FINANCIAL MANAGEMENT OF THE MANUFACTURING INDUSTRIES –A STUDY OF SRIKAKULAM DISTRICT IN ANDHRA PRADESH

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Abstract

The financial management is one of the internal factors that determine the performance of a firm. This study aims to examine the financial management skills of micro, small and medium entrepreneurs of Srikakulam district of Andhra Pradesh state. The study collected data from 352 MSMEs of Srikakulam district during 2022-23. Perception analysis was used to study the financial management skills of MSMEs. The ANOVA test was employed to understand the level of difference among various MSMEs. The study found that the micro industries are lagging behind in the financial management skills when compared to small and medium enterprises. At the same time the entrepreneurs with technical knowledge have significant financial management skills when compared to those do not have technical knowledge.

Keywords: Financial management, MSMEs, Perception, ANOVA, Technical knowledge

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DOI: 10.53555/ecb/2022.11.12.292

1. Introduction

According the notification of Ministry of MSME on 1st June, 2020[1] a micro industry is the industry with investment in plant and machinery up to Rs.1 crore and turnover does not exceed 5 crore rupees. The small industry is one with the investment in plant and machinery above Rs.1 crore and up to Rs.10 crores and turnover is above Rs.5 crore and up to Rs.50 crores. The medium enterprise is the industry where the investment in plant and machinery or Equipment does not exceed 50 crore rupees and turnover does not exceed 250 crore rupees. Micro, Small and Medium Enterprises play a vital role in the Indian economy as they contribute large share in Gross Domestic Product, employment and exports.

MSMEs in the manufacturing sector can be established with less capital and less infrastructural facilities. As they are labour-intensive, they can provide more employment opportunities. In labour-rich countries like India, the development of micro, small, and medium-scale enterprises is very important. These industries can be established even in rural and backward areas with less infrastructural facilities. The development of MSMEs leads to the self-sufficiency of villages. The products from MSMEs in India have wide demand in the international market. The exports of MSME products earn foreign exchange for the country which in turn improves the terms of trade for the economy.

Despite the contribution of MSMEs to the Indian economy, their profitability and financial performance are very low. This may be due to the lack of financial literacy among the entrepreneurs of MSMEs. Financial literacy is very important to improve the business performance of firms. Financial management skills relate to one important dimension of financial literacy. Financial management is the ability to estimate the financial conditions of a firm. Guthman and Dougal[2] defined financial management as the activity concerned with planning, raising, controlling, and administering funds used in the business. The scope of financial management is very broad, and it involves the analysis, interpretation, and utilization of financial information to make firms profitable. The ability to understand, analyse, and interpret financial data, monitor revenue and expenditure streams, develop realistic budgets, ability to manage cash, and book keeping skills can be considered financial management skills.

2. Review of related literature

Sri Zaniarti, Sienly Veronica, and Raden Arvi Arsytania (2022)[3] studied on the effect of financial literacy on the sustainability of micro, small, and medium, enterprises with access to finance as a mediating variable. The data collected 203 responses and found that financial literacy positively affects the financial sustainability of firms. Manmohan, and Rumi (2021)[4] studied "The Indian manufacturing Sector: Finance, Investment, and Performance of Firms". Using firm-level data on a sample of 804 large, mid-sized, and small-cap manufacturing firms from 2005 to 2019, this paper tests the hypothesis that financial duress is responsible for the manufacturing sector's stagnation. The study found no evidence that financial duress is a significant factor in these firms' investment slowdowns. Raghav, and Rishi (2019)[5] studied the "Determinants of financial performance of selected listed manufacturing firms in India." The purpose of the study was to conduct a financial analysis of India's manufacturing sector and determine the reasons for the sector's slow development. Independent factors substantially affected the firm's financial performance, as shown by the study's findings. Financial performance was unfavourably impacted by the capital structure and firm size, while it was positively impacted by liquidity and working capital. Krishnakumar, and Anu (2019)[6] studied the "Role of Small Scale Industries promoted by Tamil Nadu Industrial Investment Corporation Limited in Salem District". The authors of this study looked at how small businesses in the Salem district contribute to the creation of jobs and the efficient use of resources. They discovered that the primary issues faced by the SSIs in the study area are a lack of trained labour and inadequate financial facilities. Poonam Rani (2016)[7] studied the "Financial Aspects of Micro, Small, and Medium Enterprises in Bathinda District of Punjab, India." The goal of this study was to look into several financial elements of MSMEs in Punjab's Bathinda region. This study found that the majority of business owners used self-financing, borrowing from friends and family, or going to money lenders while starting their businesses. They have not accessed institutional financial resources like company bonds, venture capital funds, public or private bank loans, or SIDBI borrowing. Businesses borrow from banks for 34% of their working capital, friends and family for 8.7%, money lenders for 3.3%, and money lenders for 100% of their working capital. The remaining 3% of businesses use their own funds to fund their operations. Suneetha and Sankaraiah (2014)[8] studied the "Problems of MSMEs and

Entrepreneurs in Kadapa District." The focus of the study was on the contribution of women-owned businesses to MSMEs in the Kadapa district. This paper describes the financial challenges encountered by women entrepreneurs in Andhra Pradesh's Kadapa district. In this paper, a field survey was conducted on 156 businesses, and of these 156 businesses, 103 encountered financial difficulties. This article suggests that financial issues must be resolved to enhance women's entrepreneurial development.

Research gap

The earlier literature discussed the financial awareness and financial accessibility of the firms. It is also studied how the performance of firms is determined by various financial aspects. The present study aims to study the financial management skills of the MSM entrepreneurs of manufacturing industries of Srikakulam district in Andhra Pradesh.

Objectives of the study

1. To study the financial management skills of Mirco, Small and Medium entreprenuers of Srikakulam district in Andhra Pradesh.
2. To study the level of difference in the financial management skills of MSM entrepreneurs of various socio and demographic features.
3. To study the level of difference in the finanicial management skills of various types of micro, small and medium enterprises.

Hypothesis

1. H_{01}: There is no significant difference in the financial management skills of various MSM enterprises in Srikakulam district.
2. H_{02}: There is no significant difference in the financial management skills of entrepreneurs with different demographic features.

3. About Srikakulam district

Srikakulam District is the extreme North-eastern district of Andhra Pradesh, situated within the geographic coordinates of 18°-20' and 19°-10' of northern latitude and 83°-50' and 84°-50' of eastern longitude.[9] The District has a total area of 5837 square kilometres, with a seacoast of 193 Km. Agriculture plays a dominant role in the district's economy. But agriculture in the district is mostly depended on monsoons, as there are no proper artificial irrigation facilities. Labour migration is very high in Srikakulam district, and there is a need to develop the manufacturing sector in the district. There is a lot of potential for the development of the manufacturing sector in the district as it has cheap land, low labour cost, and availability of natural resources.

4. Methodology

The research is conducted with the primary data collected with the help of well structured questionnaire which is subjected for pre-test of reliability through a pilot study. The data is collected from selected manufacturing industries (352) throughout the selected Srikakulam district. For this samples were collected from 352 MSMEs in Srikakulam District which are working in the areas of Agro and Food, Textile and Silk, Forest, Paper & Straw Board, Engineering, Electrical, Mechanical & Metallurgical, Electronics, Chemicals, Fertilizers, Drugs & Pharmaceuticals, Chemicals, Fertilizers, Drugs & Pharmaceuticals and other industries. Among the MSMEs, only manufacturing units are considered, and trade and service units are not considered in the study. An ANOVA test is employed to assess the level of difference in the financial management skills of different types of manufacturing industries.

5. Results and discussions

The details of micro, small, and medium scale manufacturing enterprises and the demographic features of micro, small and medium scale entrepreneurs in the study are discussed in the following tables.

Table 1: Distribution of MSM manufacturing industries in the study area

Type of Enterprise	Frequency	Percentage
Micro	162	46.0
Small	154	43.8
Medium	36	10.2
Total	352	100.0

Source: Primary Data

The distribution of MSM manufacturing industries in the study area is presented in the Table 1. In the total industries surveyed, 46.0 percent are micro manufacturing industries, followed by 43.8 percent small manufacturing industries and 10.2 percent are medium manufacturing industries.

Table 2: Categories wise distribution of MSM Manufacturing Industries

Type of Industry	Types of manufacturing industries			Total
	Micro	Small	Medium	
Agro and Food	75(46.3)	77(50.0)	5(13.9)	157(44.6)
Textile and Silk	7(4.3)	2(1.3)	4(11.1)	13(3.7)
Forest, Paper & Straw Board	5(3.1)	4(2.6)	4(11.1)	13(3.7)
Engineering Electrical, Mechanical & Metallurgical	12(7.4)	10(6.5)	4(11.1)	26(7.4)
Electronics	3(1.9)	2(1.3)	3(8.3)	8(2.3)
Chemicals, Fertilizers, Drugs & Pharmaceuticals	3(1.9)	2(1.3)	6(16.7)	11(3.1)
Cement, Ceramics & Minerals	40(24.7)	39(25.3)	5(13.9)	84(23.9)
Other Industries	17(10.5)	18(11.7)	5(13.9)	40(11.4)
Total	162(100.0)	154(100.0)	36(100.0)	352(100.0)

Source: Primary Data, (Figures in brackets are percentages)

The analysis of table 2 reveals that among the total enterprises examined in this study maximum number occupied by agro and food based industries followed by cement, ceramics & minerals, and remaining other industries are with limited number.

Table 3: Number of employees working in the MSM manufacturing industries

Working employees	Types of manufacturing industries			Total
	Micro	Small	Medium	
Less than 5	20 (12.3)	4 (2.6)	2 (5.6)	26 (7.4)
5 - 10	91 (56.2)	81 (52.6)	23 (63.9)	195 (55.4)
11 - 20	29 (17.9)	62 (40.3)	5 (13.9)	96 (27.3)
Above 20	22 (13.6)	7 (4.5)	6 (16.7)	35 (9.9)
Total	162 (100.0)	154 (100.0)	36 (100.0)	352 (100.0)

Source: Primary Data, (Figures in brackets are percentages)

The analysis of table 3 shows that among the total enterprises, 55.4 percent of the firms are working with 5-10 employees. 27.3% firms are working with 11-20 employees and from the remaining 35% firms working with above 20 employees.

Table 4: Location of the MSM manufacturing industries in the study area

Location of the Enterprise	Types of manufacturing industries			Total
	Micro	Small	Medium	
Commercial	25 (15.4)	21 (13.6)	4 (11.1)	50 (14.2)
Market circle	40 (24.7)	88 (57.1)	6 (16.7)	134 (38.1)
Residential	85 (52.5)	34 (22.1)	5 (13.9)	124 (35.2)
Outskirts	12 (7.4)	11 (7.1)	21 (58.3)	44 (12.5)
Total	162 (100.0)	154 (100.0)	36 (100.0)	352 (100.0)

Source: Primary Data, (Figures in brackets are percentages)

Therefore, the analysis of table 4 shows that among the total enterprises taken in this study majority number of firms located in residential areas followed by market circle and from the remaining a limited number of enterprises are located at commercial areas and outskirts.

The analysis of table 5 indicates that among the total micro, small and medium enterprises taken in

this study a predominant group of owners of the firms are in the age group of 21-30 years followed by 31-40 years, and from the remaining less number of entrepreneurs are in the age group of 41-50 years and above 50 years.

Table 5:Age–wise distribution of MSM entrepreneurs of manufacturing industries

Age-Group	Types of manufacturing industries			Total
	Micro	Small	Medium	
20 - 30 years	50 (30.9)	55 (35.7)	13 (36.1)	118 (33.5)
31 - 40 years	56 (34.6)	48 (31.2)	11 (30.6)	115 (32.7)
41 - 50 years	30 (18.5)	29 (18.8)	7 (19.4)	66 (18.8)
Above 50 years	26 (16.0)	22 (14.3)	5 (13.9)	53 (15.1)
Total	162 (100.0)	154 (100.0)	36 (100.0)	352 (100.0)

Source: Primary Data, (Figures in brackets are percentages)

Table 6: Gender-wise distribution of MSM entrepreneurs of manufacturing industries

Gender	Types of manufacturing industries			Total
	Micro	Small	Medium	
Male	102 (63.0)	97 (63.0)	22 (61.1)	221 (62.8)
Female	60 (37.0)	57 (37.0)	14 (38.9)	131 (37.2)
Total	162 (100.0)	154 (100.0)	36 (100.0)	352 (100.0)

Source: Primary Data, (Figures in brackets are percentages)

Thus, the analysis of table 6 reveals that among the total enterprises taken in this study maximum number of entrepreneurs are male followed by female are with less number.

Table 7: Educational Qualification–wise distribution of MSM entrepreneurs of manufacturing industries

Educational Qualification	Types of manufacturing industries			Total
	Micro	Small	Medium	
Secondary	28 (17.3)	21 (13.6)	13 (36.1)	62 (17.6)
Higher Secondary	39 (24.1)	58 (37.7)	14 (38.9)	111 (31.5)
Graduation	53 (32.7)	40 (26.0)	4 (11.1)	97 (27.6)
Post-Graduation	42 (25.9)	35 (22.7)	5 (13.9)	82 (23.3)
Total	162 (100.0)	154 (100.0)	36 (100.0)	352 (100.0)

Source: Primary Data, (Figures in brackets are percentages)

Therefore, the analysis of table 7 shows that 31.5 percent of respondents have higher secondary education as their qualification, 27.6 percent respondents graduation as their educational qualification, 23.3 percent respondents have post-graduation as their educational qualification and 16.2 percent respondents have secondary level of educational qualification.

The analysis of table 8 reveals that among the total micro, small and medium enterprises taken in this study a maximum number of entrepreneurs of 65.6% have technical qualification and least number of entrepreneurs 34.4% doesn't have technical qualification.

Table 8: Technical Qualification–wise distribution of MSM entrepreneurs of manufacturing industries

Technical Qualification	Types of manufacturing industries			Total
	Micro	Small	Medium	
Yes	102 (63.0)	111 (72.1)	18 (50.0)	231 (65.6)
No	60 (37.0)	43 (27.9)	18 (50.0)	121 (34.4)
Total	162 (100.0)	154 (100.0)	36 (100.0)	352 (100.0)

Source: Primary Data, (Figures in brackets are percentages)

Table 9: Previous experience of MSM entrepreneurs of manufacturing industries in related business

Previous experience in related business	Types of manufacturing industries			Total
	Micro	Small	Medium	
Less than 5 years	20 (12.3)	40 (26.0)	11 (30.6)	71 (20.2)
5 - 10 years	42 (25.9)	51 (33.1)	9 (25.0)	102 (29.0)
10 - 15 years	48 (29.6)	28 (18.2)	7 (19.4)	83 (23.6)
15 - 20 years	25 (15.4)	21 (13.6)	4 (11.1)	50 (14.2)
20 - 25 years	15 (9.3)	8 (5.2)	3 (8.3)	26 (7.4)
Above 25 years	12 (7.4)	6 (3.9)	2 (5.6)	20 (5.7)
Total	162 (100.0)	154 (100.0)	36 (100.0)	352 (100.0)

Source: Primary Data, (Figures in brackets are percentages)

The analysis of table 9 shows that among the total micro, small and medium enterprises taken in this study a predominant group of owners of the firms have 5-10 years of experience followed by 10-15 years of experience, less than 5 years of experience and from the remaining less number of entrepreneurs with 15-20 years of experience, 20-25 years of experience, above 25 years of experience.

Table 10: Number of family members of MSM entrepreneurs of manufacturing industries engaged in the current business

No. of family members	Types of manufacturing industries			Total
	Micro	Small	Medium	
Below 3	68 (42.0)	29 (18.8)	6 (16.7)	103 (29.3)
3 - 5	60 (37.0)	82 (53.2)	16 (44.4)	158 (44.9)
Above 5	34 (21.0)	43 (27.9)	14 (38.9)	91 (25.9)
Total	162 (100.0)	154 (100.0)	36 (100.0)	352 (100.0)

Source: Primary Data, (Figures in brackets are percentages)

The analysis of table 10 reveals that among the total enterprises taken in this study, in 44.9 percent of industries, the number of family members are between 3 to 5. In 29.3 percent enterprises, the number of family members are below 3 and the number of family members are above 5 in 25.9 percent enterprises.

Table 11: Agreeableness of the MSM entrepreneurs of manufacturing industries on financial management skills

SL. No	Financial Management skills	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Total
1	Book-keeping skills are good	37 (10.5)	51 (14.5)	66 (18.8)	82 (23.3)	116 (33.0)	352 (100.0)
2	Can Understand, analyse, and interpret financial data, balance sheets, and cash flow	36 (10.2)	49 (13.9)	67 (19.0)	80 (22.7)	120 (34.1)	352 (100.0)
3	Can monitor revenue, expenditures and budgets	22 (6.3)	40 (11.4)	70 (19.9)	79 (22.4)	141 (40.1)	352 (100.0)
4	Can understand how to develop realistic and accurate forecasts	42 (11.9)	59 (16.8)	68 (19.3)	77 (21.9)	106 (30.1)	352 (100.0)
5	Able to Manage cash and cash disbursements	41 (11.6)	59 (16.8)	69 (19.6)	83 (23.6)	100 (28.4)	352 (100.0)
6	Can estimate budget of the firm	32 (9.1)	43 (12.2)	68 (19.0)	96 (27.3)	113 (32.1)	352 (100.0)

Source: Primary Data, (Figures in brackets are percentages)

The agreeableness of the MSM entrepreneurs of manufacturing industries on various aspects relating to financial management skills is represented in Table 11. It is noticed that 33.0 percent strongly agree, 23.3 percent agree, 18.8 percent undecided, 14.5 percent disagree and 10.5 percent strongly disagree with the statement "Book-keeping skills are good." It is observed that 34.1 percent strongly agree, 22.7 percent agree, 19.0 percent undecided, 13.9 percent disagree and 10.2 percent strongly disagree with the statement "Can understand, analyse, and interpret financial data, balance sheets, and cash flow." The data shows that 40.1 percent strongly agree, 22.4 percent agree, 19.9 percent undecided, 11.4 percent disagree and 6.3 percent strongly disagree with the statement "Can monitor revenue, expenditures and budgets." It is found that 30.1 percent strongly agree, 21.9 percent agree, 19.3 percent undecided, 16.8 percent disagree and 11.9 percent strongly disagree with the statement "Can understand how to develop realistic and accurate forecasts." The data shows that 28.4 percent strongly agree, 23.6 percent agree, 19.6 percent undecided, 16.8 percent disagree and 11.6 percent strongly disagree with the statement "Able to Manage Cash and Cash Disbursements." From the data, it is observed that 32.1 percent strongly agree, 27.3 percent agree, 19.0 percent undecided, 12.2 percent disagree and 9.1 percent strongly disagree with the statement "Can estimate the budget of the firm.

Table 12: Level of difference in the financial management skills of various manufacturing industrial groups

Particulars	Category	N	Mean	Std dev	Std Err	f- value	p-value
Type of enterprise	Micro	162	19.40	3.737	0.294	39.875**	0.000
	Small	154	22.32	4.945	0.399		
	Medium	36	25.64	2.609	0.435		
Type of industry	Agro and Food	157	21.07	4.622	0.369	0.311	0.949
	Textile and Silk	13	21.54	3.332	0.924		
	Forest, Paper & Straw Board	13	20.54	4.841	1.343		
	Engineering, Electrical, Mechanical & Metallurgical	26	21.19	5.154	1.011		
	Electronics	8	21.13	6.010	2.125		
	Chemicals, Fertilizers, Drugs, and Pharmaceuticals	11	22.18	4.070	1.227		
	Cement, Ceramics & Minerals	84	21.49	4.727	0.516		
	Other Industries	40	22.00	4.857	0.768		
No. of employees	Less than 5 employees	26	20.04	4.015	0.787	1.435	0.232
	5 – 10 employees	195	21.16	4.671	21.16		
	11 – 20 employees	96	22.01	4.818	22.01		
	Above 20 employees	35	21.23	4.596	21.23		
Location of the Enterprise	Commercial	50	20.82	3.762	0.532	2.260	0.081
	Market circle	134	21.91	4.973	0.430		
	Residential	140	20.71	4.497	0.380		
	Outskirts	28	22.43	5.138	0.971		
	Total	352	21.32	4.669	0.249		

** Significant at 1% level

Table 12 represents the level of difference in the financial management skills of various manufacturing industrial groups. The data shows that among types of enterprises, the average perceptive score of 25.64 is perceived by medium enterprises, which is significantly higher than the other enterprises, and the least average perceptive score of 19.40 is perceived by micro enterprises and whose respective standard deviations are 2.609 and 3.737. With these mean and standard deviation differences, the calculated f-value of 39.875 is significant at the 1% level because the p-value is 0.000. This indicates that there is a significant difference among types of enterprises in the financial management skills of various manufacturing industrial groups.

The level of difference in the financial management skills of various manufacturing industrial groups is discussed in the table 13. Regarding the types of industries, it shows that the average perceptive score of 22.18 is perceived by the chemicals, fertilizers, drugs, and pharmaceuticals industry, which is higher than the other industries, and the least average perceptive score of 20.54 is perceived by the forest, paper, and straw board Industries. And also, their standard deviations are 4.070 and 4.841, respectively. Therefore, the calculated f-value of 0.311 is not significant because the p-value is 0.949. This infers that there is no significant difference among types of industries in the financial management skills of various manufacturing industrial groups.

From the data on the number of employees working, it shows that the average perceptive score of 22.01 is perceived by 11-20 employees, which is higher than the other groups, and the least average score of 20.04 is perceived by less than 5 employees, and whose respective standard deviations are 4.818 and 4.015. With these mean and standard deviation differences, the calculated f-value of 1.435 is not significant because the p-value is 0.232. This indicates that there is no significant difference in the level of financial management skills of various manufacturing industrial groups with reference to the number of employees working.

According to the location of the enterprise, it is noticed that the average perceptive score of 22.43 is perceived by industries located on the outskirts, which is higher than the other locations of enterprises, and the least perceptive score of 20.71 is perceived by industries located in residential areas. And also, their respective standard deviations are 5.138 and 4.497. With these mean and standard deviation differences, the calculated f-value of 2.260 is not significant because the p-value is 0.081. This indicates that there is no significant difference in the financial management skills of enterprises in the different locations.

Table 13: Level of difference among various demographic group entrepreneurs of manufacturing industries on their financial management skills

Particulars	Category	N	Mean	Std dev	Std Err	f- value	p-value
Age	20-30 years	118	21.55	4.695	0.432	0.382	0.766
	31-40 years	115	21.43	4.405	0.411		
	41-50 years	66	20.82	5.078	0.625		
	above 50 years	53	21.19	4.723	0.649		
Gender	Male	221	21.14	4.764	0.320	0.862	0.354
	Female	131	21.62	4.507	0.394		
Educational qualification	Secondary	62	21.66	4.457	0.566	1.428	0.234
	Higher Secondary	111	21.78	4.892	0.464		
	Graduation	97	21.30	4.430	0.450		
	Post Graduation	82	20.45	4.754	0.525		
Technical qualification	Yes	231	24.12	3.824	0.536	5.949**	0.000
	No	121	20.60	5.180	0.611		
Previous experience	Less than 5 years	71	21.97	4.736	0.562	0.486	0.787
	5-10 years	102	21.29	4.765	0.472		
	10-15 years	83	21.02	4.328	0.475		
	15-20 years	83	21.02	4.328	0.475		
	20-25 years	26	21.62	5.300	1.039		
	Above 25 years	20	21.25	3.416	0.764		
	Total	352	21.32	4.669	0.249		

** Significant at 1% level

Table 13 reveals the level of difference among various demographic groups of entrepreneurs in the manufacturing industries in terms of financial management skills. The data shows that among various age groups, respondents had the highest average perceptive score of 21.55, which is perceived by the 20-30 year age group, compared to the other age groups, and the least average perceptive score of 20.82 is perceived by the 41-50 year age group. And also their respective standard deviations are 4.695 and 5.078. With these mean and standard deviation differences, the calculated f-value of 0.382 is not significant because the p-value is 0.766. This indicates that there is no significant difference among various age groups of entrepreneurs in financial management skills.

Regarding the gender-wise group of respondents, the average perceptive score of 21.62 is perceived by female entrepreneurs, which is higher than the average perceptive score of 21.14, which is perceived by male entrepreneurs, and their respective standard deviations are 4.507 and 4.764. Therefore, the calculated f-value of 0.862 is not significant because the p-value is 0.354. This infers that there is no significant difference among gender-wise groups in the entrepreneurs of manufacturing industry in terms of financial management skills.

Regarding educational qualification groups, it is noticed that the average perceptive score of 21.78 is perceived by entrepreneurs with educational qualification of higher secondary, which is higher than the other educational qualification groups, and the least average perceptive score of 20.45 is perceived by entrepreneurs with educational qualification of post-graduation, and their respective standard deviations are 4.892 and 4.754. With these mean and standard deviation differences, the calculated f-value of 1.428 is not significant because the p-value is 0.234. This indicates that there is no significant difference in the financial management skills of various entrepreneurs with different educational qualifications.

With reference to the technical qualification groups, it is observed that the average perceptive score of 24.12 is perceived by entrepreneurs with technical qualification, which is significantly higher than the average perceptive score of 20.60, which is perceived by entrepreneurs without technical qualification. And also, their respective standard deviations are 3.824 and 5.180. With these mean and standard deviation differences, the calculated f-value of 5.949 is significant at the 1% level because the p-value is 0.000. This infers that there is a significant difference in financial management skills among the entrepreneurs of manufacturing industries with or without technical qualification.

With reference to the previous experience groups, it shows that out of total, the average perceptive score of 21.97 is perceived by entrepreneurs with less than 5 years of experience, which is higher than the other groups, and the least is 21.02, which perceived by entrepreneurs with 10-15 years of experience and by entrepreneurs with 15-20 years of experience, respectively. And also, their respective standard deviations are 4.736 and 4.328. With these mean and standard deviation differences, the calculated f-value of 0.486 is not significant because the p-value is 0.787. This indicates that there is no significant difference in the financial management skills among various entrepreneurs with different levels of experience.

Major findings

1. The data analysis infers that a predominant group of MSM manufacturing industries in this study are microenterprises, followed by small enterprises, and a small number of medium enterprises have been considered in this study.
2. 44.6 percent of the industries in this study belong to agro and food categories.
3. Most of the industries (55.4%) in the present sturdy are working with 5-10 employees.
4. Among the total enterprises taken in this study, the majority of firms are located in residential areas.
5. In 44.9 percent of industries, 3-5 family members are working in the industry.
6. In this study, a predominant group of owners of the firms are in the age group of 21-30 years, followed by 31-40 years.
7. Among the total enterprises taken in this study, the maximum number of entrepreneurs are male.
8. Only 34.4 percent of entrepreneurs have technical knowledge.
9. 31.5 percent of respondents have higher secondary education as their qualification.
10. Among the total micro, small, and medium enterprises taken in this study, a predominant group of owners of the firms have 5-10 years of experience.
11. Micro and small-scale industries are lagging behind in financial management skills when compared to medium scale industries.
12. Entrepreneurs without technical knowledge have significantly lower financial management skills when compared to entrepreneurs with technical knowledge.

Recommendations

1. As micro enterprises have fewer financial management skills, they must be provided with proper training in financial management skills.
2. It is proven in the study area that entrepreneurs with technical knowledge have higher financial management skills. Steps must be taken to improve the technical knowledge among micro and small entrepreneurs.
3. A large percentage of entrepreneurs opined that they could not develop realistic and accurate forecasts. So they must be trained in forecasting business conditions.
4. At the same time, a large group of entrepreneurs expressed that they are not able to manage cash and cash disbursements. So frequent trainings on these issues are important to impart sufficient knowledge.
5. The District Industries Centers should take the necessary steps to arrange such training programmes.

6. Conclusion

The MSMEs of manufacturing sector is referred as the engine of the Indian economy as well as the catalyst for the socio economic transformation of people, especially in the rural and backward areas of the country. The growth of the MSMEs of manufacturing sector helps in reducing people's significant reliance on the agricultural sector by providing productive work in the secondary sector. The MSMEs of manufacturing sector can provide employment to the unskilled labour also. So they play an important role in the reduction of unemployment and poverty in the economy and also in achieving the balanced regional development.

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