

## Financing and Investing Decisions of Women Entrepreneurs: A Case Study in Kamrup(M) District of Assam

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### Abstract

The aim of this research is to study the financing and investing decisions adopted by women entrepreneurs in Kamrup(M) district of Assam. Women entrepreneurship promotes economic growth and social development however many challenges are faced by the women entrepreneurs related to various aspects which includes financial accessibility, investment decisions, and business sustainability. Gaining an understanding of these factors will help to better understand how women entrepreneurs in the area make decisions about financing and investing. The research has been conducted to answer few important questions from 60 women entrepreneurs registered in DICC, Kamrup on the perspective of financing decisions and investing decisions and the challenges faced thereof. Analysing how women entrepreneurs make financing and investment decisions will find the existing gaps, challenges and opportunities in the financial ecosystem. By examining their access to credit, sources of finance, investment preferences and financial planning approaches, will help to understand the broader implications of financial empowerment on women led enterprises. The study ultimately aims to contribute to enhance financial inclusion and empowering women entrepreneurs to build sustainable businesses, ultimately fostering a more sustainable future.

**Keywords:** *Financing Decisions, Investing Decisions, Women Entrepreneurs in Assam, Financial Management, Women-led enterprises.*

### Introduction

Women entrepreneurs are changing demographics, opening up employment opportunities, and inspiring the subsequent generation of female founders through the operation of their businesses—all of which are advancing society. Even though female entrepreneurship and the development of networks of women-owned businesses are on the rise, female entrepreneurs still encounter a variety of difficulties and barriers. The structural internalization of traditional gender roles by society is a significant barrier for female entrepreneurs. Even today, the sector of entrepreneurship is still seen as being dominated by men, and it may be challenging to change these conventional perceptions. In addition to the prevalent stereotype, female entrepreneurs face a number of related difficulties, including the requirement for financial, social, and human capital; supply-side limitations; gendered financing procedures; difficulties in launching new ventures; discrimination in external financing; difficulties in managing small and expanding enterprises; etc.

Financial management is one of the major issues that women entrepreneurs deal with and is very concerning. Although women-owned businesses have endured for a long time in India, most of them have only experienced modest expansion due to the various roadblocks. The research aims to investigate financing and investing decisions adopted by women entrepreneurs and acknowledges the difficulties faced by female business owners while managing their financial operations and thus recognizes the need to study them.

## Problem Statement

Throughout the world, women-owned firms typically constitute one in three businesses. (World Bank, 2022). Entrepreneurship amongst women in India is relatively a recent phenomenon. For Indian women, entrepreneurship is a herculean task, but if done well, it may boost their self-esteem and increase their awareness of their rights.

The development of women entrepreneurship is very low in India, i.e. only 14% of the total business establishments as compared to rest of the world, i.e., 37%. The increasing presence of women as entrepreneurs has led to a significant level of business and economic growth in the country. Women-owned business enterprises are playing an eminent role in the overall development of society at large concerning numerous prospects.

Women entrepreneurs in Kamrup(M) district face numerous challenges in accessing financial resources and making investment decisions, both during the start-up phase and while running their enterprises. Despite various government initiatives and financial support programs, women continue to encounter obstacles such as limited access to credit, lack of collateral, high-interest rates, and inadequate financial literacy. These barriers restrict their ability to scale their businesses and contribute effectively to economic development.

Furthermore, investment decisions made by women entrepreneurs are influenced by multiple factors, including risk perception, availability of funds, and socio-cultural constraints. The choice of funding sources, whether through self-financing, bank loans, government schemes, microfinance, or informal lending networks plays a crucial role in shaping the growth trajectory of their enterprise. However, limited awareness about financial instruments and investment opportunities often leads to suboptimal decision-making, affecting business sustainability.

By understanding these aspects, the study aims to provide insights into improving financial accessibility and empowering women entrepreneurs to make informed investment choices, thereby fostering entrepreneurship and economic progress in the region. Thus, the present study is focused on analyzing the different sources of finance availed by women entrepreneurs in Kamrup(M) district and the investment decisions made by them.

## Objectives of the Study

The objectives of the study are as under:

1. To study the different sources of finance availed by select women entrepreneurs in Kamrup(M) district.
2. To study the investment decisions made by the select women entrepreneurs in Kamrup(M) district.

## Significance of Study

Finance is a key element of every enterprise. It is very important to plan the finances of entrepreneurs. Financial management decisions including investment, financing, and dividend decisions play a major role in the success and growth of an enterprise. In the present age, women are playing a prominent role in almost all sectors, including business.

Against this, the financing and investing decisions of women entrepreneurs in Kamrup (M) District, Assam does undoubtedly carry immense significance. The outcomes of the study will help the women who want to start their enterprise and also be a guideline for other entrepreneurs, policymakers, academicians, and researchers.

## Research Methodology

The research methodology for the proposed research is as follows –

- Type of Research - This research is descriptive in nature.
- Research approach- Interview and survey techniques were the basic approaches used to know the response of women entrepreneurs.
- Data collection tools- Both quantitative and qualitative data collection tools are used in this research.
- Sampling Procedure - The sampling procedure followed in this study is non- probability convenient sampling.
- Sources of data- Both primary data and secondary data are used in this research.
  - (a) **Primary Data** - A structured questionnaire was prepared, and the primary data was collected through the survey method.
  - (b) **Secondary Data** - Textbooks, magazines journals, newspapers, articles, e journals, and different websites.
- Sampling plan - The sampling plan adopted to conduct the study is as follows –
  - (a) **Sampling unit** - For the present study, the registered women entrepreneurs under District Industries & Commerce Centre (DICC) , Kamrup is targeted.
  - (b) **Sample size** - The study is based upon 60 samples comprising registered women entrepreneurs under District Industries & Commerce Centre (DICC), Kamrup have been surveyed.
- Analysis of Data - To analyze the collected data, a simple percentage analysis tool was used. It states the frequency and percentage of the respondents' profile, attitude, and opinion regarding different variables. The analysis of data collection is completed and presented systematically with the use of different tables.

## Data Analysis and Interpretation

**Table 1-** Demographic profile of women entrepreneurs of Kamrup (M)

Factors	Particulars	Number Respondents	of Percentage
Age	18- 25 years	22	37
	26-40 years	30	50
	41-50 years	8	13
	Above 50 years	0	0
Marital Status	Married	16	26.6
	Unmarried	40	66.7
	Divorced	4	6.7
Educational Qualification	Undergraduate	20	33.3
	Graduate	24	40
	Postgraduate	16	26.7

(Source: Survey, 2024)

**Table 2-** Profile of Women-led Enterprises.

Factors	Particulars	Number Respondents	of Percentage
Nature of enterprise	Manufacturing	16	26.7

	Trading	22	36.7
	Service Provider	22	36.7
<b>Form of enterprise</b>	Sole proprietorship	32	53.4
	Partnership	24	40
	Limited Liability Partnership	2	3.3
	Self Help Groups (SHGs)	2	3.3
<b>Age of enterprise</b>	Less than 1 year	12	20
	1-5 years	36	60
	5-15 years	8	13.3
	Above 15 years	4	6.7

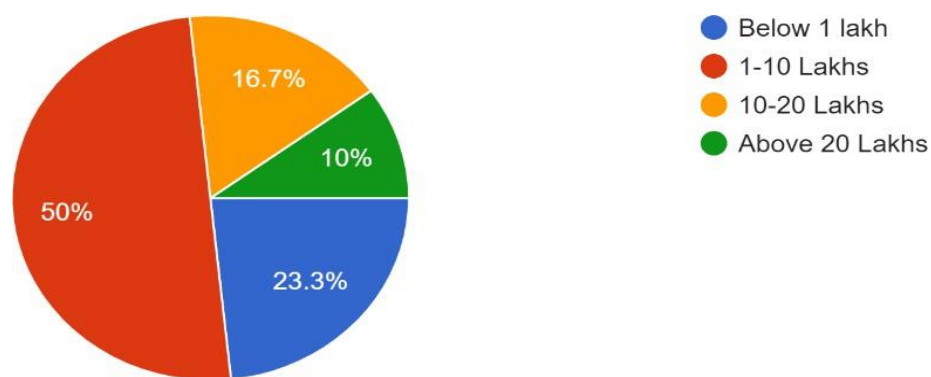
(Source: Survey, 2024)

**Table 3:** Amount of initial investment by women entrepreneurs.

Particulars	Number of Respondents	Percentage
Below Rs 1 lakh	14	23.3
Rs 1-10 Lakhs	30	50
Rs 10-20 Lakhs	10	16.7
Above Rs 20 Lakhs	6	10

(Source: Survey, 2024)

**Figure 3:** Amount of initial investment by women entrepreneurs.



#### Interpretation

Table 3 and Figure 3 illustrates the amount of initial investment made by women entrepreneurs. It is found that among the 60 respondents, 50% made an initial investment of Rs. 1 to Rs. 10 lakhs in their enterprises. This is followed by 23.3% who invested below Rs. 1 lakh, 16.7% invested Rs. 10 to Rs. 20 lakhs, and 10% invested above Rs. 20 lakhs.

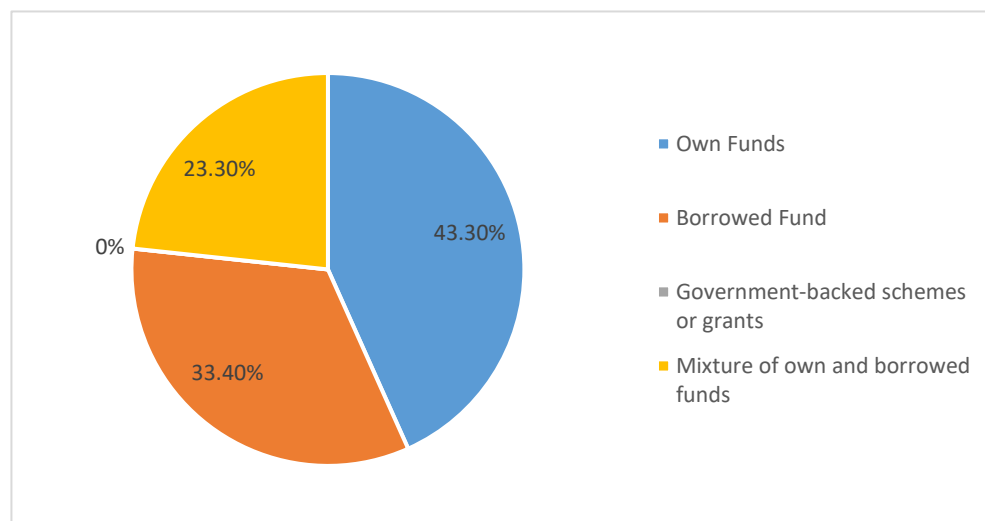
**Table 4:** Source of finance availed by women entrepreneurs.

Source	Number of Respondents	Percentage
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Own Funds	26	43.3
Borrowed Fund	20	33.4
Government-backed schemes or grants	0	0
Mixture of own and borrowed funds	14	23.3

(Source: Survey, 2024)

**Figure 4:** Source of finance availed by women entrepreneurs.



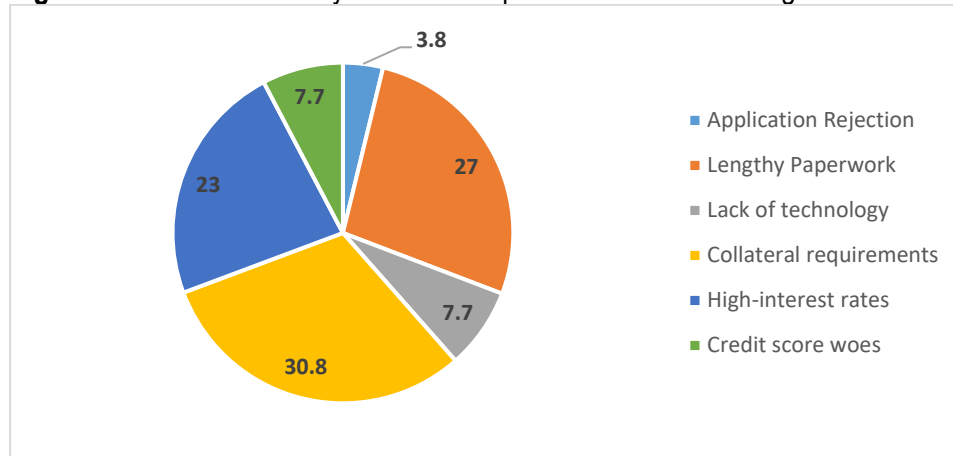
**Interpretation:**

From Table 4 and Figure 4, it is observed that out of a total of 60 respondents, 43.3% sourced finance for their enterprises from their own funds, 33.4% relied on borrowed funds, 23.3% used a mixture of own and borrowed funds, and non sourced finance from government-backed schemes or grants.

**Table 5:** Problems faced by women entrepreneurs while accessing finance.

Problems	Number of Respondents	Percentage
Application Rejection	2	3.8
Lengthy Paperwork	14	27
Lack of technology	4	7.7
Collateral requirements	16	30.8
High-interest rates	12	23
Credit score woes	4	7.7

(Source: Survey, 2024)

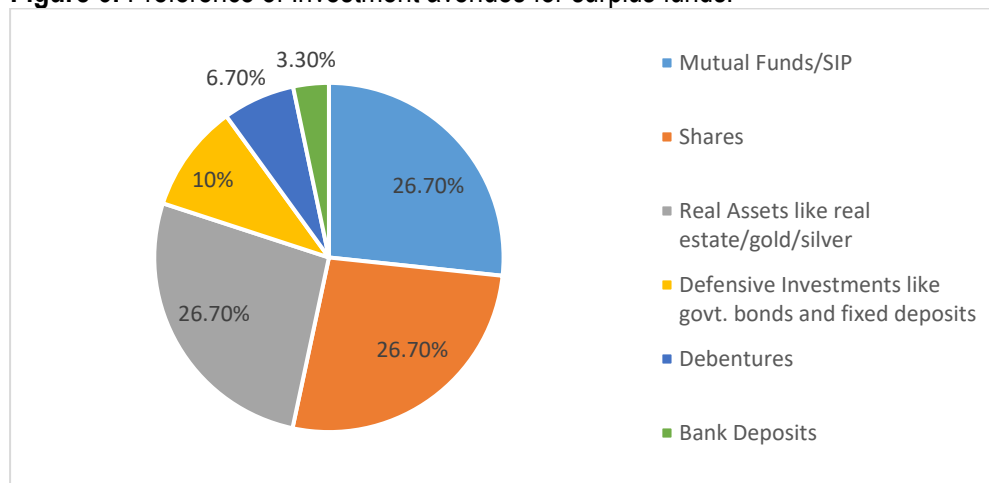
**Figure 5:** Problems faced by women entrepreneurs while accessing finance.**Interpretation:**

From Table 5 and Figure 5, it is observed that out of 60 respondents, 30.8% faced collateral requirements as a major problem while availing of loans, 26.9% encountered lengthy paperwork, 23.1% experienced high-interest rates, 7.7% faced a lack of technology, 7.7% dealt with credit score issues, and only 3.8% faced application rejection as a problem while availing of loans.

**Table 6:** Preference of Investment avenues for surplus funds.

Particulars	Number of Respondents	Percentage
Mutual Funds/SIP	16	26.7
Shares	16	26.7
Real Assets like real estate/gold/silver	16	26.7
Defensive Investments like govt. bonds and fixed deposits	6	10
Government Securities	4	6.7
Bank Deposits	2	3.3

(Source: Survey, 2024)

**Figure 6:** Preference of Investment avenues for surplus funds.

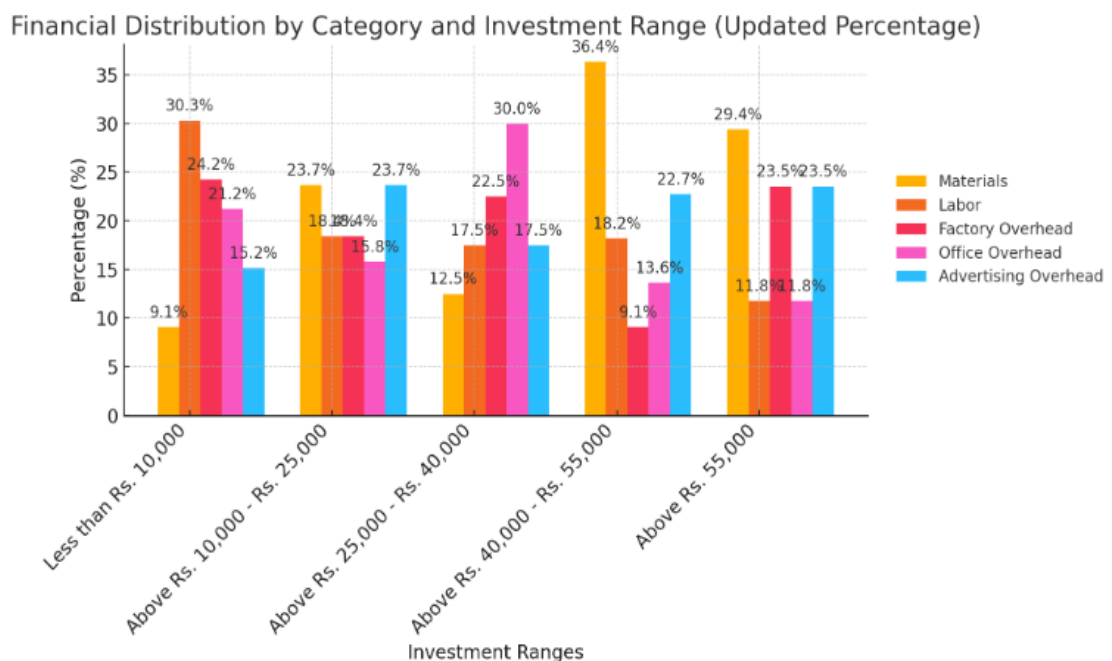
**Interpretation:**

Table 6 and Figure 6 illustrates the preference of investment avenues of surplus funds and it reveals that out of 60 respondents, 26.7% of them invest their surplus amount in Mutual funds and SIPs, 26.7% of them invest in shares, 26.7% of them invest in real assets, 10% of them invest in defensive investments, 6.7% of them invest in debentures and 3.3% of them invest in bank deposits.

**Table 7:** Expenditure allocation under various major business operation activity heads.

Heads	Less than Rs. 10,000	Above Rs. 10,000 up to Rs. 25,000	Above Rs. 25,000 up to Rs. 40,000	Above Rs. 40,000 up to Rs. 55,000	Above Rs 5,500
Direct Materials	6	18	10	16	10
Direct Labor	20	14	14	8	4
Factory Overhead	16	14	18	4	8
Office Overhead	14	12	24	6	4
Advertising Overhead	10	18	14	10	8

(Source: Survey, 2024)

**Figure 7:** Expenditure allocation under various major business operation activity heads.**Interpretation:**

From table 7 and figure 7, it is found that most respondents (36%) invest Rs. 40,000 to Rs. 55,000 in materials, 30% invest less than Rs 10,000 in labour, 24% invest Rs 25000 to 40000 in factory overhead, 30% invest Rs 25,000 to Rs. 40,000 in office overhead and 24% invest Rs.10,000 to 25000 in advertising overhead. A significant shift in expenditure patterns is observed as investment increases, with a greater

proportion allocated to materials and factory overhead in higher investment brackets, suggesting a focus on business expansion and operational efficiency.

## Findings

The major findings of the study are highlighted below:

- i. The majority of women entrepreneurs in Kamrup(M) are between the age group of 25 to 40 years.
- ii. The majority of the sample population (66%) have the marital status of unmarried.
- iii. 40% of the women entrepreneurs are graduates.
- iv. The maximum of the women entrepreneurs.
- v. The majority (53.4%) of women entrepreneurs operate as sole proprietors, indicating a preference for independent business ownership. Partnerships (40%) are also common, while Limited Liability Partnerships (3.3%) and Self-Help Groups (3.3%) have minimal representation, suggesting limited awareness or accessibility of these business structures.
- vi. The majority (60%) of women-led enterprises have been operating for 1 to 5 years, indicating a growing presence of relatively new businesses. However, only 20% are less than a year old, and long-standing enterprises (above 15 years) make up just 6.7%, highlighting challenges in long-term business sustainability.
- vii. Half of the women entrepreneurs (50%) have invested between Rs. 1 to 10 lakhs in their businesses, indicating a moderate investment capacity. Only 10% invested above Rs. 20 lakhs, while 23.3% operate with less than Rs. 1 lakh, reflecting financial constraints and limited access to large-scale funding.
- viii. A significant 43.3% of women entrepreneurs rely on their own funds, while 33.4% depend on borrowed funds, highlighting the challenges in accessing external financial support. Notably, none of the respondents have availed government-backed schemes or grants, indicating a lack of awareness, accessibility issues, or inefficiencies in policy implementation.
- ix. The biggest challenge faced by women entrepreneurs in accessing finance is collateral requirements (30.8%), followed by lengthy paperwork (27%) and high-interest rates (23%), making borrowing difficult. Additionally, issues like lack of technology (7.7%) and credit score concerns (7.7%) further hinder financial accessibility, while application rejection (3.8%) appears to be a less frequent but still relevant issue.
- x. Women entrepreneurs in Kamrup(M) prefer diversified investment options, with Mutual Funds/SIP, Shares, and Real Assets (each at 26.7%) being the most popular choices. Defensive investments like government bonds and fixed deposits (10%) and government securities (6.7%) have lower preference, while bank deposits (3.3%) are the least favored, indicating a higher inclination toward growth-oriented investments.
- xi. The expenditure analysis reveals that labor costs constitute the highest proportion (20%) in the lowest investment range (less than Rs. 10,000) at, indicating the priority given to workforce expenses in small-scale businesses. As investment size increases, the proportion of spending on materials and office overhead rises significantly, peaking at 24% for office overhead in the Rs. 25,000 to Rs. 40,000 range, suggesting a focus on operational infrastructure. Advertising overhead remains relatively consistent across all ranges, reflecting its steady importance in promoting business visibility.

## Suggestions

Based on the primary data collected from field study and secondary data from different published sources, some suggestions and recommendations are made which have been listed below: -

- **Enhancing Financial Literacy:** Women entrepreneurs should be provided with financial literacy programs to help them effectively manage their business finances, investments, and borrowing decisions. Universities and institutions offering entrepreneurship courses should extend tailor-made financial management services to support women who cannot afford professional



assistance.

- **Encouraging Young Women Entrepreneurs:** Since many women entrepreneurs fall in the age group between 25 to 40 years, they should be encouraged with financial and emotional support to build confidence and ensure business sustainability. Special financial schemes should be designed to cater to their needs.
- **Increasing Accessibility to Government Schemes and Grants:** Awareness campaigns should be launched to inform women entrepreneurs about existing government schemes and subsidies. Government agencies should simplify the application process and reduce paperwork to encourage more participation.
- **Promoting Access to Funding:** Women entrepreneurs should be made aware of and encouraged to utilize financial opportunities provided by the government, NGOs, SHGs, and private institutions.
- **Increasing Awareness of Banking and Financing Schemes:** Women entrepreneurs, especially those above 40 years who rely on private borrowing, should be made aware of bank financing options through targeted awareness campaigns using newspapers, radio, TV ads, banners, and mobile messages.
- **Encouraging Technological Adaptation:** To address the technological gap, women entrepreneurs should either hire professionals with technological expertise or take initiatives to update themselves on new business technologies. This will enhance productivity and competitiveness.
- **Promoting Utilization of Government-Backed Schemes:** Since there is a lack of awareness regarding government-backed financial schemes, women entrepreneurs should proactively seek information and training on available opportunities. Government agencies and banks should also conduct outreach programs to ensure these schemes reach the intended beneficiaries.
- **Promoting Formal Business Structures:** Awareness about Limited Liability Partnerships (LLPs) and other structured business models should be enhanced to help entrepreneurs benefit from legal and financial advantages. More networking opportunities should be created to connect women entrepreneurs with potential business partners and investors.

## Conclusion

Women's entrepreneurship is rapidly gaining momentum in today's economic landscape. As India continues to develop, numerous opportunities arise for women to showcase their business acumen. This increasing trend has created a need for research on women entrepreneurs. The collected data indicates that with adequate financial support from the government and their families, they can achieve greater business success. Studies have shown that women entrepreneurs play a crucial role in the country's economic growth and development. To further empower them, it is essential to address their financial needs and provide timely access to funding. This study explores the financial challenges faced by women entrepreneurs, their sources of finance, and investment strategies when generating profits. The findings of the study shows that women are just as capable as men in managing businesses, highlighting minimal differences between the two. Therefore, women should be encouraged to participate in trade and entrepreneurship to contribute to economic progress. Several recommendations have been proposed to support women entrepreneurs, ensuring they have the necessary resources to enhance productivity, efficiency, and profitability. Ultimately, fostering women's entrepreneurship will promote self-reliance, nurture their talents, and drive economic development.

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