



SRI LANKA INSTITUTE OF INFORMATION TECHNOLOGY
MASTER OF BUSINESS ADMINISTRATION

**The Impact of Existing Microfinance Practices to the
Development of Entrepreneurship in University Students in
Sri Lanka**

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ABSTRACT

The major focus of this research is to see how present microfinance practices affect the growth of entrepreneurship among university students in Sri Lanka. The majority of the researchers have worked in the fields of microfinance and microbusiness development, as well as rural women's development and entrepreneurship. Microfinance methods have played a vital role in the development of the economy and the reduction of poverty in rural parts of nations such as Sri Lanka, Bangladesh, Malaysia, Kenya, and Africa, among others. Even if microfinance is a broad notion, it is built on a foundation of major components and models. Microcredit, Advisory Services, and Training programs were used in this research. The research outcomes are derived from quantitative data in this study. The population consisted of university students, and the sample consisted of 384 respondents chosen at random by the researcher. Structured questionnaires consisting of likert scaled questions and questions for abstracting the general data of the participants were employed as data collection methods, and the instruments' reliability was satisfactory. Since this study is based on quantitative data, descriptive statistics, correlation analysis, and regression analysis were used to examine the data. The findings revealed that microfinance methods had an impact on university students' entrepreneurship growth. According to the research findings, the four hypothesis assertions were accepted. After all, this study concludes that existing microfinance practices can be effectively applied to the entrepreneurship development of university students in Sri Lanka as a solution to non-performing loan ratios, bad microfinance debts of microfinance institutes as well as financial institutes engaged in the microfinance industry, and the barrier that exists for university students in financing their startup businesses.

Key Words: Microfinance, micro-credit, advisory services, training program, Entrepreneurship development, University Students, Financing Startup businesses.

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List of Abbreviations

BRI	Bank Raykat Indonesia
CAPS	Co-operative Agriculture Production and Sales Societies
EDP	Entrepreneurship Development Programs
HNB	Hatton National Bank
LMFPA	Lanka Micro Finance Practitioners' Association
LOLC	Lanka Orix Leasing Company
MBSL	Merchant Bank of Sri Lanka
MF	Micro finance
MFI	Micro Finance Institutions
ME	Micro - Enterprises
NPL	Non-Performing Loans
VIF	Variance Inflation Factor
WHO	World Health Organization