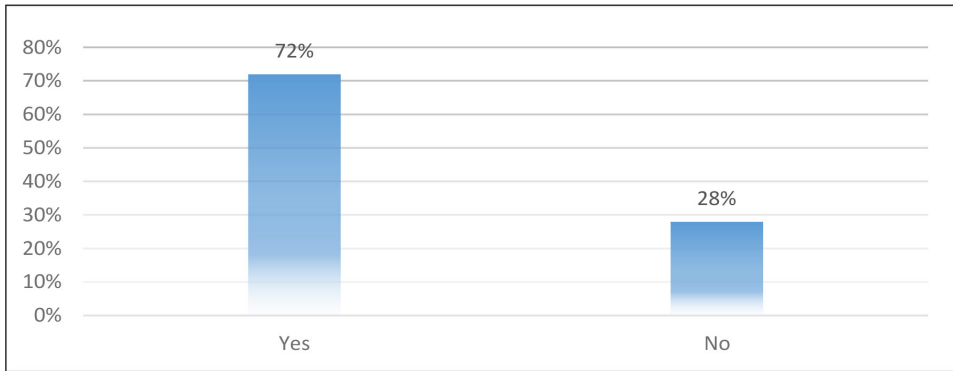


Figure 12: Should Government take Initiatives?  
Sources: [Field Survey at JKKNIU, 2024]

The above figure 12 shows that 72% of the total respondents believes that government should take proper steps to reduce the challenges and obstacles regarding the impact of loan accessibility on the business of student entrepreneurs in the area of JKKNIU. While, a remaining 28% delineates that government shouldn't take proper initiatives regarding the issue. Therefore, it is contemplated that most of the respondents indicated a desire for the government to take appropriate actions.

### What Should Be the Government Initiatives?

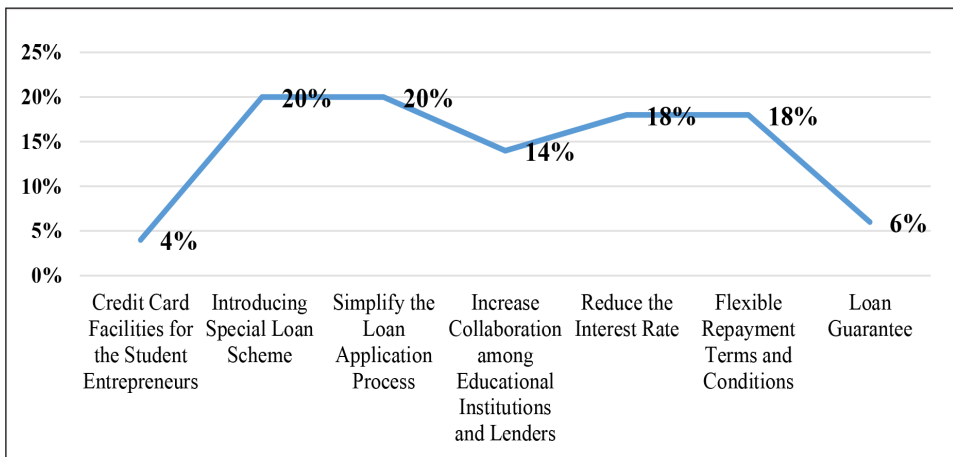


Figure 13: What should be the Government Initiatives?  
Sources: [Field Survey at JKKNIU, 2024]

In the above figure 13 what should be the government initiatives are illustrated. Respondents were inquired about their concerns regarding potential government initiatives. Most of the respondents identified as both introducing special loan scheme and simplification of the loan application process as the first and foremost solution for the student entrepreneurs regarding the loan accessibility, accounting for 20%. Secondly, respondents were suggested that government should initiate action to reduce the interest rate and introduce flexible repayment terms and conditions, estimating response 18%, of the total respondents. Furthermore, increasing the collaboration among educational institutions and loan guarantee and credit card facilities for the student entrepreneurs accounting for 14%, 6% and 4% of the total respondents.

### Preferable Types of Business Loan

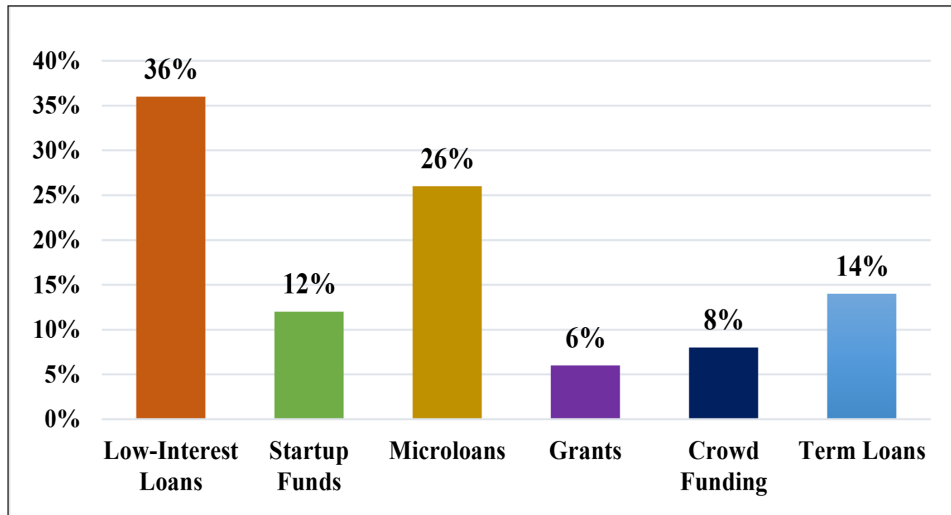


Figure 14: Preferable Types of Business Loan  
Sources: [Field Survey at JKKNIU, 2024]

The above figure 14 illustrates the preferable types of loan by student entrepreneurs for their business venture. The survey findings show that most of the respondents believe that low interest funds will be very helpful for them to start their dream business and enlarge it, accounting for 36%. As well as, 26% of the total respondents thinks that microloans would be better for them. While, 14% believes term loans and 12% thinks that startup funds would be better for them as a business loan. The rest 8% prefers crowd funding and 6% prefer grants as a

business loan for their entrepreneurial activities.

### Preferable Grace Periods for Returning a Loan

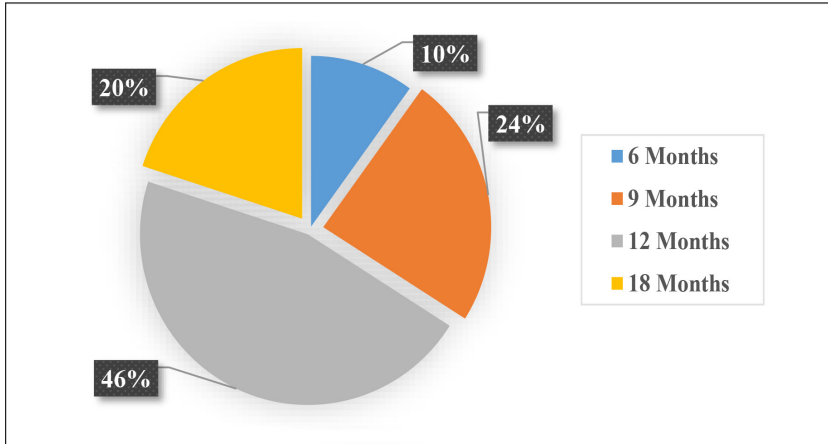


Figure 15: Preferable Grace Periods for Returning a Loan  
Sources: [Field Survey at JKKNIU, 2024]

The above figure 15 shows student entrepreneurs preferable grace periods for returning a loan. This clearly indicates that most of the student entrepreneurs prefer 12 months as a grace period for returning a loan, accounting for 46% of the total respondents. Alongside, some of the respondents prefer 9 months as a grace period for returning the loan, estimated 24% of the total respondents. Furthermore, 20% of the total respondents prefer 18 months as a returning loan grace period while only a slight portion of the student’s entrepreneur 10% prefer 6 months as a grace period to return the loan that was being taken before.

### Criteria of Being Eligible for Getting a Loans

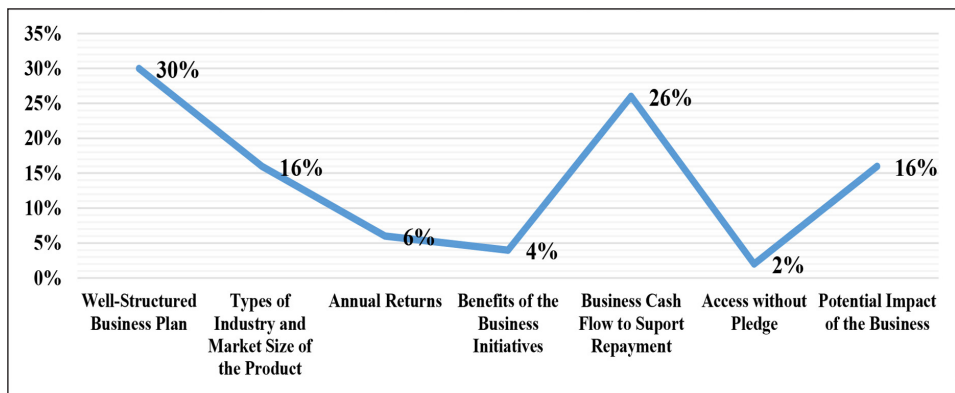


Figure 16: Criteria of being Eligible for Getting a Loans

Sources: [Field Survey at JKKNIU, 2024]

The above line chart demonstrates criteria of being eligible for getting a loan in the area of JKKNIU. The survey findings show that most of the respondents identified well-structured business plan as a criterion for being eligible of seeking loans, accounting for 30%. While, 26% respondents prefer business cash flow to support repayment as a criterion. Additionally, both types of industry and market size of the product and potential impact of the business should be the criteria for providing loans as supported by 16% of the total respondents. Furthermore, 6% prefers annual returns, 4% prefers benefits of the business initiatives and 2% of the total respondents prefer access without pledge as a criterion for being eligible to get a loan from the lender. The government and respective authorities should these take into account and initiate actions as much as possible.

### **Collaboration Among Educational Institutions (university) And Private Sectors (lenders)**

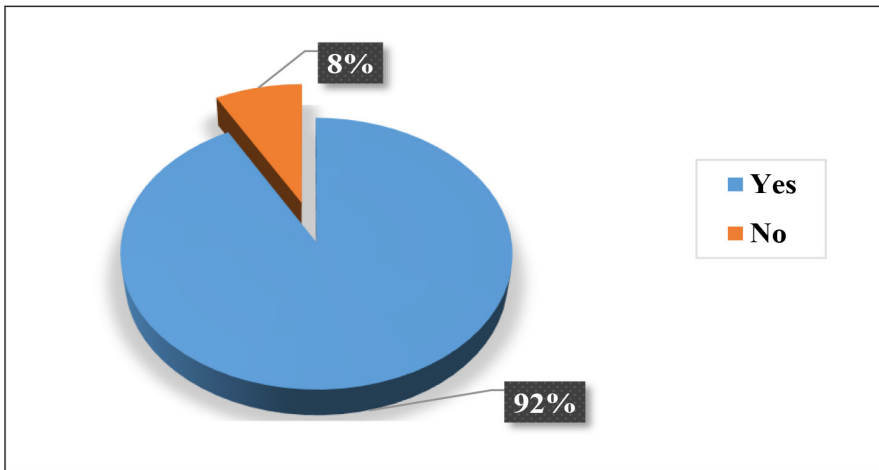


Figure 17: Collaboration among Educational Institutions (University) and Private Sectors (Lenders)  
Sources: [Field Survey at JKKNIU, 2024]

Figure 17 presents a pie chart illustrating respondents' perceptions of collaboration between educational institutions, particularly universities, and private sector lending agencies. Most of the respondents positive about the collaboration and they think it will be benefited them in a greater scope, accounting 92% of the total respondents. While, rest 8% beliefs that there is no need to collaborate those two core institutions.

## **DISCUSSION OF THE STUDY**

The study involved student entrepreneurs from the JKKNIU area, and correlates their responses with the existing literature on the subject. The study examined the objectives related to the impact of loan accessibility on the businesses of student entrepreneurs at JKKNIU. The study also identified several critical factors that significantly influence the loan accessibility of student entrepreneurs at JKKNIU. The survey revealed that 14% of student entrepreneurs are engaged in clothing and online businesses. Both restaurant and gadget sales account for 24%. Coaching, cloud kitchens, SAAS, shoe and bag sales, and bakery businesses each represent 30%. Farming comprises 8%, while pharmacy businesses are operated by 2% of student entrepreneurs. The duration of business operation among respondents was as follows: 1-2 years, 38%; 2-3 years, 28%; more than 3 years, 18%; and less than 1 year, 16%. A significant proportion of respondents, 92%, applied for the loan, while the remaining 8% did not apply for any loan to support their entrepreneurial activities. Among the respondents, 32% reported obtaining personal loans from lending institutions. Additionally, 30% received loans from NGOs, 26% from banks, 8% from local lenders, and the remaining 4% sourced loans from government institutions. Most student entrepreneurs report encountering obstacles during the loan application process, with 86% indicating challenges, while the remaining 14% did not face any obstacles. In this instance, student entrepreneurs assessed the accessibility of loans available to them. A substantial proportion of respondents, estimated at 62%, indicates that accessing loans is challenging for them. A minimum of 8% of student entrepreneurs perceive loan access as easy. The remaining 16% holds a neutral stance regarding the concerns presented. This study examines the challenges encountered by student entrepreneurs who are unable to secure loans. The study examined the challenges faced by student entrepreneurs in relation to the inability to secure loans. Many student entrepreneurs reported that the lack of expected loans significantly hinders their business growth. 28% experienced missed investment opportunities; 24% faced delays in business launch; 16% failed to provide quality products; 10% reported insufficient marketing and promotion budgets; 8% were unable to hire necessary employees; and 6% estimated potential business closure among student entrepreneurs in the JKKNIU area. The investigation identified the main barriers to loan access for student entrepreneurs. The respondents of this study indicated that they encounter several obstacles: high interest rates at an estimated 32%; complex application processes and collateral requirements, each at 22%; fear of high risks at 14%; lack of financial literacy at 6%; and lack of information regarding loan access at 4%.

This study proposes strategies to improve loan accessibility for student entrepreneurs. This study examines potential pathways identified by respondents who are student entrepreneurs. Consequently, they identified their preferred potential initiatives, which include introducing a special loan scheme and simplifying the loan application process, both at 20%; reducing the interest rate and offering flexible repayment terms and conditions, estimated at 18%; increasing collaboration among educational institutions and lenders at 14%; providing loan guarantees at 6%; and offering credit card facilities for student entrepreneurs at 4%. Furthermore, student entrepreneurs identified the following preferred types of business loans: low interest loans (36%), microloans (26%), term loans (14%), startup funds (12%), crowdfunding (8%), and grants (6%). The authorities indicated that if they offer such types of loans, they should also establish appropriate grace periods for repayment. In this instance, the majority prefer a duration of 12 months (46%) followed by 9 months (24%) 18 months (20%) and 6 months (10%) The criteria for loan eligibility among student entrepreneurs are multifaceted. Key factors include a well-structured business plan (30%) business cash flow to support loan repayment (26%), potential impact of the business and industry type and market size (both 16%) annual returns (6%), benefits of business initiatives (4%) and access without pledge (2%). Student entrepreneurs provided their perspectives on whether educational institutions should collaborate with private sectors, particularly lenders. A significant 92% expressed a positive view regarding such collaboration, while the remaining 8% were not in favor of it.

Consequently, the thorough analysis of the study indicates a significant influence of loan accessibility on the enterprises of student entrepreneurs in the JKKNIU region. The impact of loan accessibility is influenced by various critical factors and components. Student entrepreneurs at JKKNIU encounter challenges related to loan accessibility and face distinct barriers due to insufficient support. The study presents several recommendations regarding the impact of loan accessibility on the businesses of student entrepreneurs at JKKNIU. The study recommended promoting financial literacy programs, collaborating with financial institutions, simplifying loan application processes, implementing loan guarantees and schemes for student entrepreneurs, providing credit card facilities, and reducing interest rates. The study concludes that if the proposed initiatives are implemented by the government and relevant authorities, it would facilitate student entrepreneurs at the university level, particularly at JKKNIU. This support would encourage student entrepreneurs to engage in their entrepreneurial activities and contribute to the country's economic growth.

## CONCLUSION

Entrepreneurship is growing in our country, and most individuals choose it over other careers. This study examined how loan accessibility affects JKKNIU student entrepreneurs' businesses. The researcher used quantitative research and a survey to evaluate how loan accessibility may affect student entrepreneurs.

After examining the first aim, the researcher found that most students work in apparel, restaurant coaching, cloud cooking, farming, books and stationery, internet company, and more. Most have run their businesses for more than 1-2 years. Most respondents were favorable about the loan; therefore, they applied for it to help an entrepreneurial enterprise. They took loans from banks, NGOs, government organizations, local lenders, and personal loans, according to the report. Most student entrepreneurs use personal, NGO, and bank loans.

The second aim, which was to determine the obstacles student entrepreneurs encounter in getting loans from lending institutions, was surveyed. Student entrepreneurs said that not getting the expected loan delayed business launch, prevented hiring, hindered growth, insufficient marketing budget, failed to provide quality products, missed investment opportunities, and potential business closure. Most student entrepreneurs say they face difficulties including slow business development, lost financing possibilities, and delayed business launch.

In the third goal, the findings suggest how to resolve probable issues. All respondents believe the government should act. They also mentioned credit cards for student entrepreneurs, a special loan scheme, simplifying the loan application process, increasing collaboration between educational institutions and lenders, lowering interest rates, flexible payment terms, and loan guarantees for student entrepreneurs.

The study suggests that government, educational institutions, private sectors, and lending agencies support young entrepreneurial ventures and provide loans to student entrepreneurs.

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