

A STUDY ON DEMOGRAPHIC FACTORS INFLUENCING TO BORROWERS PREFERENCE OF CORPORATIONS AND COOPERATIVE SOCIETIES IN KARNATAKA

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ABSTRACT

The borrower may influence various factors from banks, corporation and cooperative societies. Government also provide subsidy, cut-off interest to reducing to imbalance of property lines. Having recognized the great impact of cooperatives on the lives of the people, the government hereby declared the policy of the State to promote the viability and growth of cooperatives as instruments of equity, social justice and economic development. Study conduct primary data collected from 160 respondents in south Karnataka Mysuru regional districts. The study supported the borrower preference in choosing a specific institution based on needs, socioeconomic circumstances, and several other preferable considerations. The data collected among borrowers for the listed out factor and are analysed using Friedman's test, analysis of variance (ANOVA) and chi-square test.

Keywords: *Factor Influence, Preferred Of Factors, Demographic Factors Level Of Preference*

INTRODUCTION

A borrower seeks to borrow loan at cheapest interest with cut-off subsidies from bank, corporation and cooperatives. State and central governments encourage to increases the economic level of societies. Many of programmes organised by government through the providing subsidy, cut of interest, written off the loan and wave of the loan for the borrowers. There is a need to improve the performance of cooperative sector by improving the flow of fund to corporation, cooperatives credit. This requires effort from state and central governments.

Cooperative banks play a significant role in rural financing in India, with a few of their main areas of interest being funding for agriculture, livestock, milk, personal finance, self-employment, and the establishment of small-scale businesses.

They offer a much-needed substitute to the long-standing, exploitative practise of people going to the village moneylender and, most frequently, falling into a debt trap that they find difficult to escape. The cooperative banking system was established with the intention of encouraging saving and investment behaviours among individuals, particularly in rural areas of the nation.

LITERATURE REVIEW

In order to understand the different views on borrowers influence by factors, few literatures on credit related aspects are analyzed. There are studies focused on the impact of credit utilization. The intent behind the use of borrowed cash is one of several variables that affect how well the credit system works. The study examines the factors affecting the use of agricultural loans and takes into consideration the borrowers from all different kinds of banks. The study's findings demonstrate how the district of Dakshina Kannada's farmers use the agricultural credit they borrow from banks in relation to their use of demographic, agricultural, and agriculturally related elements (Loksha & Hawaldar, 2019). While some criteria were shown to be significant in determining the approval of loan applications, others were not. Age, family size, location of the business, the size of the original investment, and the size of the business were found to be significant determinants, although education, the borrower's gender, and the type of business he engages in were not (Balarabe, 2021). Identify the numerous elements that have been found to have an impact on the growth of the reverse mortgage business internationally. The numerous elements that affect the market for reverse mortgages can be classified into four main groups (institutional, economic, socio-cultural, and behavioural), which have been highlighted (Sulaiman et.al, 2018).above review provide brief details about demographic factor influences to borrowers attitude and satisfaction about the cooperative and corporation loans.

OBJECTIVE

The paper's goal is to comprehend the effects of elements on the intent behind using credit money from corporate and cooperative banks based on demographic parameters.

METHODOLOGY

The information needed for the study is gathered from both primary and secondary sources. Borrowers in the districts of Mysore, Mandya, and Chamarajanagara are where primary data is gathered. The banks that make up the representatives are corporations and cooperatives. For the study, a total of 160 debtors were chosen. At corporation and cooperative banks in three districts located in the Mysore region, information on banks and borrowers was gathered. The method utilised to choose respondents was a multi-stage disproportionate stratified sample. There were given out 180 questionnaires. However, a few of the responders' questions went unanswered. The study did not take into account such blank questionnaires. 89 % of the respondents responded. Cronbach alpha was used to evaluate the questionnaire's validity, and the borrower's questionnaire had a value of 0.701 its help to further analysis of study.

ANALYSIS AND DISCUSSION

The data collected from questionnaire are analyzed using SPSS

4.1. Hypothesis

H1.1: There is a significant impact of respondents’ demographic factors on the purpose of utilization of corporation scheme.

H1.0: There is no significant impact of respondents’ demographic factors on the purpose of utilization of corporation and cooperative banks funds.

1. Gender and level of preference of corporation and cooperative banks

Gender	level of preference			Total
	Low	Moderate	High	
Male	32 (32%)	39 (39%)	29 (29%)	100 (100)
Female	31 (51.67%)	14 (23.33%)	15 (25%)	60
Total	63	53	44	160
df:2	Calculated chi-square value: .035		At 5% level of significance P value:0.983	Not significant

Source: computed data

The table shows the association between gender and level of preference. The percentage of borrowers with low level of preference is moderate (23.33%) among the female borrowers. The percentage of borrowers with moderate level of preference is more (39%) among borrowers.

2. Age and level of preference of corporation and cooperative banks

Age (in Years)	level of preference			Total
	Low	Moderate	High	
Below 20 years	4 (40%)	4 (40%)	2 (20%)	10 (100)
20-30 years	6 (35.3%)	7 (41.2%)	4 (23.5%)	17 (100)
31-40 years	23 (39%)	22 (37.3%)	14 (23.7%)	59 (100)
41-50 years	21 (39%)	15 (27.7%)	18 (33.3%)	54 (100)
Above 50 years	9 (45%)	5 (25%)	6 (30%)	20 (100)
Total	63	53	44	160
df:8	Calculated chi-square value: 0.921		At 5% level of significance P value:0.9987	Not significant

Source: computed data

The results show that the high level of preference is low (23.5%) among borrowers between the ages of 20 and 30 years, while it is high (33.3%) among borrowers between the ages of 41 and 50 years. The low level of preference is high (45%) among borrowers over the age of 50 and low (35%) among borrowers between the ages of 20 and 30. There is no statistically significant mean difference amongst borrowers grouped according to age because the computed P value is greater than 0.05. According to the ANOVA results, all borrower age groups favour corporate and cooperative banks for loans in a similar manner.

3. Qualification and level of preference of corporation and cooperative banks

Qualifications	level of preference			Total
	Low	Moderate	High	
Illiterate	3 (27.2%)	3 (27.3%)	5 (45.5%)	11 (100)
Below SSLC	1 (7.7%)	8 (61.5%)	4 (30.8%)	13 (100)
SSLC	16 (34.8%)	15 (32.6%)	15 (32.6%)	46 (100)
Degree	22 (42.3%)	20 (38.5%)	10 (19.2%)	52 (100)
Post Graduate	8 (50%)	3 (18.8%)	5 (31.2%)	16 (100)
Technical/Dip	9 (69.2%)	3 (23%)	1 (7.8%)	13 (100)
Professional / Degree	4 (44.44%)	1 (11.11%)	4 (44.44%)	9 (100)
Total	63	53	44	160
Df:12	calculated Chi-Square value 0.068		At 5% level of significance:1	Not significant

Source: computed data

It is clear that among borrowers without a high level of education, the percentage of borrowers with high levels of preference is large (45.5%), while it is low (7.8%) among borrowers with technical or graduate degrees. Borrowers with Technical/Dip degrees have a higher percentage of low level preferential borrowers (69.2%), while those with SSLC or lower degrees have a lower percentage (7.7%). According to the ANOVA results, all qualified groups of borrowers have almost the same preference for obtaining loans from corporations and cooperative banks, as indicated by the computed P value of higher than 0.05.

4. Residential and level of preference of corporation and cooperative banks

Residence	level of preference			Total
	Low	Moderate	High	
Rural	17 (40.5%)	14 (33.3%)	11 (26.2%)	42 (100)
Urban	27 (39.1%)	28 (40.6%)	14 (20.3%)	69 (100)
Semi Urban	19 (38.8%)	11 (22.4%)	19 (38.8%)	49 (100)
Total	63	53	44	160
df:4	calculated Chi-Square value: 0.167		At 5% level of significance:0.997	Not significant

Source: computed data

The relationship between residence and preference level is depicted in the table. The proportion of borrowers with low degree of preference is high (40.5%) among those who live in rural areas, while it is low (38.8%) among those who live in semi-urban areas. Borrowers with high levels of preference make up a higher percentage of the semi-urban population than those who live in urban areas, where they make up a lower percentage (20.3%). The end result indicates that, regardless of where they reside, borrowers prefer loans from corporations and cooperative banks equally.

5. Occupation and level of preference of corporation and cooperative banks

Occupation	level of preference			Total
	Low	Moderate	High	
Agriculture	19 (40.4%)	17 (36.2%)	11 (23.4%)	47 (100)
Business	26 (38.8%)	18 (26.8%)	23 (34.4%)	67 (100)
Salaried	6 (42.8%)	7 (50%)	1 (7.2%)	14 (100)
Traditional occupation	12 (37.5%)	11 (34.4%)	9 (28.1%)	32 (100)
Total	63	53	44	160
df:6	calculated Chi-Square value:0.449		At 5% level of significance:0.998	Not significant

Source: computed data

Examines the association between borrowers' present occupation and level of preference. The percentage of borrowers with low level of preference is high (42.4 per cent) among the borrowers whose are salaried and low (37.5 per cent) among the borrowers are traditional occupation. The percentage of borrowers with high level of

preference is high (34.4 per cent) among the who's are business and low (7.2 per cent) belong the borrowers are salaried. As the calculated P value 0.449 for chi square is than 0.05, the null hypothesis is accepted. Thus the test of chi-square infers that is no association between occupation and level of preference of corporation and cooperatives.

6. Household income and level of preference of corporation and cooperative banks

Household Income (Per month)	level of preference			Total
	Low	Moderate	High	
Up to Rs.10, 000	5 (41.6%)	5 (41.7%)	2 (16.7%)	12 (100)
Rs. 10,000-20,000	10 (28.6%)	12 (34.3%)	13 (37.1%)	35 (100)
Rs. 20,001-30,000	21 (42%)	19 (38%)	10 (20%)	50 (100)
Rs. 30,001-40,000	20 (47.6%)	10 (23.8%)	12 (28.6%)	42 (100)
Above Rs. 40, 000	7 (33.33%)	7 (33.33%)	7 (33.33%)	21 (100)
Total	63	53	44	160
df:8	calculated Chi-Square value 0.559		At 5% level of significance P:0.999	Not significant

Source: computed data

From the above table it evident that the percentage of borrowers with high level of preference is high (37.1 percent) among the borrowers with the monthly house hold income of Rs.10001 to Rs.20000 and low (16.7 percent) among the borrower with monthly house hold income is up to Rs.10000.the percentage of borrowers with low level of preference is more (47.6 per cent) among the borrowers with monthly house hold income up to Rs.30001 to Rs.40000 and is less (28.6 per cent) among the borrowers with the monthly household income Rs.10001 to Rs.20000. the calculated P value 0.559 for chi square test is more than 0.05. Thus null hypothesis is accepted. The chi-square test realises that there exists no association between the household income of borrowers and level of preference.

Findings

- On the basis of gender, male borrowers' gives high level of preference and female borrowers gives low level of preference.
- The high level of preference is given by age group between 41-50 years and low level of preference is given by age group above 50 years.
- All borrowers age group favours of getting loan from corporate and cooperative bank.
- All qualified group of borrowers have almost the same preference for obtaining loan.
- All borrowers prefer loans from corporate and cooperative banks equally.

- Business borrowers' gives high level of preference and salaried borrower's gives low level of preference.

Suggestions

- Create awareness about financial benefits from corporation and cooperative banks and provide more subsidies to female borrowers.
- More encouragement and training programme to youth borrowers.
- Government take action to more participate of middle level of educator in borrowers in cooperatives and corporations.
- To encourage a rural borrowers through provide low interest, more subsidies and provide sufficient fund.
- Corporation and cooperative banks provide more schemes to rural and semi urban borrowers.

CONCLUSION

The study concluded that corporation and cooperative banks provide more schemes, funds and subsidies to borrowers compare to other nationalised banks. At time of loan distribution avoided the political influences choose eligible borrowers. The study is based on Demographic factors influencing to borrowers preference of corporations and cooperative societies in Karnataka. Banks encourage youth borrowers, rural and urban borrowers. Qualified borrowers gives high level preference to getting loan for purpose of business and agricultural activities.

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