ABSTRACT

This present study has been undertaken to examine the credit management in micro, small and medium enterprises in Haryana. To explore the credit policy variables and to examine the all variables of credit management as well as their interrelationship, a structured questionnaire is administered to a sample of 455 entrepreneurs/managers of MSMEs in Haryana where area sampling with multi stage cluster sampling technique is used for sampling elements. The main statistical techniques used for the purpose of analysis include Skewness, Kurtosis, Kruskal-Wallis, Spearman’s correlation test, Factor Analysis, F-Test, descriptive analysis by putting the weights, Chi-square and percentage analysis. The findings depict that out of the four credit policy variables, credit standard of the company’ is the most important variable and with regard to MSMEs choice for the bases of credit standards, ‘credit rating of buyer’ is the most essential and ‘ratio analysis for solvency position of buyer’ is least preferred criteria. In addition, a significant difference between the average collection and average credit period granted to the customers, implying that the debts were not collected from the customers of MSME firms in the credit granted period. Moreover, insignificant difference between average payment period and average credit period allowed by the suppliers reveals that generally the respondents of MSME firms paid their debts to their suppliers in the credit period allowed to them. However, significant cross-industry, cross-activity and cross-organizational variation are found in the extent of the use and practice of all credit management variables, except the cost of maintaining receivables.