

**A STUDY ON CREDIT FACILITIES
AND THE SUCCESS OF THE SPECIAL SCHEMES
IMPLEMENTED FOR SMALL BUSINESSES**

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TABLE OF CONTENTS

	<u>page</u>
ACKNOWLEDGEMENT	i
ABSTRACT	ii
LIST OF TABLES	iv
LIST OF FIGURES	v
<u>Chapter</u>	
1 INTRODUCTION	
Introduction	1
Objectives of the study	2
Methodology	3
Scope and limitation of the study	4
2 LITERATURE REVIEW	6
3 DATA COLLECTION	10
4 ANALYSIS OF DATA	14
5 RECOMMENDATIONS AND CONCLUSION	43
BIBLIOGRAPHY	46
APPENDICES	
APPENDIX A - Nature of Trade of Small Businesses	47
APPENDIX B - Sample of the Questionnaire	48-51
APPENDIX C - Factors Considered as a "Satisfactory Appraisal" and the Guarantee Extent Given By CGC	52-53

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ABSTRACT

In Malaysia, the small business entrepreneurs seem to have the attention of the Government. The Government has implemented various Schemes and established Credit Guarantee Corporation Malaysia Berhad (CGC), a company that is suppose to be a benefit and assistance to them. The question here is, are all the efforts of the Government really appreciated? Are all the entrepreneurs aware of the various Schemes implemented for them with the objective of assisting any individual, partnership or company. Do they really go to the financial institutions to obtain financial help or just turn elsewhere to look for funds ?

To be able to have some idea for the above, the various credit facilities are exposed by obtaining information from interviews conducted with some of the representatives of the financial institutions. Questionnaires are then distributed to the small-scale enterprises (SSEs) to inquire on their usage of any of the facilities and also their awareness of the various Schemes and CGC.

The findings from this study, shows that 40% of the respondents utilise their own savings and borrowings from friends and relatives to start their venture and the 60% utilise bank loans, government agency loans and leasing apart from their own savings. When enquired about their knowledge on the Schemes implemented and the CGC, majority of these respondents are not aware of the existence of these Schemes

and also CGC. Therefore, it seems that the Schemes implemented are not able to "reach" all the entrepreneurs. From the information obtained too, it seems that the financial institutions have not been able to form an image of a "helping body" to all the entrepreneurs, especially those who obtained their capital from own savings and borrowings from friends and relatives.