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**COLLEGE OF BUSINESS AND ECONOMICS  
DEPARTMENT OF ACCOUNTING AND FINANCE  
MASTERS OF BUSINESS ADMINISTRATION**

**FACTORS INFLUENCING THE PERFORMANCE OF YOUTH  
REVOLVING CREDIT FUND PROGRAM IN ADDIS ABABA**

**MBA THESIS**

**BY**

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**ADVISOR**

**ABEBAW KASSE (PHD)**

**JUNE, 2021**

**ADDIS ABABA, ETHIOPIA**

**FACTORS INFLUENCING THE PERFORMANCE OF YOUTH  
REVOLVING CREDIT FUND PROGRAM IN ADDIS ABABA**

**A THESIS SUBMITTED TO ADDISABABA UNIVERSITY COLLEGE OF BUSINESS AND  
ECONOMICS DEPARTMENT OF ACCOUNTING AND FINANCE IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR DEGREE OF MASTERS OF BUSINESS  
ADMINISTRATION**

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**June, 2021 Addis Ababa, Ethiopia**

## DEDICATION

Dedicated this thesis manuscript to my family for unreserved supports they made to my education since my childhood period

## **Declaration**

I, under signed, declare that the thesis entitled “**Factors influencing the performance of youth revolving credit fund programs in Addis Ababa**” this thesis is my own work and has never been presented in any other university. I have carried out the research work independently with the support of research advisor. All sources of materials used for this thesis have been duly acknowledged.

By:

**Mirutse Taye** \_\_\_\_\_

**(The Researcher)**

**Signature**

\_\_\_\_\_

**Date**

**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF POST GRADUATE STUDIES**  
**EXAMINERS' THESIS APPROVAL SHEET**

We, the undersigned, members of the Board of Examiners of the final open defense by **Mirutse Taye** have read and evaluated his thesis entitled “**Factors influencing the performance of youth revolving credit fund programs in Addis Ababa**” and examined the candidate’s oral presentation. This is, therefore, to certify that the thesis has been accepted in partial fulfillment of the requirement for the degree of Master of Business Administration.

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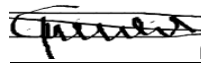
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## ABBREVIATIONS AND ACRONYMS

- ☞ AA ; Addis Ababa
- ☞ CBE ;commercial bank of Ethiopian
- ☞ CSA :Central Statistics Agency
- ☞ HELB ; higher education loan board
- ☞ LPDB ;Indonesia revolving fund institution management)
- ☞ MLR; multiple liner regression
- ☞ RLF ; Revolving loan fund
- ☞ SMDO; small and medium enterprise development office

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## Abstract

In developing country like in Ethiopian poverty and unemployment is a major problem .in Ethiopian there are many poor people living in this problem. Hence, the availability of financial service play an important role in creating self-employment and job opportunity, the revolving fund is one of the mechanisms to support but according to the reports Addis Ababa small and medium enterprise development office the repayment performance of youth revolving fund program is not good hence, this study determine the factors that influencing the performance youth revolving fund. In this study 144 beneficiaries or respondent were included descriptive and logit regression model were employed and 9 variable was used to econometric model the result shows that to make business effective, the availability of sufficient loan size is one important factor. In this research shows that the revolving loan fund is not sufficient to do all the business and also the borrowers did not have interested to repay the loan because one of reason is the , weak legal enforcement for defaulters, low supervision by the stakeholder and also some reason is cost of doing business is higher than the revenue and some demography factors such as age, educational level gender affect the performance of revolving fund and the study has found that the collateral used by the loan providers were found to be reasonable for the majority of the borrowers and there is absence of market survey and continuous training and supervision hence ,this is the factors of the performance of RLF and thus, in logit model results shows that preferred amount of loan, administration supervision, levels of education, market survey and age is positive and business form and gender is negative relationships with the RLF repayment performance and it is recommended that the government and relevant body's needs to focus on monitoring loan utilization systems of borrowers and technical support needs of the target borrowers through delivering better awareness creation to organize the more viable borrowers, screaming the borrower effectively, make a market survey before borrowing or starting the business ,close supervision and follow-ups and strengthening their internal and external weaknesses though better integration with key partner stakeholders.

**Key words; revolving loan repayment, concerned body, amount of loan, poverty**

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## **CHAPTER ONE**

### **1. Introduction**

According to (MoLSA, 2009) Unemployment (mainly as an urban phenomenon) and underemployment continue to be serious social problems in Ethiopia despite some improvements in recent years. This is mainly a result of rapid population and labor force growth (on the supply side) and limited employment generation capacity of the modern industrial sector of the economy (on the demand side). Provide financial and technical support to youth is necessary to help them to solve economic and social problem. (Ministry of youth, 2004) Hence, in Ethiopia to make available financial resource to youth is established youth revolving fund. In order to make direct participants in economic activities. (Fund, 2017), this study were undertaken to analyze the factor influencing the performance of youth revolving credit fund program in Addis Ababa. In order to justify real factors we clearly flowed scientific approach, hence, this thesis consists five chapters. Chapter one discusses about background of the study, problem statement, general objective and specific objective of the research is followed by research question. In chapter two the literature review related to the objects of the study discussed in detail and it give plenty information and chapter three discuss about the research design, sampling techniques and sample size, types of data and methodology of data analysis and chapter four discussed descriptive analyses of the finding and chapter five discussed the econometrics analyses and conclusion and recommendation.

## 1.1 Background of the study

According to (Broussar & Tekleselassie, 2012) youth unemployment is a problem that affects most countries. The ability of youth to engage in productive activities has both social and economic consequences for an economy. Youth unemployment is often higher than the unemployment rate for adults highlighting the concerns that many countries face in facilitating the transition from school to work. In developing countries, youth face not only the challenge of obtaining productive employment, but also obtaining safe and acceptable work. (Broussar & Tekleselassie, 2012)

Youth job creation is one of the major activities in Addis Ababa city; they put in place to overcome unemployment in the capital. (MoLSA, 2009) Through the program many of the city youth have been able to create job and generate income for themselves and others, hence, one of the source of financing is the youth's revolving fund. (Fund, 2017)

Revolving Loan Fund (RLF) was established to provide a source of financing, which may not otherwise be available, for expanding or start-up businesses (Wangari, 2014) Used to fill a financing gap in a business development project, the RLF offers an option to complete a financing package. A gap occurs when the business is unable to fully finance its projects with equity, conventional financing or other private and public sources. While the RLF is not a substitute for conventional financing, it can fill the gaps in existing local financial markets and attract additional capital, which would otherwise not be available for economic development (Handbook, n.d.)

According to (European Commission, 2008) When such funds are handled by the community itself rather than by a formal institution, record-keeping may be limited, so that it is often impossible to measure financial sustainability. However, the other three core performance areas can and measure the performance of revolving fund, especially collection performance.

1. **Breadth of Outreach** this is measured the number of clients with active loans.

2. **Depth of Outreach** /Client poverty level. The revolving fund records

May make it hard to determine the total outstanding balance of the loan portfolio in such cases where average outstanding balance cannot be determined, an acceptable substitute is average initial loan size, which is more easily determined. This indicator should be expressed as a percentage of per capita GDP.**3Portfolio quality or Collection performances.** Measuring repayment is crucial for revolving funds, because they are so prone to repayment problems.

According to (Rahayu & Adi, 2018) there is two type of factors that affected the performance of revolving fund which is economic and non-economic factors. Economic factor can be described as Debtors' business run smoothly; Bankruptcy of debtors' and non-economic factors can be described as administrator's poor capability in management, administrator lack of selection in loan distribution, Members used for personal purpose, Low repayment awareness among members. according to (Rahayu & Adi, 2018) economic factors measures the financial and business health of the organizations which means the business will be run smoothly or not it related to the performance of repayment of the loan and non-economy factors shows that the capability of management which means how the management monitor and evaluate work Performance and also how to create awareness to the debaters about the loan in order to perform the fund.

According to (Wangari, 2014) higher education loan board /HELB/ stated that; financial management practices, information technology, corpora the governance and skills and competences influence fund mobilization in HELB according to (Wangari, 2014)financial management practices affect the performance of HELB. Which means the existed challenges in the organization which were mainly in the working capital management and budgeting in the organization and also instances of misappropriation of the budgeted funds? It was confirmed that the internal control in the organization was effective to ensure proper finance management. It was also concluded that information technology increases efficiency and effectiveness of management of the HELB fund hence increased cost reduction in its operation. It was concluded that the Board of Directors affects the performance of HELB Fund and the managers are involved in mobilization and proper fund management. Also the managers are accountable and responsible and other insiders take measures that safeguard the interests of the stakeholders. It was finally concluded that skills and competences influence performance of HELB Fund. It was also revealed that to increase funding for students there is

need to into a memorandum of understanding with other stakeholders to provide loans to students at a subsidized interest rate

Hence, the motive behind to undertake this research paper is to analyze the factor that affect the performance revolving loan fund in Addis Ababa

As we see different literature related to revolving fund dose not clearly stated the historical background of RLF, but revolving fund program was popular throughout the world according to (Kenneth, 1969) the revolving fund method accumulating for capital financing was first formalized in Europe in early nineteen century. the RLF used to motivated agricultures to fit the gap of inputs and materials to locale community. In USA revolving loan were first used early 1970 the fund is one of the tool of federal government they used to provide access to create business ,hence, the major objective of RLF program is to correct market imperfection second to promote social market and to stabilize economic activity (States, 1997).

Ethiopian revolving Loan Fund (RLF) was established to provide a source of financing, for expanding or start-up businesses therefore, the government of Ethiopian established the youth revolving fund in 2017 in country level and it supported by proclamation No 993 (2017- The Fund shall have the following objectives:(Fund, 2017)

- 1) Assisting the youth to employee their capability in creating a job opportunity.
- 2) Providing financial assistance for organized income generating activities conducted by youth.
- 3) Ensuring the all-rounded participation and benefits of youth.

The amounts of the fund allocated to this program were almost 2 billion birr in Addis Ababa. The source of the fund is federal government (ministry of finance, March 2019).This fund was distributed to youth when criteria fulfill by the beneficiaries which is one of the criteria they must fulfilled is the unemployed age between 18 and 34 years old and they must save 10% of the proposed to get loan. And they will be agreeing to pay the interest rate which is 8%. The business type can be any of the sectors including agriculture, industry, trade or service. (Getahun& Fetene, 2020)

The governments formulate different stockholders such as, ministry of finance, appropriate authority, commercial Bank of Ethiopia (CBE), micro finance institution In Addis Ababa,

Addis saving and credit institution, and ministry of women, children and youth. That has formulated in Bauru and office level in Addis Ababa and they have duties and responsibilities, which is (Fund, 2017)

Addis Ababa finance office responsibilities is to calculate and communicate to the commercial bank of Ethiopia, determine in consultation with the appropriate entities, the term and conditions under which the bank transfer the proceeds of the fund to beneficiaries through micro financing institutions. And commercial bank of Ethiopia (CBE) is to transfer the proceeds of the fund to beneficiaries through micro-financing institutions and prepare report. micro financing institution is especially in Addis Ababa, Addis saving and credit institution is enter into agreement with and provide the required amount loan to beneficiaries in accordance with the terms and conditions set out by the ministry up on receipt of income generations project document by the appropriate authority and where it is satisfied that the project is feasible. Appropriate authorities responsibilities identify youth who qualify to benefit in accordance proclamation, facilitate the provision of technical, professional and business development training and consultancy service, evaluate, communicate and follow up the beneficiaries and accept the project with support document to micro-financing institution or the bank and prepare report in Addis Ababa city in most case micro and small enterprise development Offices are accomplished thus duties and responsibilities. And also Women children and youth office also participated by coordinated the activities of the appropriate authorities with regard to the utilization of the fund and render the necessary assistance and evaluated the all activity and prepare report and submitted to the above administration.

In Addis Ababa more than 30 % of the population is youth and within this 23 % are unemployment. Hence, by revolving fund program created for 7,312 enterprise or for more than 27,633 youths of the city/SMDO 2012/. Thus, there is a number of factors that affects the performance of the fund, hence this study undertaken to analyze the factors influencing the performance of youth revolving fund program in Addis Ababa.

## **1.2 Statement of the problem**

According to national population and housing censuses of 2017 etc. (census report 2007) 30% of the population is under 30 years, within this in Addis Ababa almost 50%/the age between 25-35/of the population is youngest and unemployed rates of Addis Ababa is 23 percent According to the 2012 urban employment survey (CSA, 2012) hence, Ethiopian

government formulated national youth policy in order to provide professional and technical support and facilitate faceable supporting conditions that would enable youth create new job for themselves based on their competency and talent and to benefit,(Ministry of youth, 2004)

Revolving loan fund/RLF/ is establishes to provide a source of financing for youth for expanding or to start-up business therefore due to this program 2 billion birr distributed and for 27,633 Addis Ababa youth to create a job (according to small and medium enterprise development 2012 annual report) And city administrator and different bodies follows and evaluate the performance of the program. However, the fund majority administered for youth groups(Fund, 2017)hence, this have an opportunity for youths to create job.

**Table 1 Addis Ababa revolving fund performance**

Sup-city	No of enterprise	Borrowers by age			No enterprise by working performance		Amount of loan\ Distributed	Loan repayments in birr
		mal	women	total				
Niface silk	327	2,595	2,168	4,751	167	160	472,859,883	7,221,779
Akake	1,019	2,097	2,257	4,354	1,842	592	199,085,000	4,903,144
Kolfekerany	189	1,649	1,530	3,186	89	100	192,423,000	32,835,380
Kirkose	450	666	475	1,141	354	96	102,343,000	3,981,770
Ledeta	631	924	638	1,561	536	95	125,395,500	5,809,669
Yeka	2,311	1,897	2,472	4,383	2,106	190	198,903,000	7,641,135
Bole	1,079	2,404	1,030	3,167	787	291	221,564,000	5,670,686
gulele	151	1,404	1,222	2,616	122	29	206,647,251	9,667,722
Adiseketema	1,039	856	796	1,644	904	135	148,357,000	4,855,039
Arada	116	410	420	830	98	27	56,560,000	5,420,993
<b>totale</b>	<b>7,312</b>	<b>14,902</b>	<b>13,008</b>	<b>27,633</b>	<b>7,005</b>	<b>1715</b>	<b>1,924,137,634</b>	<b>88,007,317</b>

Source 2020 Addis micro fiancé saving and credit association report

The fund was distrusted for five years of repayment period and up to 2020 75% of the loan must be repaid but according to the report almost 5 % of the fund repaid ,therefore, there is a factor that affect the repayment performance however, different factors affect the revolving fund repayment performance However, some of the past studies have tried to find out the factors that affect the performance of the revolving fund and loan repayment in different

institution and in different country, hence, the researcher determine different factors in different organization and country it shows that the factors are not the same in all institution and country and it is important to study for specific in order to achieve the objective of organization.

Most the study were conducted in our country is for financial institution like a bank and saving and credit association that related to loan repayment like (Triyanto et al., 2017)Determinants of loan Repayment Performance: A case study in the Addis Credit and Saving Institution Addis Ababa, Ethiopia the (Veerakumaran, 2008)Impact of Revolving Credit Fund, Northern Ethiopia, the case of AtsibiWombertaWoreda .and some other study's (Wangari, 2014)Poverty Reduction through Community Economic Empowerment Program in Jakarta: A Study of Factors Influencing the Repayment of Revolving Fund. (Nuswantara, 2017) The Evaluation UPK Performance Managing PNPM Revolving Fund In Banyudono(Odhiambo et al., n.d.)Analysis of the Strategies Adopted in Performance of Revolving Funds in South Sudan(Sang, 2016)challenges facing the performance revolving funds in Kenya in case of higher education loan board

However when we see the studies related to the performance of the revolving fund is difficult to get plenty literature but there is some studies related to bank and saving and credit association financial performance even in Ethiopian the study conducted on the performance of revolving fund only we get little study like is (Veerakumaran, 2008) Impact of Revolving Credit Fund, Northern Ethiopia, the case of AtsibiWombertaWoreda .and some other study's and (Rahayu & Adi, 2018)A Study of Factors Influencing the Repayment of Revolving, Fund(Sang, 2016) challenges facing the performance revolving funds in Kenya. It shows that the empirical studies on the revolving fund performance are somehow neglected; however the studies on the factors that affect the performance of revolving fund have not yet been made in the Addis Ababa city. This has raised the need for the study to gain insight to what real factor that influences the performance of revolving loan fund in Addis Ababa.

### **1.3 Research questions/RQ/**

In the light of the above statements of the problem, the study will be answering the following research questions.

1. What is the effect of demographic factors on the performance of youth revolving fund in Addis Ababa city?

2. What are the effect business types on the performance of youth revolving fund in Addis Ababa city?
3. What is the entrepreneur competency effect on the performance of revolving fund in Addis Ababa city?
4. What is the effect of administration or management practice on the performance of youth revolutions loan in Addis Ababa city?
5. What is the effect of loan factors on the performance of youth revolutions loan in Addis Ababa city

## **1.4 Objectives of the study**

### **1.4.1 General objectives**

The general objectives of the study are to examining the factors influencing the performance of youth revolving fund program in Addis Ababa, Ethiopia.

### **1.4.2 Specific Objective**

1. To examine the effect of demographic factors on the performance of youth revolving fund in Addis Abba.
2. To examine the effect business types on the performance of youth revolving fund in Addis Abba.
3. To examine the effect of administration or management practice on the performance of youth revolving fund in Addis Abba
4. To examine the effect of entrepreneur competency on the performance of youth revolving fund in Addis Abba
5. To examine the effect of loan factors/loan size, collateral and repayment period/ on the performance of youth revolving fund in Addis Abba

## **1.5 Hypothesis of the study**

According to(Brooks & Centre, 2013)In the hypothesis testing framework, there are always two hypotheses that go together, known as the null hypothesis (denoted H<sub>0</sub> or occasionally H<sub>N</sub>)and the alternative hypothesis (denoted H<sub>1</sub> or occasionally H<sub>A</sub>). The null hypothesis is the statement or the statistical hypothesis that is actually being tested. The alternative hypothesis represents the remaining outcomes of interest. The researcher will be developed the following null hypotheses to estimate the sign effect of the performance of youth revolving fund in Addis Ababa with based on empirical evidence reviewed in the literature parts. Accordingly, the following hypotheses are tested.

- H1 – there is positive relationship and significant effect between demographic factor and performance of youth revolving fund.
- H2 – there is positive relationship and significant effect between management practice and performance of youth revolving fund.
- H3 – there is negative relationship and significant effect between revolving fund performance and business type.
- H4 – there is positive relationship and significant effect between entrepreneur competency and performance of youth revolving fund.
- H5 – there is positive relationship and significant effect between loan factors and performance of youth revolving fund

### **1.6 Significance of the study**

The study results are having significance in various respects. First, it may give signal to different stakeholders such as Addis saving and credit association and Addis Ababa micro and small enterprise development office .Second, it have piece of contribution to the current knowledge in higher institution context in Ethiopia and invites for further research to explore the issue in detail at a country level. Thirdly, it gives the researcher the opportunity to gain deep knowledge of conducting research. Finally, it also helps as reference for individuals who want to conduct further study in similar or related topic in other organizations

### **1.7 Scope of the study**

The study was e analyzing the factors that influence the performance of youth revolving fund program in Addis Ababa city. However, the study would not be included all beneficiaries, which means in Addis Ababa there is 11 sub-city, therefore the study was carried out in Addis Ababa city administrative and 4 sub city they were selected. the way of selection based on characteristic's which means in Addis Ababa all sub-city classified in two types such as inner city and expansion area based on this for our study two sub-city from inner city and two sub-city from expansion area sub-city was selected. The researcher tried to make representative samples in dealing with the research population. On the other hand, the variable used in this research delimited which is Performance of youth revolving fund /repayment performance of the revolving fund/ for dependent variable and five independent variables i.e. business type, demographic, administration or management practice, entrepreneur competency and Loan factors. And the study was use panel data on the revolving fund performance between(2017-2020)because the fund launched in2017(Fund, 2017)in country level's

## **1.8 Limitation of the study**

Some of Limitation was happen in hindering the researcher to address the desire objective. These factor included time constraint, lack of experience to apply certain research model and tools effectively, unavailability of data required due to no previous research was done in the study areas, unwillingness of some respondent to give the necessary information and Budget constraints

## **1.9 Organization of the study**

This research organized in to five chapters. Accordingly, Chapter-1 deals with an introductory part of the thesis including background information, statement of the problem, and objective of the study, significance and scope of the study. Chapter-2 provides the theoretical and empirical related of existing literature to the study. Chapter-3 presents the methodology and instruments that will be used in the study. Chapters four deals data analysis and interpret the results id descriptive and logit regression results and chapter five deals with recommendation and conclusion.

## CHAPTER TWO

### Literature review

#### 2.1 Theoretical literature

##### 2. 1.1 Definition of Revolving Fund

Revolving fund is defined as a fund whereby money is lent out to clients (poor women and men), collected, and re-lent. As the fund is replenished with loan repayments, money “revolves” so that the fund can continue to serve clients over time. Revolving funds are often also called credit lines or credit components. According to European Commission, 2008 guide line, revolving funds have often been part of a larger development project, which may focus on a variety of domains, such as agriculture, community development, infrastructure, irrigation, health, environment, post-conflict rehabilitation, vocational education, and social services. In many cases, the credit was targeted to a particular group of people for a specific purpose. For example, a revolving fund targeted small farmers in a specified region for the purchase of certain agricultural inputs. Or, a fund targeted women of a certain age group to change behavior with regard to family planning. The following actors are involved in managing and using revolving funds:

*Grant Beneficiary*: the organization that is the recipient of the grant funding for the revolving fund  
*Management Agency*: the institution that manages the revolving fund and on-lends it to end clients (final beneficiaries). This can be a financial institution (such as a bank or a microfinance institution), an organization with a social mission (such as an association, a local non-government organization, or a cooperative), a Government agency, or in certain ongoing projects even a Program Management Unit. The Grant Beneficiary and Management Agency can be the same organization.

*Final Beneficiaries*: recipients of loans made from the revolving fund; they are also responsible for repaying the loans. (European Commission, 2008)

## **2.2. General Overview of revolving fund**

As we see different literature related to revolving fund dose not clearly stated the historical background of RLF, but revolving fund program was popular throughout the world according to (Kenneth, 1969) the revolving fund method accumulating for capital financing was first formalized in Europe in early nineteen century the RLF used to motivated agricultures to fit the gap of inputs and materials to locale community. In USA revolving loan were first used early 1970 the fund is one of the tool of federal government they used to provide access to create business ,hence, the major objective of RLF program is to correct market imperfection second to promote social market and to stabilize economic activity (States, 1997).

However the country used RLF program in different objectives for example Indonesia use RLF to financing small and micro enterprise (Nugroho et al., 2018) Uganda use RLF for support agricultural activity (Baluka, 2018),The RDF/revolving drug fund/ of the Ministry of Health in Khartoum state, the Sudan, was implemented with the financial support of Save the Children (in the United Kingdom) to improve chronic shortages of medicines in public health centers(Ali, 2009)

Ethiopia has introduced youth revolving fund program in 2017 in country level and it supported by proclamation No 993 Youth unemployment challenge has been a pressing issue for the Ethiopia government for a long period of time, but at no other time has it become such an issue of national concern. The churning out of innumerable graduates from a rapidly mushrooming out higher education institutions, wedded with the lack of jobs in both rural and urban areas, has fomented political instability in all states and city administrations, leading to injuries, destructions and even deaths. To address the problem, Ethiopia has announced an ETB 10(ten) billion Birr revolving youth fund and also Addis Ababa City Administration has allocated a two billion Birr loan for the city's unemployed youth to help youths create the opportunities.

The Addis Credit and Saving Institution were given the responsibility to manage this finance. The previous loan policy was not easily accessible for the unemployed youth. In order to access it, they had to be organized in a group which comprises four or five individuals. As a result, in previous the process took a very long time and tested the patience of the youth. And the youth were also required to save 10 percent of the total amount of loan they want. This requirement had also discouraged section of the youth who could not by any means save the

required amount. The new loan policy has reduced the required saving to five percent..(Credit & Alemu, 2021)

### **2.3 Measurements of Revolving fund program Performance/repayment performance/**

Performance targets will include both quantitative aspects (such as budgets) and qualitative aspects (such as uninterrupted service). Quantitative targets will indicate the financial performance of each business line of the organization. Some projects or programs provide communities or other social groups with funds to finance loans to their members. When such funds are handled by the community itself rather than by a formal institution, record-keeping may be limited, so that it is often impossible to measure financial sustainability. (European Commission, 2008), However, the performance of revolving fund measure according to 1 *Breadth of outreach*—/how many clients are being served? 2. *Outreach — Depth/Client poverty level*. It measures the poverty levels of the beneficiary this indicator should be expressed as a percentage of per capita GDP. 3*Portfolio quality/Collection performance* it measure the performance of repayments of revolving fund this performance measurement indicator is further discussed below.(Rosenberg, 2009)

#### **2.3.1 Breadth of outreach**

According to world bank document (Rosenberg, 2009)The best measurement of outreach is straightforward: The number of clients or accounts that are active at a given point in time The number of active clients includes borrowers, depositors, and other clients who are currently accessing any financial services. This indicator is more useful than the cumulative number of loans made or clients served during a period. Among other distortions, cumulative numbers make an MFI that offers short-term loans look better than one that provides longer term loans, even though the latter may be more valuable for borrowers. To reflect actual service delivery, membership-based organizations should report on active clients, not just the number of members: members may be inactive for long periods, especially in financial cooperatives. according to this in Addis Ababa city how much youths are benefited or actively participated .therefore, Breadth of outreach shows as the performance of fund program according to the numbers of beneficiaries with their objectives. According to the City Administration document, the revolving fund will be used to create jobs for about 700 thousand unemployed youth in the capital (Credit & Alemu, 2021)

### **2.3.2. Depth of outreach/Client poverty level**

According to world bank document (Rosenberg, 2009) Many, though not all, microfinance projects have poverty reduction as an explicit objective, and are thus expected to reach poor clients. For such projects, there are various techniques for measuring client poverty levels, some quite expensive and others simpler, but as yet there is no widespread agreement on any one of them. If the project does not use a more sophisticated indicator, it should at a minimum report the following very rough proxy for the poverty level of loan or savings clients at a point in time

$$\text{Avg. Outstanding Balance} = \frac{\text{Gross amount of loans or savings outstanding}}{\text{Number of active clients or accounts}}$$

Average Outstanding Balance is roughly related to client poverty, because better off clients tend to be uninterested in smaller loans. But the correlation between loan balances and poverty is far from precise. Low loan sizes may be indicative of a poor clientele but not necessarily in all cases. Likewise, growth in average loan size does not necessarily mean that a MFI is suffering ““mission drift.”” As an MFI matures and growth slows, a lower percentage of its clients are first-time borrowers, and average loan sizes will rise even if there has been no shift in the market it is serving. Funders who want to reach very poor clients should usually look for MFIs that are already committed to a low-end clientele, rather than trying to encourage higher-end MFIs to change their market. Most MFIs that focus on the very poor use established tools to screen potential clients by income level. Therefore *Depth of outreach* answers dose the fund reduces the poverty among the clients.

### **2.3.3 Portfolio quality/Collection performances or Repayment**

According to (European Commission, 2008) Measuring repayment is crucial for revolving loan funds, because they are so prone to repayment problems (most externally financed revolving funds do not revolve for very long). Even if the purpose of the activity is to get resources into the hands of the community rather than to set up a permanent financial facility, a revolving fund with high default is not a good vehicle for the resource transfer. The distribution of benefits is likely to be inequitable, because the defaulters appropriate most of the value of the fund. Loans that do not have to be repaid are much more likely to be captured by local elites. Furthermore, distributing loans that don't get repaid can do harm by creating a culture of nonpayment that makes it difficult for responsible, sustainable lenders to serve the

population involved. For these and other reasons, no revolving funds should be set up without ensuring at the very least that there is a system in place to track loan collection performance. Two of the collection measures described above—**loans at risk** (LAR) and **current recovery rate** (CRR)—can be maintained using simple manual systems.

### **2.3.4 Administration/management/ practice**

According to (Jayarathna & Weerakkody, 2014) Administration of an organization means facilitates planning, organizing, directing and controlling the activities across the organization to achieve the organizational success. An organization pays key attention on these administrative practices, since it have a direct impact on the employee's job performance, hence the senior managers as well the middle managers ensure that certain information flows and resources are employs efficiently across the organization. Though there are several practices in an organization,

Revolving fund is a pool of money belonging to a number of different youth to which is used to create a job administrate has the significant role of the performance. The administrator and manager can accurately distribute the fund to debtors. They distribute the fund selectively. The selection of debtors also one of the duties and responsibility of administrator which lead to the successfulness of the fund.. Administrator/manager's will have poor capability in management, they will fail to successfully accordingly, the administrator/manager has failed to make the required activities such as comprehensive assessment to debtors before approval is granted. Without careful and thorough assessment to debtors, the administrator/manager has granted the loan to debtors. The administrator/manager may not prepare periodical financial report; the administrator/manager has also failed to analyze the financial situation of debtor. Therefore, if the administrator poorly administers the fund many debtors fail to repay the loan, according to this the administrator and manager must capable to administer the fund. in Ethiopian different government Stakeholders have their duty and responsibility according to federal gazette(Fund, 2017) and (Getahun & Fetene, 2020)

Ministry of Finance calculate and communicate to the Commercial Bank of Ethiopia the share of each state from the proceeds of the fund on the basis of the size of the youth population of each state; Determine, in consultation with the appropriate entities, the terms and conditions under which the bank transfers the proceeds of the fund to beneficiaries through micro financing institutions; and Integrate the statement and reports on the utilization of the proceeds of the fund received from the bank into the consolidated

*Regional states were expected to identify youth who qualify to benefit in accordance with the Proclamation and organize youth under income generating activities where necessary, facilitate the provision of technical, professional and business development training and consultancy services to beneficiaries, facilitate the provision of technical assistance to beneficiaries in project preparation and evaluate, in cooperation with appropriate entities, the income generating project proposals of beneficiaries and communicate the accepted projects with a support document to micro financing institutions or the bank, as the case may be and finally follow up and evaluate the execution of beneficiaries' projects; prepare semi-annual and annual reports and submit same to the Ministry of Youth and Sport.*

*Commercial Bank of Ethiopia (CBE) was required to transfer the proceeds of the fund to beneficiaries through micro financing institutions, Submit to the Ministry every six month a consolidate report of the utilization of the proceeds of the fund.*

*The micro financing institutions were required to enter into an agreement with and provide the required amount of loan to beneficiaries in accordance with the terms and conditions set out by the Ministry upon receipt of income generating project documents of beneficiaries evaluated and approved by the appropriate authority and where it is deemed satisfactory and feasible*

*The Ministry of Women, Children and Youth will be coordinate the activities of the appropriate authorities with regard to the utilization of the fund and render the necessary assistance thereto and e valuate the semi-annual and annual reports on the implementation of beneficiaries' projects it receives from the appropriate authorities and submit an annual consolidated report to the Council of Ministers and the House of Peoples' Representatives*

Performance management is a process that enables employees to perform their roles to the best of their abilities with the aim of achieving or exceeding established targets and standards that are directly linked with the organization's objectives. Performance management is posited as a strategic management technique that supports the overall business goals of the firm through linking each individual's work goals to the overall mission of the firm (Rausch, 2011)Therefore, in this study we will be focusing on different government administrative/stakeholder /to evaluation their performance according to how to select the beneficiaries, how they facilitate training, how they committed to improve the program and the continuous support and evaluation of the revolving program

### **2.3.5 Demography factors**

According to (Odhiambo et al., 2016) Demography is the study of the size, territorial distribution, and composition of population, changes therein, and the components of such changes, which may be identified as nationality, mortality, territorial movement (migration), and social mobility (Odhiambo et al., 2016). demographic characteristics as personal statistics on information such as gender, age, sex, education level, income level, marital status, occupation, religion, birth rate, death rate, average size of family, average age at marriage. For example, considering age, one is expected to be energetic and enthusiastic at an early age of their employment. As they grow up within the organization, their performance is expected to improve with their maturity up to a certain age when their energy levels go down and thus performance slows, this is what necessitates the establishment of a retirement age. The aim of this paper is to discuss the factor that affects the performance of revolving fund. Therefore we emphasize in age, gender and education indicators and its impact on fund performance.

The age and genders of borrower will have affected the loan repayment and the performance of revolving fund program, some researcher Fikirte /2011/ concluded that there is the relationship between the age of the borrowers and loan repayment performance default, hence, the higher ages of borrower the lower defaults of loan repayment which means the youngest borrower have higher default rate than the borrowers in older age because the youngest may not have well experienced to manage therefore in Ethiopian the revolving fund facilitate to youth therefore every administrator and relevant bodies must evaluate and manage properly in order to perform the fund and also gender also affect the performance of loan repayment ,hence, according to (Fikirte, 2011) women's are hard worker and financial discipline it will lead to higher loan repayment rate.

According to (Vallabh & Mhlanga, 2015) gender has been found to have an impact on entrepreneurial success (Radiphere&Dhliwayo, 2014). The Global Entrepreneurship Monitor (GEM), 2012 reports that a greater involvement in entrepreneurship among men than women has been evident in most economies. However, Thailand and Brazil have high women participation rates. Conversely, women participation in entrepreneurship has been found to be low in the Eastern European economies, most prominently, in Poland and Slovakia, where fewer than 30% of entrepreneurs are women. In Pakistan only one of the entrepreneurs are women. However, it is notable that Asia and Western Europe have economies with both the lowest and highest levels of women's participation relative to men. Singapore and

Switzerland show comparatively high levels, while France and the Republic of Korea report low women involvement, where one fourth of entrepreneurs are women (GEM, 2011). The only economies where females rates were higher than that of their male counterparts was in Ecuador and Panama in Latin America, Ghana and Nigeria in Sub-Saharan Africa and Thailand in Asia (GEM, 2012).

According to (Vallabh & Mhlanga, 2015) The education of entrepreneurs can impact the path to business success, it aids the process of building absorptive capacity of managers such as confidence, psychology, knowledge and skills. Educated people are creative and innovative and they are always looking for something unique to fulfill a need or want (Chowdhury, Alam&Arif, 2013). One of the success factors in small business is the education level of the owner, which can assist the business to survive and manage a complex environment and maintain the profitability of the business (Radipere&Dhliwayo, 2014; Chowdhury, Alam&Arif, 2013). Vallabh and Mhlanga (2014) underscore that education and training of SMTEs can help them overcome the management issues that often confront these small businesses. Further, they add that by integrating education and training into the business process, SMTEs can experience many advantages in operational, tactical and strategic management.

### **2.3.6 Entrepreneurial Competences**

According to (Umar et al., 2018) entrepreneurial competencies, which are defined as “underlying characteristics such as generic and specific knowledge, motive, traits, self-image, social roles, and skills which result in venture birth, survival, and/or growth”, may be the key to improving a firm’s performance. Entrepreneurial competencies are the characters of entrepreneur including personality traits, attitudes, skills, knowledge for effective performance in the role of the entrepreneur.

According to the study (Odhiambo et al., 2016) all intents and purposes each career in business includes some blend of knowledge, technique, and people skills, few involve the integration and combination of all functional knowledge and skills to the extent that entrepreneurial activities do. In enterprise, in any case, analysts contend that, while there is a decent arrangement of major business information required which can be taught in a classroom; there is not yet a controlling hypothesis to help the eventual business person in managing the vulnerabilities which encompass any new business venture. What's more, regardless of the possibility that there were, the genuine test is performance under real

conditions, with all the real-world pressures over a period of several years. According to (Odhiambo et al., 2016) entrepreneurial competence is a valuable and intangible resource that leads towards the success of a business. In this study, entrepreneurial competencies that will be observed management skill of the business, risk taking, pro-activeness of the situation. General business knowledge, team building and collaboration among the members

### **2.3.7 Loan factors**

Loan is the money borrowed and must be paid back with or without interest within the time period and under the terms as agreed upon between borrower and lender (Feye, 2020). According to (Danstun & Harun, 2020) microfinance loan size offered to borrower influenced repayment performance of microfinance institution. The loan sizes to borrowers can be designed into small, medium or big loan sizes. Most microfinance institutions design small and medium loan products to cater demands for low-income and poor household customers. Efficient loan size that fit capability of borrowers to repay reduces portfolio

Loan size is the amount of money permitted for the borrowers. In case, the amount of money permitted/lent to borrowers have any influence or not was evaluated using this variable. In order to operate the investment with its full capacity and cover all necessary costs, sufficient amount of money is required. (Fikirte, 2011) noted that efficient loan sizes fit borrowers' repayment capacity and stimulate enterprise. If amount of loan released is enough for the purposes intended, it will have a positive impact on the borrower's capacity to repay. If on the other hand the amount of loan exceeds what the borrower needs and can handle, it will be more of a burden than help, thereby undermining repayment performance. Also positive or negative sign may be expected if the loan is too small. If the loan is too small it may be easy to repay such loans thus enhancing performance (i.e. positive sign). However, too small loan may not bring commitment on borrowers to use the loan productively (Fikirte, 2011) It may also encourage borrowers to divert the loan to other purposes, increasing credit risk and undermining performance

According (Bob et al., 2018), grace period, collateral, interest rate charges and number of official visits to the credit societies, have a strong effect on loan repayment. found out that the higher interest rates induce firms to undertake projects with lower probability of success but higher pay offs when they succeed

The pay period and method of paying back should be determined early and understood by both parties (lender and borrower) since the payback period can be used as a decision criterion to accept or reject the investment proposals

*Collateral* is the guarantee for repayment performances. If the borrower secures high valued collateral relative to the loan size, the lender may feel that it will not be a loser in case the borrower defaults. Borrowers exert their maximum effort to repay the loan if the collateral towards the loan size is high and vice versa. And it is defined as the security or assets pledge by borrowers to the lender. Lender first try to reduce risk by sound experienced credit analysis. The value and quality or collateral is determined by the property appraisal. Since all the precede factors required some elements judgment the function of collateral is to protect lenders from the imperfective of judgment as well as from the adverse impair of anticipated changes in condition(Dire, 2018)hence there is a numbers of loan factors but in our study will be focus on loan size, repayment period and collateral

### **2.3.8 Types of business**

According to(Walz et al., 2016)Starting a business takes talent, determination, hard work, and persistence. It also requires a lot of research and planning. Before starting the business, the entrepreneur must appraise the strengths and weaknesses and assess the objectives of the business. However before starting the business the entrepreneur will be make decisions, hence, there are the basic questions must address: such as what, exactly, is my business idea? Is it feasible? , What industry do I want to enter? , What will be my competitive advantage? , Do I want to start a new business, buy an existing one, or buy a franchise? What form of business organization do I want? Therefore they must answer this question before started the business and formulated business in order to success the business.

According to (Colleg, 2017)There are mainly 3 types of business which is sole proprietorship, partnership and A corporation hence, they have Owen characteristic's A sole proprietorship is a type of business ownership in which a single individual owns the business, collects all profit from it, and has unlimited liability for its debt. The sole proprietorship is the simplest and least expensive option for business ownership. Because the owner and the business are one and the same, business income and costs are reported on the owner's personal income tax return. Therefore In a sole proprietorship, only one individual is responsible for the business and it has unlimited liability for any business debts

A partnership is a second type of business organization in which at least two individuals share the management, profit, and liability. This type has two types which are general and limited partnership. In a general partnership, all partners have unlimited liability and in a limited partnership is structured so that at least one partner (the general partner) has limited liability for the debts of the business. General partnerships rely on the entrepreneurial skills and financial backing of at least two individuals. Because general partners have unlimited liability, they risk losing personal money and possessions to pay business

A corporation type of business ownership in which the business is considered a type of “person” (or “entity”) under the law and limited liability is granted to the business owner(s). Debts, and it is characterized as the owners of a corporation are called its shareholders or stockholders. The share of stock is a unit of ownership in a corporation; each share may earn its owner a dividend, which is a portion of the corporation’s profit. Shareholders have a limited liability and they risk only the money they invested in the corporation.

Every business needs to earn a profit to be successful. A positive bottom line on a business’s income statement is an indicator that the business is doing well. That bottom line, or net profit, is essential for the company's continued growth and prosperity. Income/profit is amount of money generated from the business itself with a given fiscal year. Hence the sign it takes may not be single, because if sufficient income is generated the variable shows positive sign to repayment. Income from activities financed by the loan is important and significant factor that enhances the credit repayment performance. Found that income from the loan activities financed by institution is significant determinant of the probability of loan repayment and performance. According to his finding income from activities financed by loan is positively and significantly related to loan repayment performance and thereby reduces loan default. Therefore in this study we will be concerned which business type is successful by using revolving fund? Analysis how they select their business form and it will be analysis the income or profit generated from a business.

## **2.4 Empirical literature**

This section explains what other researchers had contributed about factors affecting performance revolving loan fund however, many researchers have conducted a lot of research on related to factors affect the performance and they identify variability which related to the factors. In this study, the researcher focused on both the study in Ethiopian and other countries.

(Veerakumaran, 2008) examined Impact of Revolving Credit Fund in Northern Ethiopia, the case of Asabi WombertaWereda the main objectives of the study is to understand the socio-economic impact of revolving fund utilization. The general result of the study shows that age of borrowers contrary to what was expected revealed negative relationship. This may be due to the fact that as borrowers get old the tendency for diversification and investment decreases for fear of risk and through time they may use the amount for other purpose and also they conclude that the result of the study shows that income drawn from daily labor has positive effect on the repayment performance of the borrowers which was consistent to what was hypothesized. Further the result of the logistic regression model have shown that there is negative relationship between loan diversion and repayment performance

According to (Rahayu & Adi, 2018) the study conducted on Poverty reduction through Community Economic Empowerment Program in Jakarta: A Study of Factors Influencing the Repayment of revolving Fund. The main objectives of this study is to understand the factors influencing of re-payment of revolving fund hence, they identify economic and non-economic factors, economic factors are Debtors' business run smoothly, Bankruptcy of debtors' and non-economic factors can be described as administrators poor capability in management, administrator lack of selection in loan distribution, Members used for personal purpose, Low repayment awareness among members. according to (Rahayu & Adi, 2018) economic factors measures the financial and business health of the organizations which means the business will be run smoothly or not it related to the performance of repayment of the loan and non-economy factors shows that the capability of management which means how the management monitor and evaluate work Performance and also how to create awareness to the debtors about the loan in order to perform the fund.

The study (Sang, 2016) on challenges facing the performance revolving funds in Kenya in case of higher education loan board the objective of the study is to analyze the challenges facing the performance of revolving fund according to this(Sang, 2016)identify the challenges or factors which is financial management practices, information technology, corporate governance and skills and competences. The study concludes that financial management practices affect the performance of HELB. There existed challenges in the organization which were mainly in the working capital management and budgeting in the organization and also instances of misappropriation of the budgeted funds. It was confirmed that the internal control in the organization was effective to ensure proper finance

management. It was also concluded that information technology affected performance of HELB and that unsustainable ICT-supported programs were a key challenge. Also information technology increases efficiency and effectiveness of management of the HELB fund hence increased cost reduction in its operation. It was concluded that the Board of Directors influences performance of HELB Fund and the managers are involved in mobilization and proper fund management. Also the managers are accountable and responsible and other insiders take measures that safeguard the interests of the stakeholders. It was finally concluded that skills and competences influence performance of HELB Fund. It was also revealed that to increase funding for students there is need to into a memorandum of understanding with other stakeholders to provide loans to students at a subsidized interest rate.

Micro-Credit Groups' Socio-Economic Functions' to Sustainability of Government Revolving Funds in Murang'a County, Kenya(Njangiru et al., 2017) in this study identify the level of education, age of the group members, marital status of the group members, level of earnings of the members, size of the land, the main economic activity had either a positive or negative influence to revolving fund repayment and sustainability. The results also suggest that Members with high education (post-graduates) were very few in most of the groups, majority being standard eight dropouts. Knowledge learnt in school was found not exhibited in groups' dynamics. Majority of the group members were in the age bracket of (36- 45) years, most of whom were women, the youths members (15-35); were few which is a great concern. The marital status in most groups did not have a positive relationship to loan repayment and those who earned fewer incomes were found to be better in repaying for their obligations. Business was found to be the main source of income to most of the group members most of which had parcels of land of less than 1 acre, and 46% of that land was not registered, affecting loan repayment. Informal lenders were found to be thriving due to their promising practice of providing quick loans and lacking of gender bias, which is prevalent with the government revolving funds institutions. The study concluded that, socio-economic functions have a significant relationship to government revolving funds sustainability

According to (Abdul et al., 2017) on the title Analysis of Determinants of Revolving Credit for Small and Medium Construction Enterprises: A Case of Gauteng Province the study identify independent variables i.e. gender, age group, current position, organization ownership, tax number, location and collateral The study found that SMEs are stifled from

accessing credit because of lack of collateral/security, lack of cash flow statement and owners' equity despite the results suggesting that majority of SMEs received the full credit they applied for compared to those who did not receive the full credit. However, this is still alarming as partial credit can hinder the progress of these organizations economically and also the researcher conclude that The researchers established that for SMEs to access full credit from the financial institutions age group, current position in the organization of the respondent applying for credit predicated full accessibility. Furthermore, tax number and location of the business in the Gauteng province were also predictors of full credit accessibility

(Fikirte, 2011)examined the determinants of loan Repayment Performance: A case study in the Addis Credit and Saving Institution, Addis Ababa, Ethiopia the main objectives of the study is to analysis the major socio-economic factors that influence loan repayment rate of the borrowers. in this study identify gender, educational level, marital status and household income level and peer pressure in group as independent variables. The results also suggest that Age of the borrowers is also significant determinant of loan repayment performance. The elder borrowers have taken responsibility to repay their loan. In the group lending and also female borrowers have performed worse loan repayment performance than male. Although continuous follow up and supervision is important for loan repayment,

According to (Wangari, 2014) on the title of factors influencing performance of revolving loan fund program among women groups in Kiambu County, Kenya in this study the researchers select Level of Education, management practice, demographic factors, entrepreneur competency as independent variable and performance of revolving loan fund as dependent variable. The main objective of the study is to understand the real factors that affect performance of revolving loan fund program among women groups in Kiambu County, Kenya. Finally study finds that low level of education among group members had a negative on the performance of revolving loan fund. The study also revealed that there wasn't is a positive association between management practices and organizational performance thus the study concludes that poor management practices had a negative influence on the performance of revolving loan fund The study also revealed that Lack of knowledge of the skills of learning can render informal training inadequate, thus the study concludes that lack of entrepreneurial competences had a negative impact on the performance of revolving loan fund among women groups. And also the study shows as marital status, family size and age

influence the performance of the revolving funds to a great extent thus the study concludes that demographic factors had a negative influence the performance of revolving loan fund among women groups

(Odhiambo et al., 2016) Analysis of the Strategies Adopted in Performance of Revolving Funds in South Sudan: A Case Study of South Sudan Older People Organization (SSOPO) , the study sought to establish the influences of; education strategy, management strategy and entrepreneurial competences strategy; on the performance of Revolving Loan Funds based on this the study conclude that, borrowers and management staff of SSOPO RLF were not adequately educated on various aspects of RLF. This was caused by lack or inadequate basic education required for specialized education such as that of RLF. Further, borrowers did not have entrepreneurial competence necessary for the successful running of businesses funded by RLF. This could have been brought about by the long fought war between South and North Sudan that did not give room for South Sudan nationals to think about business. The management staff of SSOPO RLF was not competent enough to ensure effective and efficient implementation of the various management strategies relevant for better performance of RLF. The number of management staff of SSOPO RLF was skewed towards male gender. Further, majority of the staff were persons of 50 years of age. The government of South Sudan has not put in place policies that provide favorable environment for better performance of RLF.

The study(Baluka, 2018) on the title assessment of agricultural revolving fund performance in rural Uganda. The main objective of the study is to understand or analyses the factors that influenced access to agricultural inputs among farmers' groups. The researchers identify variables such as Cost of inputs, knowledge on repayment, grace period and group size, interest rate and experience. According to this the study conclude that cost of inputs, knowledge on repayment, grace period and group size significantly influenced access to inputs. While the interest rate and experience in managing savings and credit significantly influenced access to cash loans from the farmers' groups. Savings and credit management experience, sufficient grace period and location of the farmers significantly influenced repayment for the inputs.

According to the study (Murigu, 2012) influence of revolving loan among self-help group in financing house hold projects in Laikipia east district, Kenya the main objectives of the study is to establish how revolving group loans influence financing household projects ,however the study focused on assessing how choice of projects by members groups with revolving

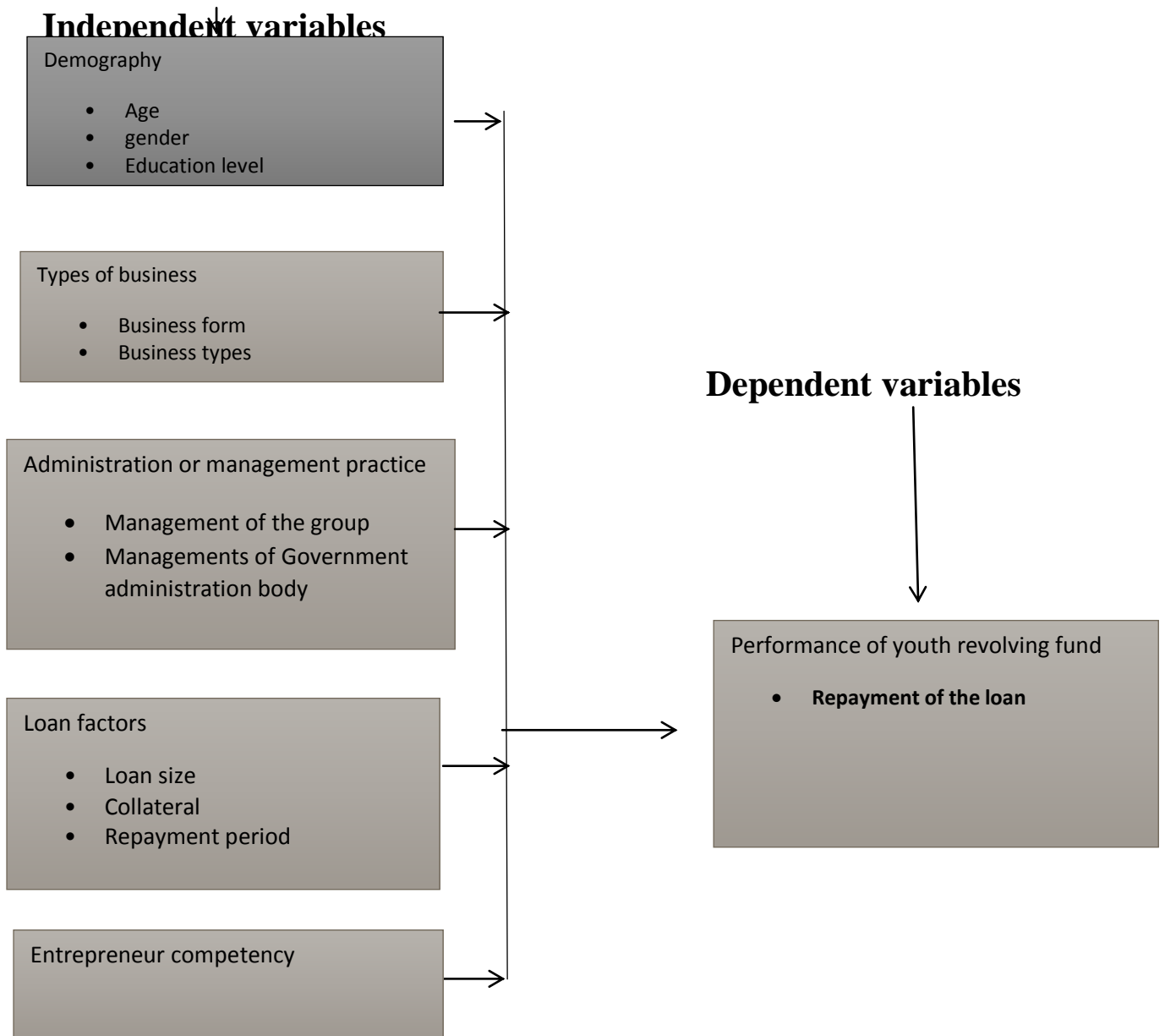
loan schemes, establishing how source of funds and investigating how default of revolving loans in groups influence the financing of household projects in Laikipia East District. the study found that, 83.8% of the group officials and members said that, revolving loans from members' savings, influence financing of household project to a great extent. In addition, type of projects, source of funds for revolving and effects of defaults in loans affect financing of the household projects using revolving loans to some extent.

(Santandreu et al., 2020)examined the Determinants of Repayment among Male and Female Microcredit Clients in the USA the objectives of researcher is to examined the repayment behaviorofwomenandmenisrelatedtovariablessuchastheage,ethnicity,academiclevel,marital status, or the characteristics of the microcredit's, like purposes, amounts, and payment terms and it shows that in the USA, the educational achievements of women and men are equal. This could indicate that both women and men know their duties and rights when dealing with credit situations. Therefore the study concludes that there are no significant deference in the reimbursement of microcredit's between men and women in the USA.

## **2.5 Conceptual framework**

According to (W.creswell, 2014)conceptual framework involves forming ideas about relationships between variables in the study and showing these relationships diagrammatically. This study adopted the conceptual framework as shown in figure 1 which demonstrates the conceptual framework of the relationship between the dependent variable and the independent variables. The conceptual frame work developed based on literatures reviewed that described in the above.

Figure 1 Conceptual framework



Source: Prepared by the researcher.2021

#### 4.6 Summary and Research Gap

Revolving fund is a pool of money belonging to a number of different youth to which is used to create a job. However our study concern on the factors influencing the performance of youth revolving fund. Performance targets were including both quantitative aspects (such as budgets) and qualitative aspects (such as uninterrupted service). Quantitative targets indicate the financial performance of each business line of the organization. The performance of revolving fund measure according to 1 *Breadth of outreach*—/how many clients are being

served? 2. *Outreach — Depth/Client poverty level.* it measures the poverty levels of the beneficiary this indicator should be expressed as a percentage of per capita GDP. 3 *Portfolio quality/Collection performances* it measures the performance of repayments of revolving fund this performance measurement indicator is further discussed below. (Rosenberg, 2009)

Generally, the Empirical researches on revolving fund performance in Ethiopia are not comprehensive enough to cover all scenarios. For instance, the various studies were concerned on loan repayment performance in different countries and they identified the most probable causes of loan default. Moreover, some study such as (Rahayu & Adi, 2018) economic and non-economic factors and others also the study (Sang, 2016) results financial management practices, information technology, corporate governance and skills and competences influence. the study (Njangiru et al., 2017) the level of education, age of the group members, marital status, level of earnings of the members, size of the land, finally the study (Wangari, 2014) Level of Education, management practice, demographic factors, entrepreneur competency as independent variable, and in our study Demography /age, gender and educational states/, Administration or management practice, loan factors/Loan size, repayment period and collateral/, Business type and entrepreneur competency use as independent variables and performance of revolving fund was dependent variables, according to my observation the conclusion and finding are different among them for example (Santander et al., 2020) argue that there is no significant difference between men and women in the USA for loan repayment and others studies such as (Fikirte, 2011) find that women are committed than men to repayment the loan fund this is one of the reasons and not yet been made in the Addis Ababa city and also the need of our study was to gain insight to what real factor that influences the performance of revolving loan fund in Addis Ababa

Some of the study focuses basically on non-performing loans and limited to bank and credit association specific and borrowers' specific factors to establish relationship between variables and non-performing loans.

And some study's focused on the role of revolving fund, financing micro and small enterprise through revolving fund and the impacts of the fund Hence, most of the above empirical studies fail to address the factors that affect the performance of revolving fund In addition some studies were conducted but they characteristics women group only. Furthermore, now a day there are many changes regarding general macroeconomic condition of the country and political situation? And there is a gap between what the management thinks in terms of how

to achieve the goals of the revolving loan funds and what the members feel about their needs and the way they are catered for by the fund. The researcher would be filling this information gap.

Therefore, this research would be contribute towards filling the gap by identifying and analyzing the factors affecting youth revolving fund performances in Addis Ababa city

## CHAPTER THR

### 3, Research methodology and design

#### 3.1 Chapter introduction

This chapter analysis the research design, the population, the sampling procedure and method was uses data collection method, types of data uses for the study, methods of data analysis was e used to conduct the research.

#### 3.2 Research design

A research design is a procedural plan that is adopted by the researcher to answer questions validly, objectively, accurately and economically.(Learning & Cookbook, 2011n.d.)And also it is a master plan specifying the methods and procedures for collecting and analyzing the needed information. It ensures that the study would be relevant to the problem, different author suggested that there is three types of research design, namely exploratory (emphasizes discovery of ideas and insights), descriptive (concerned with determining the frequency with which an event occurs or relationship between variables) and explanatory (concerned with determining the cause and effect relationships

In this study was used both explanatory (Causal) and descriptive design. Taking important of this the researcher was used explanatory research approach of doing research because it helps the researcher to explain the causality relationship between variables and measure the concepts quantitatively. selection of this research design is appropriate for the study because it was established and analysis the factor influencing performance of youth revolving fund in Addis Ababa.

#### 3.3 sampling approaches

According to( Creswell, John W 2003)three research approaches are advanced Quantitative research approach, research approach and mixed research approach and the three approaches are not as discrete as they first appear A quantitative method of doing research was used in this research because, quantitative research answers questions through a controlled deductive process, allowing for the collection of numerical data, the prediction, the measurement of variables, and the use of statistical procedures to analyze and develop inferences from that data. (C.R. KOTHARI 2004) quantitative research is based on the measurement of quantity or amount as the term indicated, dealt with the collection and analysis of data in numeric

form. it consists of the researches that the data gathered must be analyzed in terms of numbers. According to (Saunders, M., Lewis, P.Tornhill, 2007)Quantitative research is generally associated with positivism philosophy. Quantitative methods formulate assumptions within their structure through the process of asking questions or posing hypotheses by incorporating words, such as "cause," "difference between," "effect," and "predicts," which all assist in the general quantitative research's aim of developing generalizations that allow better predictions, explanations and understanding of specific factors by the reserchre.

### **3.4. Sampling techniques and procedure**

#### **3.4.1 Target population**

According to (Alvi, 2016)Population may refer the complete set of observation in relation to which would like to draw conclusions. It refers the entry of members from a formulation of people, events or objects that in real or hypothetical as researcher attempts to create a generalization of the finding from the results of the study. Target population of these researchers would be covered 476 beneficiaries of Addis Ababa revolving fund program from 4 sub-city because the researchers were have working experience for two sub-city and decide to have enough information from respondents. And those sub-city are near to the researcher

#### **3.4.2 Sampling techniques and sample size**

According to (Sekaran, 2003)Sampling is the process of selecting a sufficient number of elements from the population, so that a study of the sample and an understanding of its properties or characteristics would make it possible for us to generalize such properties or characteristics to the population elements. Sampling techniques are broadly categorized into two major types: 1) Probability sampling methods 2) Non-probability sampling methods. *Probability sampling* is also called as random sampling or representative sampling, in probability sampling every member of the population had a known (non zero) probability of being included in the sample and *Non-Probability Sampling Methods* is also called as judgment or non-random sampling. Which means every unit of population does not get an equal chance of participation in the investigation.

Stratified random sampling was applied to get a representative number of sub-city from all that was considered in this study. This technique was preferred because it was used to assist in

minimizing bias when dealing with the population with this technique. The sample frame was organized into a relatively homogeneous group (Strata's), before selecting elements for the sample. According to Janet (2006:94), this step increases the probability that the final sample will be representative in terms of the stratified groups. Therefore, in Addis Ababa 11 sub-city and 116 werdas, therefore, it is difficult to address all, hence to achieve our objectives *stratified random sampling* in selection of the representative sub-city with these techniques, the sampling frame was divided and organized into relatively homogeneous group or strata before selecting elements for the sample and then the sample would be randomly selected. According to this the researcher was grouped 11 sub-city into two groups based on their homogeneous characteristics. that means Addis Ababa city administration classifieds all sub-city in to two which is inner city and expansions city based on this **Kolfe-Qeranyo, Nifassilke, bole, Yeka, Akake, and Lemekora** sub-city are expansion sub-city and **Arada, Addis-ketema, Lideta, Gulele and Kirkose** sub-city is inner sub-city according to this the researcher would selectee KolfeQeranyo, and Nifassilke sub-city from expansion and Gulele and Arada sub-city from inner sub-city Purposively. Stratifying makes each sub-sample more homogeneous by eliminating the variation on the variable that is used for stratifying.

### 3.4.3 Sample size

According to (Kothari, 2004), the correct sample size in a study is dependent on the nature of the population and the purpose of the study. Although there are no general rules, the sample size usually depends on the population to be sampled. A sample is a small group of cases drawn from and used to represent the large group or whole population under investigation. To estimate the sample size or representative the use Yamane formula .before formulated the formula state the population in selected sub-city which is in kolfe kerany 89, Arada 98 Gulele 122 and Nifassilk sub-city 167 then the researcher determine the Sample size is by using the formula proposed by Yamane (1967). So, the sample size for the study is calculated as follows and based on this the researcher will be considering a level of acceptance margin of error is 5 %

$$n = \frac{N}{1 + N(e)^2}$$

Where,

n= is sample size

N =is the population size and

e =is the level of precision

With 95% confidence level and then e = 0.05.

$$n = \frac{476}{1 + 476(0.05)^2}$$

n=144

As indicated in the above equation the population size of the study is 476 Therefore, the sample size was selected for the study under consideration is 144 which account around 30% of the total population. The sample size that is selected here is considered as representative and also large enough to allow for precision, confidence and generalize ability of the research findings.

After calculating the total sample size, calculated sample size of the study was distributed to each sub-city in the flowing formula

$$ni = n \frac{Ni}{N}$$

Where:

ni= the sample drawn from each stratum;

N = the total population size of the study

n =the sample size

Ni - the total number of populations in each stratum;

Number of representative respondents from selected sub-city and is as follows.

Table.2Proportionate sample size determination

<b>Randomly selected sub-city</b>	<b>Population/fund benefiter's</b>	<b>Sample size</b>
Kolfekeranyo sub-city	89	27
Nifasesilke sub-city	167	50
Gulele sub-city	122	37
Arada sub-city	98	30
Total	476	144

SOURCE :/SMED/small and medium enterprise development office annual report (2012)

### **3.4.4 Data Sources and Data Collection Instruments**

In order to achieve the objective of this study the researchers was use both primary and secondary data. The primary data, the study used well-designed questionnaire as best instrument the use of survey method of data collection will be chosen for this study. The study used structured and semi structured questionnaires containing closed ended and open ended questions to collect primary data. The reason for choosing a survey method was because the method is more efficient and economical as compared to other methods such as observation(k0thari, 2004)This was completed by the owner managers/or operators of the enterprises and . Secondary data that relevant to the study was collected from various published sources of the sub-city's, and women and youth development office, SMED office, Addis credit and saving association documents, periodicals and publications reports will collect from the office

*In general Primary data:* The primary data would collect from the beneficiaries of the revolving fund (borrowers) through questionnaire. The questionnaire included both close and open-ended questions. The close-ended questions covered the personal information, demographic factors, loan size and business type related questions. The open-ended questions dealt with the perception towards the fund program and their feelings. All questionnaires were translated into Amharic.

*Secondary data:* secondary data would be used as a source of data in this work to determine the performances of the youth revolving fund in the previous consecutive years and annual reports, loan portfolio of the women and youth development office, SMED office, Addis credit and saving association and others publications was used as a secondary data.

### **3.4.5 Reliability and Validity of Instruments**

Reliability and validity are two of the most vital factors that may be potentially considered in the process of evaluating or formulating a specific instrument (k0thari, 2004) Reliability is the extent to which a particular instrument is capable of measuring a set topic or reference phenomenon through population groups and time in a consistent manner (W.creswell, 2014)(Sekaran, 2003) Reliability is “concerned with the consistency of measures” thus; the level of an instrument’s reliability is dependent on its ability to produce the same score when used repeatedly. In this study as mentioned above the instrument would be taken from previous scholars so it was pre tested for reliability. In testing reliability piloting of the instruments was necessary hence 14 respondent are covered in pilot test this will be

determine whether the questionnaires needed any adjustment to fit the requirement of the study. In this study also tested using Cranach’s alpha test of reliability with coefficients range from 0.00 to 1 to indicate the reliability of the questioners concerning the variables hence according to George and Mallery (2003) suggest that the acceptable value between 0.6 and 0.7 and they additionally state the acceptable level hence the value of cronbachs alpha is between 0.9 and 0.7 excellent, 0.7 and 0.6 good ,0.6 and 0.5 questionable and below 0.5 poor, there for, all variables reached the acceptable level

**Table 3 Cronbach’s Alpha value of Variables in the study (Reliability)**

No	Variables	No. of Items	Cronbach’s alpha
1	Loan factors	5	0.6
2	Types of business	4	0.72
3	Demography factors	7	0.77
4	Administration or	6	0.8
5	Entrepreneur competency	4	0.7
		26	

**Source:** own survey, 2021

For this study the instruments were the most frequently used measures which were developed by prominent scholars, though it was assumed to be valid. Actually there is no statistical tool to measure the validity of instruments rather it is based on experts

### **3.4.6 Data Analysis Methods**

The data collected through the above stated techniques was analyzed and interpreted using both descriptive statistics and econometric analysis. Accordingly, The primary data analyzed to establish the factors influencing performance of youth revolving loan fund program in Addis Ababa using statistical package of SPSS (Software Packages for Social Science Research). To summarize demographic data of respondents’ charts, tables and percentages used. The researcher analyzed the data using descriptive statistics (frequencies, percentages, mean, and standard deviation) to obtain information on the factors affecting revolving fund performances and binary logistic econometric model (logit) was used to identify the factors of youth revolving fund performance in Addis Ababa. Descriptive statistics will be employed to analyze the data and the results were tested with non-parametric tests of significance, whereas econometric analysis, specifically binary logistic regression was used to identify statistically significant variables in relation to the dependent variable.

### 3.5 Model specification

For this research descriptive statistics is one of the techniques used to summarize the data collected from the sample respondents. Frequency, table, mean, median, standard deviation, percentages and also T-test and Chi-square test were used for comparing defaulters and non-defaulters in various explanatory variables.

In addition an econometric regression model is applied for analyzing the youth revolving fund performance is a dependent variable, while different demographic, management practice, loan factor, entrepreneur competency and business related factors considered as independent variables. Hence, in our study performance of the fund may consider as the repayment performance.

The revolving fund Loan repayment is, therefore, a non-continuous dependent variable that does not satisfy the key assumptions in the linear regression analysis. When the dependent variable to be modeled is limited in its range, using ordinary least squares (OLS) may result in biased and inconsistent parameter estimates. To examine the factors affecting the performance of the fund loan repayment, discrete choice model should be used. Thus, the most widely used and appropriate qualitative response models are the logit models (Brooks, 2008).

$$P_i = \frac{1}{1 + e^{-z}} = \frac{e^z}{1 + e^z}$$

Where the exponential under the logit approach .The model is is so called because the function F is in fact the cumulative logistic distribution. So the logistic model estimated would be

$$P_i = \frac{1}{1 + e^{-(\beta_1 + \beta_2 X_{2i} + \dots + \beta_k X_{ki} + u_i)}} \dots (\text{Brooks, 2008}).$$

Introducing an error term as usual, the logit model is given by:

$$P_i = \frac{e^{\beta_1 + \beta_2 X_{2i} + \beta_3 X_{3i} + \dots + \beta_k X_{ki} + \epsilon_i}}{1 + e^{\beta_1 + \beta_2 X_{2i} + \beta_3 X_{3i} + \dots + \beta_k X_{ki} + \epsilon_i}}$$

This is nothing but a simple linear regression model where the dependent variable is the log-odds instead of the observed values of i Y (which are all zeros and ones). In a similar fashion, the multiple logistic regression model is given by:

$$\ln\left(\frac{P_i}{1 - P_i}\right) = z = \beta_0 + \beta_1 X_{1i} + \dots + \beta_k X_{ki} + u_i$$

### 3.5.1 Multi co-linearity Test

Before running the logit model, the explanatory variables were checked for the existence of Multi co-linearity. Multi-co-linearity problem arises when two or more variables (or combination of variables) are highly correlated with each other. The existence of multicollinearity might cause the estimated regression coefficients to have the wrong signs, smaller t-ratios and high standard errors. This help to identify the correlation between explanatory variables and to avoid double effect of independent variable from the model. Simply we can test Multi co-linearity by correlation matrix. (Brooks, 2008)indicated that, if the variables are highly correlated, the solution is ignoring, avoiding one variable that have Multi co-linearity and transforming that variable to ratio.(Brooks, 2008)

### 3.5.2 Definition of Variables

Explanatory variables for this study were selected and working hypothesis of this study were established based on the literature reviewed, discussion held with stakeholders, and the researcher's knowledge on the study area. Definition and brief explanation of the explanatory variables selected for this study and their likely influence on loan repayment performance are presented below

**The dependent variable of the logit model:** The dependent variable of the model is loan repayment performance of revolving loan fund. It is a dummy variable which has a value of 0 if the borrower repays the loan and 1 if failed to do so.

**The independent variables of the model:** The independent variables of the model are those which are hypothesized to have an association with loan repayment performance. Of revolving fund which is loan factor, management or administrator factor, demographic factor, entrepreneur competency and types of business related factors are independent factors and also there is different characteristics which are explained below.

#### Loan related factors

If amount of loan released is enough for the purposes intended, it will have a positive impact on the borrower's capacity to repay. On the other hand the amount of loan exceeds what the

borrower needs and can handle, it will be more of a burden than help, thereby undermining repayment performance. Also positive or negative sign may be expected.

If the Repayment period is suitable, the client should be performs better Thus, the expected sign of this variable is positive. Moreover, if there is a continuous follow up and supervision made by loan officer, the client could efficiently utilize the loan for the intended purpose..

According to Addis macro finance institution the collateral of the fund are mostly guarantees for each within the enterprise .Also positive sign may be expected.

### **Management and administrator practice related factors**

Training has an indispensable contribution to the borrower's business success. Therefore, delivering an adequate and sufficient training to all borrowers in a consistent manner may increase the repayment performance of borrowers. Accordingly, positive sign is expected.

Supervision this refer to evaluate the lending institute and the government visit the client or enterprise to monitors the effectiveness of loan utilization and their business based on their frequently supervisions. Furthermore, the visits to those target borrowers will helps in identifying the loops that faces the borrowers either technically or financially in order to minimize the risks suffer from defaults. Accordingly, it is expected to have positive effects to the performance of revolving fund

Beneficiaries screening activity means to before lending the money. The government must screen the beneficiaries effectively and efficiently. Hence, this may have the effect on the performance of the revolving fund and in this research positive sign expected

### **Demographic related factors**

Some researchers have taken the ages of the borrowers as a variable that can influence the repayment performance of borrowers. As it was stated in the previous section, revolving fund benefited for youngsters. And different researchers have different conclusion. some are the youngest age of the borrowers the less the repayment recovery rates achieved by the lending institutes; that means the more the aged group borrowers can take the responsibility of being liable and creditworthy than that of the youngsters. Similarly, the more the older and aged the borrower groups are the more likely they are creditworthy borrowers that have better repayment performances while the young borrowers are more likely to be defaulter borrowers

(Fikirte, 2011) Based on the above studies the study cannot pre-determine the signs of the variable to influence the repayment performances.

**Gender** This research considers the gender characteristics of the borrowing groups as an explaining factor to evaluate how the gender is probably determine the repayment status of the borrowers. the expected signs of this gender characteristic expected to positive and negative

Education level is expected to have a positive impact on repayment performance. A more educated client is expected to use the loan effectively as compared to a less educated one (Brehanu&Fufa, 2008). Education increases borrowers' ability to get, process and use the necessary information. In line with this, educated borrowers may develop the entrepreneurial skill and they may engage in new business

### **Business related factor**

Business run by an experienced person has an effect on the loan repayment performance. The risk of failure is less, when the business operated by experienced person than those who have just started (beginner). Therefore, the more the number of years in a business, the better would be the loan repayment performance (Brehanu&Fufa, 2008). If the borrowers had enough experience in the specific business, they already know the potential risks that they will face in the business. Business information refers to information that related to the specific business like the demand and supply of the product, the purchasing power of the clients and other things. If the borrowers are able to get the necessary information, they can produce and sell based on the customer need. Moreover, if they have enough information about the market situation of the product, they can try to predict about the futurity of the business. Hence, it leads to facilitate the repayment rate of the borrower.<sup>26</sup> Business types are mostly associated to risk. Business risk is uncertainty about the future operating. Business risk is determined by uncertainty about demand, output price, and cost and also price sensitivity of the customer (Sadgrove, 2005). The borrowers who have enough experience and knowledge about the risk and risk coping strategy are engaged in the risky business type. Therefore, a type of business that the clients engaged has also an impact on the repayment rate of the borrowers. If the clients engaged in the profitable business type, they will earn enough money. Thus, this leads to facilitate the repayment rate of the client.

### **Entrepreneur competency factor**

Entrepreneur competency is one of the independent factor this characteristics is market study and books of records. Survey study, one of the factors of successful business is before starting the business the entrepreneur must have the business information based on survey. Accordingly some business starts without survey study hence in our study I expected to positive relationship and for this variable and its dummy variable was value of 1 for conducts market study (survey) before starting business 0 is not.

Books of records: This refers to borrower's trends of recording the financial transaction to book of records to monitor and evaluate the profitability and financial position of their respective businesses. The borrowers who manage their expenses and revenues as well as cash flows could probably better monitor their loan repayment status than none. Hence, positive sign is expected. For this variable and its dummy variable was value of 1 for having books of record to the enterprise and 0 is not

## **Chapter Four**

### **4. Data Analysis and Interpretation**

In this chapter, the collected data has been analyzed and interpreted. The chapter consists of introduction and analysis of factors influencing the performance of youth revolving credit fund programs in Addis Ababa. In the process, this chapter presents respondents' demographic characteristics, factors influencing the performance of youth revolving credit fund programs, such as loan factor, business factor, management/administration, demography factors related questions and entrepreneur competency.

Consequently, this chapter presents the results and findings of the research. 144 questionnaires were disseminated for respondents; from which 143 questionnaires were recollected with 99.3% return rates. The remaining questionnaire was unreturned to the researcher due to the personal reasons of some participants. The chapter mainly includes data results from the statistical tests conducted on the gathered primary data. Descriptive analysis and inferential analysis using regression and other analysis of the study are presented as follow respectively.

#### **4.1. Background in formations of Respondents**

Regarding the demographic variables of the respondents, their gender, gender, age, level of education, members of group number, and positions of the respondent were used for description.

About the age group of the respondents, more than half of them were in 31-40 years which makes 53.8% of the respondents, followed by 18-30 years which make up 33.6% of the total respondents. The remaining 11.2% and 1.4%, of the total respondents were in the age group 41-50 years, and >50, respectively.

Concerning about the respondents level of education, the highest bulk of them 37.1% were in secondary school (9-12 grades), followed by 25.9% of the respondents who had completed their primary education (1-8 grades), while the remaining 9.1%, 19.6%, and 8.4% were attended technical schools, diploma and degree holders respectively.

Regarding the group members for the revolving credit fund programs the majority of them 69.9% had 5 – 10 members while the remaining 30.1% of the respondents had a group which composed of less than 5 members.

Lastly, concerning the position of respondents, official individuals made up of the majority of the respondents with 52.4% followed by member individuals 47.6%.

**Table 4 background in formations of Respondents**

Variables		Frequency	Percentage	Repayment states					
				no		yes		total	
				N	%	N	%	N	%
Gender	Male	69	48.3%	65	45	5	6	70	<b>48</b>
	Female	74	51.7%	32	22	40	27	74	<b>51.4</b>
Age	18-30	48	33.6%	36	22.9	13	11.5	49	<b>53.3</b>
	31-40	77	53.8%	20	10.	57	43	77	<b>53.3</b>
	41-50	16	11.2%	12	6,9	4.1	4.2	16	<b>11.1</b>
	>50	2	1.4%	1.5	1.4	0.5	00	2	<b>1.4</b>
Level of education	primary Education (1-8)	37	25.9%	29	19,4	9	24.3	37	<b>25.7</b>
	Secondary school (9-12)	53	37.1%	37	26	17	12	54	<b>37,5</b>
	Technical school	13	9.1%	11	8	1.6	1.4	13	<b>9</b>
	Diploma	28	19.6%	21	20	7	19	29	<b>19</b>
	Degree	12	8.4%	21	15	7	5	27	<b>19.4</b>
	Master's Degree& Above	-	-	10	7	2	1.6	12	<b>8.3</b>
Members of group number	<5	43	30.1%	33	23	10	7	43	<b>30</b>
	5-10	100	69.9%	74	51.4	27	18/8	101	<b>70</b>
	10-15	-	-						
	>15	-	-						
positions of the respondent	Member	68	47.6%	33	23	103	7	43	<b>30</b>
	Official	75	52.4%	74	51.4	27	18.8	101	<b>70.1</b>
Total		143		100%					

Source: Own Survey, 2021

N: Number of Respondent

## 4.2. Descriptive results

### 4.2.1. Demography factors

Concerning the demographic factors which can contribute for the repayment status of respondents, age, gender educational background and other demographic variables were used to describe the borrowers.

**Table 5 age, gender, educational level, and management performance with RLF repayment**

Item		Frequency	Percentage	Chi square
Do you believe the ages of a members influence the performance	no	3	2.1%	X <sup>2</sup> =.005*
	yes	141	97.9%	
If your answer is yes, for Q#36 what is/are the reason(s)?	The young man refuses to pay	114	79.2%	
	It makes her effective because the borrower is young	20	13.9%	
	Not identified	10	6.9%	
Do you believe that the gender of the members influence the performance	no	2	1.4%	X <sup>2</sup> =25.8248
	yes	142	98.6%	
If your answer yes to what extent do you agree with the following statement	Women's are committed than men to repayment the revolving loan fund	100	69.4%	
	Men's are committed than women's to repayment the revolving loan fund.	24	16.7%	
	There are no significant differences between men and women	20	13.9%	
do you think education of the members influence the performance of revolving fund	no	54	37.5%	.x=001**
	yes	90	62.5%	

Source: Own Survey, 2021

**Age** In view of that, 97.9% of the respondent believed that the ages of a members influence the performance of revolving fund. Besides, the younger the borrower, the lower the repayment will be (79.2%). And based on the respondent 98.6% of the respondents reported that the ages of the members influence the performance of RLF. And table 4 shows that the probability of loan defaults decrease when the ages of borrowers increase

**Gender** according to the table 5 more than half of the respondents 69.4% also agreed that women's are committed than men to repayment the revolving loan fund, while only small fraction of the respondents 16.7% approved that men are committed than women's to repayment the revolving loan fund. The remaining 13.9% of the respondents shows that no significant differences between men and women in terms of repayment status. This implies that the leading institution must to attention to men to create awareness.

**Educational level** The other describing factor is educational level of respondents. Based on the result (table 5), the overwhelming majority of the respondent agreed that education of the members influence the performance of revolving fund. In summary, the above results showed

that age of borrowers, gender and educational background were found to have significant relationship with repayment status of revolving loan fund. According to the respondent most of the defaulter are men's and (Brehanu&Fufa, 2008). And ages and education increases the borrowers' ability to get process and use the necessary information. In line with this, educated borrowers may develop the entrepreneurial skill and they may engage in new business

#### 4.2.2. Loan related factor

The government of Ethiopian distributed the revolving fund for youth and they arranges different offices to follow up according to this in this research we analyze the performance of loan repayment according to the loan factors such as loan size, collateral and repayment scheme with RLF repayment and repayment states therefore the finding is discussed below

**Table 6 preferred amount of loan, repayment states, collateral, and repayment scheme with RLF repayment**

<i>Items</i>		<i>Frequency</i>	<i>Percentage</i>	Chi-square
<i>Do you take the preferred amount of loan from the government as you requested?</i>	No	88	61.5%	<b>X<sup>2</sup>=6.267</b> <b>P=0.04</b>
	Yes	55	38.5%	
<i>if the answer is No for Q\$6 what is the reason</i>	Lending is due to lack of study.	1	1.1%	
	There is a shortage of	87	98.9%	
<i>Is the amount of loan taken from government enough for doing all your business</i>	no	88	61.5%	
	yes	55	38.5%	

*Source: Own Survey, 2021*

**Preferred amount of loan;** this is the amount of money the borrowers takes or not concerning this, the researcher presented the above table. Concerning whether they take the preferred amount of loan from the government as they requested, 61.5% were not accepted while the remaining 38.5% were accepted as their requested loan amount. This implies that the majority of the respondent's loan request was not approved. This implies the performance of the repayment is assonated with the amount of loan Coate, (1995) agree on the loan size is a positive and negative effect of group lending on the repayment rate, if the borrower take sufficient amount of loan they may use appropriately for their objective but if not they may not don appropriately.

Those respondents who replied that they didn't accepted their request; the majority of them 98.9% were not accepted due to a shortage of funds while the remaining one individual's request was rejected because of lack of study. Additionally, the adequacy of loan amount for conducting the business of borrowers. This implies that the government may distributed the loan without study therefore, before distributed the loan the government must make market study and decide what amount of money needed according to the unemployment rate and the need of loan amount.

Concerning 61.5% the respondent were not taken from government is not enough for doing all business and the rest 38.5% were responded the loan is enough. This implies the amount of the loan is not enough for doing all business activity.

In general the results of statistical shows that the when preferred amount of loan taken the probability of default decreased. Also when the amount of loan increase borrowers can do their projects in effectively and the chi-square result shows that the strong and significant relations hip between loan size and repayment of the revolving fund at significant level 5% ( $X^2=6.267$   $P=0.04$ ). This means getting preferred or sufficient amount of loan contributed the repayment performance of RLF. The result is the same as to that Coate, (1995) agree on the loan size is a positive and negative effect of group lending on the repayment rate, if the loan is enough it may have a positive effect on the repayment rate because they doing all the business

**Table 7 repayment performance, with RLF repayment**

Items		Frequency	Percentage
Are you repaying your loan?	no	107	74.8%
	yes	36	25.2%
what is your repayment status	Fully repaid	12	8.4%
	Partially repaid	72	50.3%
	I am not stared	59	41.3%
Are you benefited by fully repaying your loan	no	132	92.3%
	yes	11	7.7%
If yes for Q#11, what are the benefits	Access to the next higher	3	2.1%
	Build good relationship with	1	0.7%
	To make the family stable	2	1.4%
	I don't now	137	95.8%

If your answer is No for # 9, what is/are the reason(s)?	The cost of doing business is higher than the revenue	2	1.4%
	Weak legal enforcement for	134	93.7%
	Low supervision by the	3	2.1%
	Personal problem (like	2	1.4%
	Improper use of the loan	2	1.4%

Source: Own Survey, 2021

Concerning the repayment, 74.8% of the respondents were not repaying their loan while the remaining 25.2% were repaying their loan. This implies that the non-repaying percentage of the borrowers were low as compared with the repaying. Besides, the current status of respondents regarding repayment 8.4% were fully repaid, 50.3% partially repaid and 41.3% are not started. This implies that most of the respondent does not agree to repay the loan because as we stated in the above the amount of loan is not enough and also there is weak legal enforcement for defaulters and Low supervision by the stakeholder, this implies that the enforcement action uses for defaulter is very weak in general table 7 results shows that the respondent agree with the reasons of the failure to repayment is the cost of doing business is higher than the revenue (1.4%), Weak legal enforcement for defaulters (93.7%), low supervision by the stakeholder (2.1%), Personal problem (like sick) (1.4%) and improper use of the loan /personal consumption (1.4%). This implies that the majority of loan repayment failure is due to the absence of legal enforcement for defaulters therefore, the government should evaluate and take action on the RLF program.

**Table 8 collateral and repayment scheme with RLF repayment**

	Items	Frequency	Percentage	Chi-square
The kind of collateral is/are reasonable compared to the loan	No	52	36.4%	X <sup>2</sup> =4.530 P=0.03
	yes	91	63.6%	
Is the repayment scheme set by government suitable?	no	142	99.3%	X <sup>2</sup> =3.48 P=0.55
	yes	1	0.7%	
If your answer is No for # 15, what are the reasons?	The starting time to repay is too early	76	53.1%	P=0.55
	The repayment period is short	44	30.8%	
	The amount of repayment in each month is too much	23	16.1%	
	...other	0	0.0%	

Source: Own Survey, 2021

**Collateral**, this is a dummy variable which means 1 taken the collateral is reasonable compared to the amount of loan and 0 it is not. The leading institution may want the garneted for their amount of money. In the case of youth revolving fund the collateral is itself the

business or the project and most of the fund distributed through group therefore, the collateral of the loan among the group is garneted the members each other's or in Ethiopian in group leading the borrower have a chance to get loan easily because take a loan without formal collateral and personal guarantee, that means they joint liability of group members used as collateral. Table7 shows that 63.6% of the respondents reported that the kind of collateral is/are reasonable compared to the loan amount, while the remaining 36.4% of the respondents believe that it was not reasonable. In general collateral is the statistics shows that is strong and significant relationship between RLF repayment and collateral that means increasing the strengthens of collateral probability of default decreased

**Repayment scheme** According to the table7 shows that 99.33% of the respondent reported that the repayment periods set by the government is not suitable only 0.7 % of the respondent are agree with the repayment period. According to this (53.1%), of the responses, argue that the main reason is the starting time to repay is too early and the (30.8%), of them argue that the repayment period is short and the amount of repayment in each month is too much (16.1%).But the chi-square result shows that repayment scheme is not significant in repayment of the revolving fund at significant level 5% (  $\chi^2=3.48$   $p=0.55$ )

#### 4.2.3. Business related factors

**Table 9**business type, business form and business experience with RLF repayment

	Items	Freque	Perce	Chi-square
In which types of business currently engaged?	urban agriculture	13	9.1%	X2-.425 P=0.700
	Food Processing	50	35.0%	
	wood and Metal work	13	9.1%	
	Constructions	12	8.4%	
	IT	22	15.4%	
	In shop	33	23.1%	
What is your business form?	Sole proprietor	33	23.1%	X2=.833 P=0.906
	Partnership	110	76.9%	
	corporation	-		

Source: Own Survey, 2021

Regarding Business related issues such as types of business engaged, business form, has your business experiences, able to get (access) business information related to your business, business successful and repaying of loan were discussed. Accordingly, the result showed that the largest types of business operated by the fund borrowers was food processing (35.0%),

followed by 15.4%, and 23.1% of the respondents who involved in shop and IT business types. Regarding business form, the majority 76.9% of the respondents established a partnership form of business while the remaining 23.1% of the total respondents established a sole proprietorship business form. Regarding the experience, 46.9% of the respondents had three years of experience while the remaining 7.0% and 46.2%, had one year and 5 years of experience

**Table 10 business information and successfulness of the business with RLF repayment**

	Items	Frequency	Percenta
Are you able to get (access) business information related to your business?	no	13	9.1%
	yes	130	90.9%
If Yes, from where to get this information?	From various media (TV, radio, newspaper, etc.)	33	23.1%
	from friends	45	31.5%
	from the loan provider	65	45.5%
Is your business successful?	No	136	95.1%
	Yes	7	4.9%
If No, what do you use to repaying your loan?	From my personal asset (building, equipment...)	10	7.0%
	from other income source	4	2.8%
	I don't want to repay	129	90.2%

Source: Own Survey, 2021

According to business information 90.9% of them had access to business information. And 45.5% of the respondents had the information from loan providers for information. 23.1% from various media (TV, radio, newspaper, etc.) and 31.5% from friends

Among the total valid sample respondents, 95.1% respondents have been mentioned that the business was not successful and 4.9% were the business is successful according to this 90.2% mentions that they were not willing to pay their loan. Generally, we can understand that borrower business is not successful and for different reason they do not pay the loan.

#### 4.2.4 Management/administration

**Table 11 beneficiaries' screenings, training and supervision with RLF repayment**

Items		Freque	Percen	Chi-
Do you think that the loan beneficiaries screening activity is effective and efficient enough and it is transparent and	No	121	84.0%	
	Yes	23	16.0%	
If your answerer is No what is/are the reason(s)?	select the loan beneficiaries by relationship and acquaintance	23	26.0%	
	select the loan beneficiaries by Corruption	53	57.1%	
	screening activity is transparent and accountable	68	17.22 %	
Did you take training from government body?	No	49	34.0%	X2= 5.063
	Yes	95	66.0%	
The training is useful?	No	90	62.9%	P=0.02
	Yes	53	37.1%	
How many times the administrators or any government body visits your business and checks your repayment status?	Two times a month	3	2.1%	
	Once a month	6	4.2%	
	Once within two month	72	50.0%	
	Once within three month	63	43.8%	
Are you served in a good manner by the loan officer and	No	81	56.3%	
	yes	63	43.8%	
Does the delinquency of repayment by borrowers have a	no	76	52.8%	
	yes	68	47.2%	
in your opinion your business is well manage	no	91	63.2%	
	ves	53	36.8%	
If your answer is No, what is/are the reason(s)?	Lack of knowledge and skills to	110	76.4%	
	Lack of interest	34	23.6%	
	I don't now	0	0.0%	

Source: Own Survey, 2021

**beneficiaries screening** Regarding whether the respondents think whether they think that the loan beneficiaries screening activity is effective and efficient enough and it is transparent and accountable, 84.0% of them reported that the process was not transparent and effective while the remaining 16.0% have reported that the process as effective and efficient enough and it is transparent and accountable. According to the results, the absence of transparency and

efficiency was largely due to selecting beneficiaries by corruption (57.1%), and selects the loan beneficiaries by relationship and acquaintance (26.0%). This implies that one of the reasons to default the loan repayment is the screening activity that means the screening activity should be based on the people who are interested in working and the work study they offer

**Training** Concerning the provision of training by a government body, the majority of the borrowers 66.0% were given adequate training while the remaining 34.0% of the respondents didn't take any trainings from government body. Additionally, only 37.1% of the total respondents believed that the trainings were useful and significant for their business undertakings in increasing their awareness level. This implies that the government provides training but there is a gap in the adequacy and effectiveness of the training.

**Supervision** Concerning the amount of times the administrators or any government body visits their business and checks their repayment status, half of these respondents (50.0%), were provided with an official follow up program once within two months, while 43.8% of the respondents visited by government body once within three month to check their repayment status. From the tables shown above we have learnt that the borrowers of youth fund were not served in a good manner by the loan officer and other government employee, 56.3% of the respondents didn't receive a good manner of service. This shows that the monitoring is not enough and that there is a gap in regular follow-up support and that there is a gap in handling it properly as a young person.

According to the respondent (52.8%) did not acknowledge the delinquency of repayment by borrowers have a negative impact on the government revolving fund program. this implies that the beneficiaries do not have full information of the fund ,hence, the concerning body must create about the revolving fund.

**Business management** According to the respondent 63.2% of the respondents believed that their business is not well managed. And Lack of knowledge and skills to manage (76.4%) and lack of interest (23.6%) was found to be the major reasons for not managing their business appropriately and adequately. In summary, the above results showed that the loan beneficiaries screening activity was not effective and efficient enough and it is transparent and accountable. Moreover, the major reasons for losing transparency and accountability

were corruption, followed by selecting the loan beneficiaries by relationship and friendship. Satisfactory training was not provided for most of the beneficiaries of the fund.

#### 4.2.5 Entrepreneur competency

**Table 12 market survey, books of record with RLF repayment**

Items		Frequency	Percentage
Did you conduct market study (survey) before starting your business?	NO	90	62.5%
	Yes	54	37.5%
You think there is team building and collaboration in your group?	no	91	63.2%
	yes	53	36.8%
Do you have any book of records?	no	34	23.6%
	yes	110	76.4%
If yes, for what purpose?	To evaluate profit and loss and financial positions of the business	141	97.9%
	For monitoring loan repayment status	0	0.0%
	don't have any knowledge	3	2.1%

Source: Own Survey, 2021

**Market study** accordingly, only 37.5% of the borrowers of revolving loan fund make market assessment (survey) before starting the business they want, while the majority of the respondents 62.5% did not conduct a market assessment before making their venture a reality. This result implies the lack of market assessment by the borrowers is contributed for their failure due to the ignorance of the market they are operating.

By the same token, 63.2% of the respondents reported that there is no team building and collaboration in the group

**Keeping book of records** for monitoring daily transactions enable borrowers to manage their costs against revenues generated from the activities financed through credit services. According to the data collected from the sample respondents shown in the above table 76.4% of the respondents prepare and use book of records and 23.6% of the respondent were not have any book of records and (97.9%) of the respondents reported that they uses those books of record to evaluate profit and loss and financial positions of the business

In summery market survey is important to now the needs and supply and market therefore before starting a business they must conduct market survey in order to benefited but in most

of the respondent did not conduct the survey and this is the reason to fails and the government body also did not take in account the market survey study as a criteria

### **4.3 Challenges during taking the revolving fund and the repayment process**

The sample respondents identified many problems or challenges that are facing when taking a revolving fund and making a payment .according to this we summary of most frequently mentioned challenges are the following:

- Insufficient loan size ,this means the loan distributed to youth is not sufficient (32 respondents)
- Bad loan screening activity. There is a problem with screening borrowing properly and efficiently(32 respondents)
- Not to select best business area, The problem is that the type of work is chosen not by the interests of the borrowers but by the interests of the lender (31 respondents)
- Weakness of corporate among governance bodies. There are many government body to this program, but there is a problem with coordination and support.(15 respondents)
- Poor customer handling specially the manager of the services delivery center (21 respondents)
- No training is given by the institutions ,There is no continuous training that benefits from our work(21)
- They do not provide the necessary information like interest rate, insurance, etc. (17),→

### **4.4 Econometrics result**

#### **4.4.1 Factors influencing the performance of youth revolving fund**

The following independent variables were used to test their effect on the dependent variable of revolving fund loan repayment status. These variables include; demographic variables such as (gender of respondent, ages of respondent, and level of education), types of business engaged, business form, administrators or any government body follow-up and entrepreneurial competency (expressed in conducting market study (survey) before starting the business).

Ordered logistic regression was a type of logistic regression analysis that when the response variable is categorized more than two with having natural order or rank. That is, we can rank the values, but the real distance between categories is unknown. Under Ordinal Logistic

Regression Analysis we can deal Model Fitting Information, Goodness-of-Fit, Pseudo R-Square, Parameter Estimates and Test of parallel lines. Logit link function is used in the analysis because it is evenly distributed categories and is reasonable choices when the changes in the cumulative probabilities are gradual and logit involves all levels of the response and dichotomizes the response scale.

**Table 13 Model Fitting Information**

Model Fitting Information				
Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	255.794			
Final	201.644	54.150	18	.000
Link function: Logit.				

The Model Fitting Information table, which gives the -2 log likelihood for the intercept only and final models, can be used in comparisons of nested models. The statistically significant chi-square statistic ( $p < 0.05$ ) indicates that the Final model gives a significant improvement over the baseline intercept only model. This tells us that the model gives better predictions than if guessed based on the marginal probabilities for the outcome categories.

**Table 14 The Logistic model for loan repayment**

Independent variables		Repayment status			$X^2$ test result
		Fully repaid	Partially repaid	I am not started	
<i>Gender</i>	man	3	37	30	.232
	Female	9	36	29	
<i>Age</i>	18-30	9	16	24	.005**
	31-40	3	47	27	
	41-50	-	10	6	
	>50	-	-	2	
<i>Level of education</i>	primary Education (1-8)	-	11	26	.001**
	Secondary school	9	31	14	
	Technical school	-	7	6	
	Diploma	3	15	10	
	Degree	-	9	3	
	Master's Degree&	-	-	-	
<i>Types of Business Engaged</i>	Urban agriculture	2	4	7	.425
	Food Processing	2	20	19	
	Wood and Metal	-	5	2	
	Constructions	-	1	2	
	IT	-	10	9	
	In a shop	8	33	20	

<i>Business form</i>	Sole proprietor	2	18	14	.833
	Partnership	10	55	45	
	Corporation	-	-	-	
<i>Administrators visits for follow-up</i>	Two times a	-	1	2	.001**
	Once a month	2	2	2	
	Once within two	2	29	41	
	Once within three	8	41	14	
<i>Entrepreneur competency (conducting market)</i>	NO	5	47	38	.298
	Yes	7	26	21	
<i>Do you take the preferred amount of loan from the government as you requested</i>	NO	4	42	89	0.021
	Yes	8	31	16	
<i>Beneficiaries screening activity is effective and efficient enough and it is transparent and accountable?</i>	NO	11	60	50	0.695
	Yes	1	13	9	

Based on the above cross tabulation of the independent variables and the dependent variable, the chi square test has been conducted and the results showed that from demographic variables age and level of education, as well as administrative or government body follow-up were found to have significant association with loan repayment status of respondents.

Table 15 Goodness-of-Fit

<b>Goodness-of-Fit</b>			
	Chi-Square	df	Sig.
Pearson	242.893	222	.160
Deviance	194.373	222	.910
Link function: Logit.			

The above goodness of fit table contains the Pearson and Deviance chi square tests, which are important for determining whether the model shows good fit to the data. The non-significant test results are indicator that the model fit the data well. Therefore, in both Pearson and Deviance chi square tests the model fits the data well ( $X^2(222) = 243$ ,  $p= 0.160$ ) and ( $X^2(222) = 194$ ,  $p= .910$ ) respectively.

Table 16R-Square

Pseudo R-Square	
Cox and Snell	.313
Nagelkerke	.373
McFadden	.205
Link function: Logit.	

Additionally, we can observe that the above pseudo R square values that are treated as the analogous R square value in OLS regression. Therefore, Nagelkerke provides us the largest R square value =.373, which indicate the variance of loan repayment status as a result of the variables included in the model.

Table 17Parameter Estimates

Parameter Estimates									
		Estimate	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval	
								Lower	Upper Bound
Threshold	[Loan repayment = 1]	-6.528	1.532	18.166	1	.000		-9.529	-3.526
	[loan repayment = 2]	-3.519	1.443	5.947	1	.015		-6.346	-.691
Location	Gender	-.048	.362	.018	1	.894	5.44	-.759	.662
	Age	.206	.270	.585	1	.044	1.923	-.322	.735
	Level of education	.255	.152	2.833	1	.092	.992	-.552	.042
	Types of Business Engaged	-.153	.088	3.055	1	.030	1.044	-.326	.019
	Business form	-.188	.395	.226	1	.634	.570	-.963	.587
	Administrators visits for follow-up	.335	.335	1.001	1	.006	1.399	.725	2.699
	Entrepreneurial competency (conducting market survey)	-.136	.352	.149	1	.700	2.289	-.825	.553
	Loan size	.44	.419	1.143	1	.0285	1.566	.688	3.568
	Beneficiaries screenings activity	.543	.536	1.025	1	.0311	1.721	.602	4.924
Link function: Logit.						.999			

#### 4.4.2 Discussion on regression result

In this section presents detail analysis of the results for selected explanatory variables and their important of the revolving fund repayment states .according to the binary logit result the significant variable were different levels of significant which is discussed bellows,

**Gender:** table17 indicate that the genders have a negative influence on the performance of revolving loan fund. The coefficient of this variable was hypnotized to have positive sign but from the regression result the gender variable was negatively influencing loan repayment, however the result was not significant at 5% significant level. Hence according to the result the defaulters of the repayment are decreased by 0.048 male borrowers are more creditworthy than the female borrowers. Further assessment and efforts on selecting the more viable female borrower should be the considerable issues to be taken into account by the lending institutes.

**Age:** age was found to be a significant predictor of loan repayment positively and significantly at 5% significance level. This indicates for every one unit increase in age of borrowers, there is a predicted increase of 0.206 in the log odds of loan repayment status of the borrowers. Age of the borrowers' was found to be positive as expected, which means as age increased, increase the performance of the repayments of revolving fund.(Table 17). The implication is that the borrowers were becomes elder, they might be more aware on the financial management and they feel responsibility. This variable was significantly influence on the loan repayment performance This result is in line with the study made by(Fikirte, 2011) but this is not agreed with (Garomsa, 2017)(Abraham, 2002)

The null hypotheses expected appositve and significant relationship between demographic factor/i.e. age/ and the performance of RLF repayment therefore, the null hypotheses is accepted by age

**Level of Education:** Borrowers level of education is to be a significant predictor of loan repayment positively and significantly at 5% significance level. This indicates for increase the levels of education borrowers, the probability of being defaulter are decreased. The result also associated with the descriptive analysis result and also the finding is agree with the output of (Gerba, 2017)(Garomsa, 2017)

The null hypotheses expected appositve and significant relationship between demographic factor/i.e. levels of education/ and the performance of RLF repayment therefore, the null hypotheses is accepted

**Business type** According to the result, borrowers who engaged in the above business type were best loan repayment. Moreover, all business types were found to be a negative and significant predictor of loan repayment at 5% significance level. The maximum likelihood estimates of the logit regression model shows that borrowers engaged in food processing and shop somewhat better repayment performance than borrowers who engaged in the construction, urban agriculture wood and metal work. This could be the fact that it is low risk business type compared to the other type of business because this can be preparing at home/residence place of the borrowers and work place and shop distributed by the government. It is not needed some other special place for running the business. In addition, these were not required large amount of money for start up the business as compared to others business. Therefore selecting food processing and shop than others business type decreases the probability of being defaulters by 0.153 at 1% significant levels. The null hypotheses expected a negative and significant relationship between business type and the performance of RLF repayment therefore, the null hypotheses is accepted

**Business form** table17 indicate that the business form have a negative influence on the performance of revolving loan fund. The coefficient of this variable was hypothesized to have positive sign but from the regression result the business form variable was negatively influencing loan repayment, however the result was not significant at 5% significant level. Hence according to the result wither the business are sole partnership, proprietorship or corporation they don't have the significant influence on the performance of the revolving fund.

**Administrators' visits for follow-up:** the presence of administrative or government body follow up of borrower's business activities was found to be a positive and important predictor of borrowers' loan repayment at 5% significance level. This implies that for every one unit increase in follow up of borrowers, there is a predicted a decrease of 0.335 in the odds of loan repayment status of the borrowers. Therefore, The result of logit model reveals that in a administrates supervision has a positive significant effect, which means supervision increased by a month, the probability of being defaulter is decreased by 5%.The This might be due to the fact that as the administrates may visit frequently may had enough information about the borrowers it may help to solve the borrowers problems.

The null hypotheses expected a positive and significant relationship between administration practice /i.e. supervision/ and the performance of RLF repayment therefore, the null hypotheses is accepted

**Entrepreneurial competency** (conducting market survey): The result of logit model reveals that in a market survey an effect negative significant, which means as the borrower's may conduct the market survey the probability of being defaulter is decreased by 0.136 but the significant level is less. This might be due to the fact that as the borrowers had enough information in the specific business, they already know the potential risks that they will face in the business and able to make corrective action. In addition, the cumulative effect of market study is helps to make the business effective.

The null hypotheses expected a positive and significant relationship between entrepreneur competency according to market survey and the performance of RLF repayment therefore, the null hypotheses is not accepted based on the logit result.

#### **Loan size/preferred amount of loan/**

According to the logit result the loan size or preferred amount of loan was influence positively and significantly. Getting sufficient amount of loan increase the probability of the performance of the RLF repayment by 0.44, this indicate that the loan size positive relationship with the RLF performance it shows that increase the loan size likely increase the loan repayment capacity of the RLF borrowers. This result the same as the descriptive result and some researchers output (Gerba, 2017)(Garomsa, 2017) and(Fikirte, 2011) hence, The null hypotheses expected a positive and significant relationship between loan size or preferred amount of loan and the performance of RLF repayment therefore, the null hypotheses is accepted

**Beneficiaries' screenings activity** it is an important activity for performing the RLF performance because the revolving fund id the pools of money which recollect and distributed therefore the government or leading institution must carefully screenings the borrows based on criteria without any problem in order to achieve the objectives of the RLF program. According to

The logit result the beneficiaries screening activity was influence positively and significantly. The screening activity may decrease the probability of being defaulter 0.54, this indicate that the government or administrators select the beneficiaries in a good manner with accountability that means without corruption and relationship and acquaintance it increase the increase the loan repayment capacity of the RLF borrowers. This result the same as the descriptive result and some researchers output (Gerba, 2017)(Garomsa, 2017) and(Fikirte, 2011) hence, The null hypotheses expected a positive and significant relationship between loan size or preferred amount of loan and the performance of RLF repayment therefore, the null hypotheses is accepted.

## Chapter Five

### 5. Conclusions and Recommendations

This chapter summarizes the finding conclusion and recommendations and the study drawing the possible recommendations to be addressed by the concerned bodies. Accordingly summary were presented as follows and Conclusion and recommendations uses for policy makers, lending institutes management and other stakeholders“ for decision makings

#### 5.1 Summary

In developing country like in Ethiopian poverty and unemployment is a major problem .in Ethiopian there are many poor people living in this problem. Hence, the availability of financial service play an important role in creating self-employment and job opportunity, the revolving fund is one of the mechanisms to support. The revolving fund performance was decrease in Addis Ababa time to time this study determine the factors that influencing the performance youth revolving fund. In this study 144 beneficiaries or respondent were included descriptive and logit regression model were employed and 9 variable was used to econometric model

Almost all borrowers are youngest because the program also creates for young according to this age is a significant influence in the performance of RLF this implication is that the borrowers were becomes elder, they might be more aware on the financial management and they feel responsibility. Educational levels of borrower’s have a significant influence that means for increase the levels of education borrowers, the probability of being defaulter are decreased.

According to descriptive and logit result Administrators’ supervision is play important role the performance which means supervision increased by a month, the probability of being defaulter is decreased ,this might be due to the fact that as the administrates may visit frequently may had enough information about the borrowers it may help to solve the borrowers problems. The study shows that the benefice rice screaming activity and market study before conducted the business and taking the fund or loan is not properly uses and the amount of loan is not enough for doing all the business in general those all are the main factors that influencing the performance of the revolving fund.

## 5.2. Conclusion and Recommendation

Demographic factor is one of the factor and in this research gender, age and educational levels is included in this variable ,therefore Male borrowers in a given enterprise were found to be more defaulters than females although they have relatively higher utilization rate of the loan for the intended purpose as compared to that of females. Although the age and educational level of the borrowers were have significant to influence repayment performance, the study implied that borrowers with higher age (adult group better repayment performance than youngsters. So, the institution should exert So the institution should give special attention on the current male borrowers in the group lending and age of the borrowers is also significant determinant of loan repayment performance. The elder borrowers have taken responsibility to repay their loan. It is not recommended to exclude the young age groups but the institution should give special attention to those borrowers by continuous follow up and supervision.

In order to make business effective, the availability of sufficient loan size is one important factor. In this research shows that the revolving loan fund is not sufficient to do all the business and also the borrowers did not have interested to repay the loan because one of reason is the , weak legal enforcement for defaulters, low supervision by the stakeholder and also some reason is cost of doing business is higher than the revenue therefore the size of the loan ought to be in accordance with the pre-arranged marketable strategy. Both under financing and over financing of borrowers will prompt default. Reason for the loan in which the borrower is financed has a positive effect in the loan repayment performance. Accordingly, the loan suppliers should first appropriately assess the marketable strategy submitted and should give specialized help to borrowers so they can take part in a productive organizations. When the loan account is utilized for utilization which is inefficient purposes, it would be hard for the borrowers to reimburse the loan back. More often than not, such occurs because of individual issues. Along these lines, the pattern ought to be changed via trainings and experience sharing so borrowers can ready to utilize the loan appropriately and they reimburse the loan on schedule. And also recommended to compare loan size with the business proposal of the client before loan disbursement and should revise the rule and regulation of the institution based on the current economic condition of the country

The results showed that the loan beneficiaries screening activity was not effective and efficient enough and it is not transparent and accountable. Moreover, the major reasons for losing transparency and accountability were corruption, followed by selecting the loan beneficiaries by relationship and friendship. Therefore, Debtor screening activity should be done properly because the revolving fund performances related to the correct borrower identification and the identification should be clearly and its related to the borrower's interest in working as we have seen during the survey study. Most borrowers use the money for various purposes, not work

The collateral used by the loan providers was reasonable compared to the loan regarding to the loan size and, the majority of respondents said that the loan guarantee or collateral is good but there is a large gap in the loan delivery. Similarly, most of the borrowers agreed that nothing will happen if we do not repay the loan, and when the collateral starts on its own, the borrowers are happy with each other because of the collateral, so the collateral needs to be reconsider

Concerning the provision of training by a government body, the majority of the borrowers were given adequate training and some the respondents didn't take any training from government body. But a few respondents believed that the trainings were useful and significant for their business undertakings in increasing their awareness level. Continuous training is important because training is essential to creating a changed society

Government body follow-up were found to have significant association with loan repayment status of respondents. Although continuous follow up and supervision is important for loan repayment, there is not enough supervision made by loan officers. This is due to the increasing number of clients in the institution. Therefore, it is recommended to make the number of clients and loan officer comparable. In recent years the institution does not give training for the clients. Thus, the institution should work more in this regard by collaborating with different associations. And loan officers should also give the clients the necessary orientation. There are large numbers of borrowers who are able but unwilling to repay. So the institution should identify those unwilling clients and peruse legal action or inform the community and influential persons of unwilling defaulters

Market survey, accordingly to the result before starting and gating the loan the borrowers must conduct the market survey but the result shows that most of the borrower did not

conduct a market assessment before making their venture a reality. This result implies the lack of market assessment by the borrowers is contributed for their failure due to the ignorance of the market they are operating. Therefore Make a proper market survey before making a loan and, as far as possible, get the young person engaged in the desired field

More points of recommendations and focuses to the lending institutes, policy makers and stakeholders

- From the study point of view, male borrowers are high defaulter than females. Thus, the lending institutes should pay attentions on maintaining effective screening mechanisms to identify the more viable male borrowers from those of bad borrowers.
- Based on the challenges identified and explained from the borrowers' perspective, lending institute perspectives and government perspectives microfinance's and other stakeholders should design the proper integration strategies to overcome the problems.
- Enhancing the commitments of credit officer through different incentives like provision of short-term trainings and other incentives will probably minimizes the density of defaulters due to their efforts.
- In implementing the developmental strategies through enhancing self-employment opportunities initiated by the government of Ethiopia, the weakness in integration between the implementing partners should be improved.
- It is also recommended that enforcing repayment through awareness creation and social acts (sanctions) among the borrowers' members is more incredible than taking as the solution of settlement of the defaulted loan through the guarantor (City Administration) due to the fact that credit settlement with loan guarantor affects the credit history of the institutions.
- Finally, the government and relevant body such as Addis saving and credit association, micro and small enterprise development office, youth and woman afire office and finance office should focus on the repayment challenges which are stated by the borrowers and take corrective actions. In order to solve the internal and external problems of the institution, the main thing might be improve the rule and regulations of revolving fund programs ,and responsible institutions must work in a coordinated manner
- Taking the recommendation in to consideration Addis microfinance institution should strive to increase the loan repayment rate of the borrowers because the institution is more responsible than the others

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**Appendix**  
**Addis Ababa University**  
**College of Business and Economics**  
**Department of accounting and finance**  
**Masters of Business Administration**

Dear respondent,

My name is **MirutseTaye** .I am attending MBA program at Addis Ababa University. Right now, I am conducting a thesis on the title of “the Factors influencing the performance of youth revolving credit fund programs in Addis Ababa. As part of my thesis work, I need to collect information from you; therefore, the successful completion of my thesis requires your support. Please giving correct and complete information. Your participation is entirely voluntary and the questionnaire is completely anonymous. FinallyThis study is purely academic and as a matter of fact, the information you provide here would be kept confidentially. Thank you for your support.

General Instructions:

- ☞ No need to write your name
- ☞ Use √symbol for your answers for given box
- ☞ Plc. write your answers clearly and shortly

**Section 1 – personal Information**

**1/ Gender** 1/ Male 2/ Female

**2/ In which age group are you?** 1/ 18-30 2/ 31-40 3/ 41-50

4/  above 50

**3/ Educational level** 1/ primary Education (1-8) 2/  Secondary school (9-12)

3/ Technical school 4/  Diploma 5/  Degree

6/  Master’s Degree& Above

**4, How many members does the group have?**

1,  Less than 5 2, . 5-10  3,  10-15 4,  Over 15

**5/ Kindly confirm your position in the group?**

1  Member 2. . Official

## Section 2 Factors influencing the performance of youth revolving credit fund programs

### *Loan factor related questions*

Q6, Do you take the preferred amount of loan from the government as you requested?

1  Yes    0  No

Q7, If No, what is the reason

1  Lending is due to lack of study. 2)  There is a shortage of funds 3 , I don't now

Q8, Is the amount of loan taken from government enough for doing all your business?

1  Yes    0  No

Q9, Are you repaying your loan?

1  Yes    0  No

Q10 what is your repayment status?

1 .Fully repaid    2. Partially repaid    3,I don't want to pay

Q11. Are you benefited by fully repaying your loan? 1  Yes    0  No

Q12 If yes, what are the benefits?

- 1,  Access to the next higher loan
- 2,  Build good relationship with the loan provider
- 3,  To make the family stable
- 4,  I don't now

Q13. If your answer is No for # 9, what is/are the reason(s)?

- 1,  The cost of doing business is higher than the revenue
- 2,  Weak legal enforcement for defaulters
- 3,  Low supervision by the stakeholder
- 4,  Personal problem (like sick.....)
- 5,  Improper use of the loan /personal consumption.../

Q14, The kind of collateral is/are reasonable compared to the loan amount

1 Yes        0 No   

Q15, Is the repayment scheme set by government suitable? 1  Yes    0,  No

Q16 ,If No, what are the reasons?

- 1,  The starting time to repay is too early
- 2,  The repayment period is short
- 3,  The amount of repayment in each month is too much
- 4,  Others \_\_\_\_\_

Q17, What do you suggest to make the repayment scheme suitable?

- 1,  To give enough time before starting to repay
- 2,  To make the repayment period longer
- 3,  Others \_\_\_\_\_

Q18, Interest rate for credit set by Addis microfinance is:

- 1,  High
- 2,  Medium
- 3,  Low

Q19, What happens if someone does not repay the loan (default)?

- 1,  Loss of personal asset
- 2,  Loss of social relationship
- 3,  Losing second time loan/repeated loan
- 4,  Others \_\_\_\_\_

Q20, Do you know any people who are not repaying the loan? 1  Yes 0  No

Q21, If yes, what are the characteristics?

- 1,  Male OR 2,  Female
- 3,  Youngsters OR 4,  Adults

#### **Business factor related questions**

Q22, In which types of business currently engaged?

- 1.  urban agriculture
- 2.  Food Processing
- 3.  wood and Metal work
- 4.  Constructions
- 5.  IT
- 6.  in a shop

Q23/, what is your business form?

- 1.  Sole proprietor
- 2.  Partnership
- 3.  corporation

Q24, Are you able to get (access) business information related to your business?

- 1  Yes
- 0  No

Q25, If Yes, how to get this information?

- 1  from various media (TV, radio, newspaper, etc.)
- 2.  from friends
- 3.  from the loan provider

4 Others \_\_\_\_\_

Q26, Is your business successful? 1  Yes 0  No

Q27, If No, what do you use to reaping your loan?

- 1,  from my personal asset (building, equipment...)
- 2,  from other income source

3,  I don't want to repay

4,  Others \_\_\_\_\_

**Management/administration related questions**

Q 28, who decides on the business type to be financed using the revolving loan fund?

1.  the lending Institution

2.  the group officials

3...  the group members

4...  the lending institution in consultation with group

Q29, Do you think that the loan beneficiaries screening activity is effective and efficient enough and it is transparent and accountable? .

1  Yes      0  No

Q30, If your answerer is No what is/are the reason(s)?

1,  select the loan beneficiaries by relationship and acquaintance

2,  select the loan beneficiaries by Corruption

3,  screening activity is transparent and accountable

Q31, Did you take training from government body?

1  Yes      0  No

Q32, the training is useful?

1  Yes      0  No

Q33, How many times the administrators or any government body visits your business and checks your repayment status?

1,  Two times a month

2,  Once a month

3,  Once within two month

4,  Once within three month

5,  Others \_\_\_\_\_

Q34, Are you served in a good manner by the loan officer and other government employee?

1  Yes      0,  No

Q35, Does the delinquency of repayment by borrowers have a negative impact on the government revolving fund program ?, 1  Yes      0,  No

Q36, in your opinion your business is well manage?

1  Yes      0  No

Q37, If your answer is No, what is/are the reason(s)?

1,  Lack of knowledge and skills to manage

2,  Lack of interest

3, others \_\_\_\_\_

**Demography factors related questions**

Q38, Do you believe the ages of a members influence the performance of revolving fund

1  Yes      0  No

Q39, If your answer is yes, what is/are the reason(s)?

1,  The young man refuses to pay

2,  It makes her effective because the borrower is young

3,  There are no significant effect

Q40, Do you believe that the gender of the members influence the performance of revolving fund

1  Yes      0  No

Q41, If your answer yes to what extent do you agree with the following statement

1,  Women's are committed than men to repayment the revolving loan fund.

2,  Men's are committed than women's to repayment the revolving loan fund.

3,  There are no significant differences between men and women

Q42, do you think education of the members influence the performance of revolving fund

1  Yes      0  No

**Entrepreneur competency**

Q43, Did you conduct market study (survey) before starting your business?

1  Yes      0  No

Q44, did you think there is team building and collaboration in your group?

1  Yes      0  No

Q45, Do you have any book of records?

1  Yes      0  No

Q46, if yes for what purpose use the book?

A  To evaluate profit and loss and financial positions of the business

B,  For monitoring loan repayment status

C,  don't have any knowledge

### Section 3 :-General questions

1, If you face any difficulties and challenges during taking the revolving fund and the repayment process, please mention the major challenges

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2, What is your overall opinion about youth revolving fund program?

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#### Source

Our questioner are structured and some are semi- structured questioner/ in entrepreneur competency variables / according to this I re-arrange my questioner for different study that are before conducted in the area of loan repayment performance and all questionnaires are qualified and fulfilled the acceptable levels of (0.7) Cranach's Alpha value of Variables in the study (Reliability) therefore the source of our study questionnaires are listed below

No	variable	Author
1	Business factor	(Fikirte, 2011) and (Gerba, 2017)
2	Loan factor	(Fikirte, 2011)
3	Demographic ,management or administrator and Entrepreneur competency factor	(Garomsa, 2017)(Wangari, 2014)(Gerba, 2017)

# መጠይቅ

ውድምላሽሰጪ፤

ሰሜ ምሩፅ ታዩ እባላለሁ። በአዲስ አበባ ዩኒቨርሲቲ ኤም ቢ ኤ ፕሮግራም እከታተላለሁ። በአሁኑ ወቅት “በአዲስ አበባ ውስጥ የወጣት ተዘዋዋሪ የብድር ፈንድ ፕሮግራሞች አፈፃፀም ላይ ተጽዕኖ የሚያሳድሩ ምክንያቶች” በሚል ርዕስ ጥናታዊ ጽሑፍ እያቀረብኩ ነው። የትምህርቱ ሥራ አካል እንደ መሆኔ መጠን ከእርስዎ መረጃ መሰብሰብ ያስፈልገኛል፤ ስለሆነም የተሟላ ፅሁፌን በተሳካ ሁኔታ ማጠናቀቅ ድጋፍዎን ይፈልጋል። እባክዎ ትክክለኛ እና የተሟላ መረጃ ይስጡ። በመጨረሻም ይህ ጥናት ሙሉ በሙሉ ትምህርታዊ ነው እናም እርስዎ የሚሰጡት መረጃ በሚስጥር ይቀመጣል። ስለ ድጋፍዎ በቅድሚያ እናመሰግናለን።

## አጠቃላይ መሪያዎች

- ስምዎን፡ መጻፍ አያስፈልግም
- በተሰጠው ሣጥን ለመልሶችዎ ህግጋትን ይጠቀሙ
- እባክዎ መልሶችዎን በግልፅ እና በአጭሩ ይጻፉ።

## ክፍል 1 - የግል መረጃ

- 1 / ያታህ / ወንድ  ለ / ሴት
- 2 / በየትኛው የዕድሜ ክልል ውስጥ ነዎት?  18-30 ለ /  31-40 ሐ /  41-50 መ /  ከ 50 በላይ
- 3 / የትምህርት ደረጃዎ /  የመጀመሪያ ደረጃ ትምህርት (1-8) ለ /  ሁለተኛ ደረጃ ትምህርት ቤት (9-12)
- ሐ /  ቴክኒክ ትምህርት ቤት /  ዲፕሎማ /  ዲግሪ /  ማስተርስ ዲግሪ እና በላይ
- 4, እርስዎ ባሉበት ቡድን ውስጥ ስንት አባላት አሉ?  ህ /  ከ 5 በታች ለ /  ከ 5-10 ሐ /  ከ 10-15 መ /  ከ 15 በላይ
5. እርስዎ ባሉበት ቡድን ውስጥ የእርስዎ ድርሻ ምን ድንገት ነው?  አመራር ለ /  አባል

## ክፍል 2 የወጣት ተዘዋዋሪ የብድር ፈንድ ፕሮግራሞች አፈፃፀም ላይ ተጽዕኖ የሚያሳድሩ ነገሮች

### ➤ ከብድር ጋር ተያያዥነት ያላቸው ጥያቄዎች

- 6, በጠየቁት መሰረት ከመንግስት ለሥራ ስራ ስለሚሰጡ ብድር መጠን ወስደዋል?  አዎ  አይደለም
7. መልስዎ አይደለም ከሆነ ምን ድንገት ነው ምክንያቱ? ሀ /  ብድር የሚሰጠው ያለ ጥናት ስለሆነ ለ /  የገንዘብ ብዕር ጥረት ስለአለ
- 8, ሁሉንም ግድዎን ለማከናወን ከመንግስት የተወሰደው የብድር መጠን በቂ ነው?  አዎ  አይደለም
- 9, ብድርዎን እየከፈሉ ነው?  አዎ  አይደለም
- 10 የክፍያ ሁኔታ ምን ድንገት ነው?
- ሀ. ሙሉ በሙሉ ተከፍሏል. በከፊል ተከፍሏል
11. ብድርዎን ሙሉ በሙሉ በመክፈል ያተጠቃሚ ነዎት?  አዎ  አይደለም
12. አዎ ከሆነ መልስዎ የሚያገኙት ጥቅም ምን ድንገት ነው?

ሀ /  ወደ ቀጣዩ ክፍተኛ ብድር መድረስ

ለ/  ከብድር አቅራቢው ጋር ጥሩ ግንኙነት መፍጠር

ሐ/  ቤተሰቡ የተረጋጋ እንዲሆን

13. ለተራ ቁጥር 9 መልስዎ አይደለም ከሆነ፣ ምክንያቶቹ ምን ድንገቶች ናቸው?

ሀ/  ለስራው የሚወጣ ወጪ ከገቢ የበለጠ መሆኑ

ለ/  የተጠያቂነት ስርዓት አለመኖር

ሐ/  ባለድርሻ አካላት ድጋፍ ዝቅተኛ መሆኑ

መ/  የግል ችግር (እንደ ህመም.....)

ሠ/  ብድር ንብረት ለግብዓት አለመጠቀም ለምሳሌ ብድር ንግል ፍጆታ ማዋል

Q14. የዋስትና ዓይነት ከብድር መጠን ጋር ሲነፃፀር / ተመጣጣኝነት?  አዎ  አይደለም

15. በመንግስት የተቀመጠው የክፍያ ጊዜ ተስማሚ ነው?  አዎ  አይደለም

16. መልስዎ አይደለም ከሆነ ምክንያቶቹ ምን ድንገቶች ናቸው?

ሀ/  ለመክፈል መነሻ ጊዜው በጣም ቀደም ብሎ ነው

ለ/  የክፍያ ጊዜ አጭር ነው

ሐ/  በየወሩ የሚከፈለው የክፍያ መጠን በጣም በዙህ ነው

መ/ ሌሎች \_\_\_\_\_

17. የመክፈያ ጊዜው ተስማሚ እንዲሆን ምን ይጠቁማሉ?

ሀ/  ለመክፈል ከመጀመር ወቅት በቀጠለው መስጠት

ለ/  የክፍያ ጊዜው ረዘም ቢደረግ

ሐ/ ሌሎች \_\_\_\_\_

18. በእርስዎ አስተሳሰብ የብድር ወለድ መጠን እንዴት ይመስልዎታል;

ሀ/  ከፍተኛ ለ/  መካከለኛ ሐ/  ዝቅተኛ

19. በናንተ ማህበር ውስጥ አንድ ሰው ብድር ንግል ከፈለገ ምን ይከስታል?

ሀ/  የግል ንብረት ያጣል

ለ/  ማህበራዊ ግንኙነት ማጣት

ሐ/  ለሁለተኛ ጊዜ ብድር ማጣት / ተደጋጋሚ ብድር

መ/ ሌሎች \_\_\_\_\_

20. ብብድር ንግድ መልሱ ሰዎችን ያውቃሉ?  አዎ  አላውቅም

21. መልስዎ <አዎ> ከሆነ ባህሪያቱ ምን ድንገቶች ናቸው?

ሀ/  ወንድለለ/  ሴትሐ/  ወጣቶች/  ጎልማሶች

➤ ከንግድነትምክንያቶች ጋር የተያያዙ ጥያቄዎች

22, የንግድዎቻር ፅዕወይም አይነት ምን አይነት ነው?

ሀ/  ብቸኛ ባለቤትነት ለ/  አጋርነት ሐ/  ኮርፖሬሽን/  ሌሎች

23, በአሁኑ ጊዜ በየትኞቹ የንግድ ሥራዎች ውስጥ ተሰማርተዋል?

ሀ/  የከብት እርባታ ለ/  የአትክልት እርሻ ሐ/  የዶሮ እርባታ ለ/  ንብማነብ

ረ  ጨርቃ ጨርቅ ስ/  የምግብ ሂደት ሸ/  የብረት ሥራ ቀ/  ግንባታ ለ/ በአይቲ ዘርፍ

24 ከንግድዎ ጋር የተያያዙ የንግድ መረጃዎችን ማግኘት ይቻላል?  አዎ  አላንኝም

25, መልስዎ አዎ ከሆነ ይህንን መረጃ እንዴት ማግኘት ይቻላል?

ሀ/  ከተለያዩ የመገናኛ ብዙሃን (ቴሌቪዥን፣ ሬዲዮ፣ ጋዜጣ፣ ወዘተ)

ለ/  ከጓደኞች

ሐ/  ከብድር አቅራቢው

መ/ ሌላ ካለ ይጻፉ \_\_\_\_\_

26, ንግድዎ የተሳካ ነው?  አዎ  አይደለም

27, መልስዎ አይደለም ከሆነ ብድርዎን ለመክፈል ምን ይጠቀማሉ?

ሀ/  ከግል ሃብቱ ለ/  ከሌላ የገቢ ምንጭ ሐ/  መክፈል አልፎ ግም

መ/ ሌሎች \_\_\_\_\_

➤ ከአስተዳደር ጋር የተያያዙ ጥያቄዎች

28, የተዘዋዋሪ የብድር ፈንድ በመጠቀም ፋይናንስ ለማድረግ በሚደረገው የንግድ ዓይነት ላይ ማን ይወስናል?

ሀ/  የብድር ተቋም ወይም የመንግስት አካል ለ/  የቡድኑ አመራሮች

ሐ/  የቡድኑ አባላት ለ/  የብድር ተቋሙ ከቡድኑ ጋር በመመካከር

29, የብድር ተጠቃሚዎች የማጣራት እንቅስቃሴ በብቁ ሁኔታው ጤታ ማእናቀል ጣፋ እና ግልጽ እና ተጠያቂነት ያለው ነው ብለው ያስባሉ

አዎ  አይደለም

30, መልስዎ አይደለም ከሆነ አይምንድን ነው / ምክንያቶች (ምክንያቶች) ምን ድናቸው?

ሀ/  የብድር ተጠቃሚዎችን በዝምድና እና በትውውቅ ስለተመረጡ

ለ/  የብድር ተጠቃሚዎችን በሙስና ስለተመረጡ

ሐ/ የማጣራት እንቅስቃሴ ግልፅ እና ተጠያቂነት ያለው ነው

31, ከመንግስት አካል ስልጠና ወስደዋል?  አዎ  አልወሰድኩም

32/ ስልጠናውጠቃሚነው?  አዎ  አይደለም

33, አስተዳዳሪዎች ወይም ማንኛውም የመንግስት አካል ስንት ጊዜ ንግድ ምን ዓይነት ደምዖክፍያ ምን ሁኔታ ይፈትሻል?

ሀ/  በወር አንድ ጊዜ ለ/  በወር ሁለት ጊዜ

ሐ/  በሁለት ወር አንድ ጊዜ መ/  በሶስት ወር ጊዜው ስጥ

ሠ/ ሌሎች \_\_\_\_\_

34/, በብድር ተቋሙ ስራ ተኞች እና በሌሎች የመንግስት ስራ ተኞች በጥሩ ሁኔታ ያገለግሎታል?

አዎ  አይደለም

35 ተባብሮ የሚሰጡት ብድር ባለሙያዎች በመንግስት ተዘዋዋሪ ገንዘብ ጥገና ማድረግ ለምሳሌ አሉታዊ ተፅዕኖ አለው?

አዎ  አይደለም

➤ **ከስነ-ህዝብ ምክንያቶች ጋር ተያያዥ ነት ያላቸው ጥያቄዎች**

36, የአባላት ዕድሜ በተዘዋዋሪ ንድፈት ላይ ተጽዕኖ ያሳድራሉ በለው ያምናሉ?

አዎ  አይደለም

37, መልስ ለምሳሌ ሆነ፣ ምክንያቶች ምን ድናቸው?

ሀ/  ወጣቱ ለመከፈል ልዩ ልዩ ሁኔታዎች አሉ ለ/  ተባብሮ ወጣት ስለሆነው ጤታ ማደርገፍ ሐ/  ምንም ተፅዕኖ የለውም

38, የአባላቱ ስታብ ተዘዋዋሪ ንድፈት ላይ ተጽዕኖ ያሳድራሉ በለው ያምናሉ?  አዎ  አይደለም

39, መልስ ለምሳሌ ሆነ በሚከተለው ሃሳቦች በየትኛው ይስማማሉ?

ሀ/  የሌሎች ተዘዋዋሪ ብድር ንድፈት ላይ ለምሳሌ ከወንዶች ይልቅ ቁርጠኛ ናቸው:::

ለ/  የወንድ የሚዘዋወረውን ብድር ንድፈት ለመከፈል ከሌሎች ይልቅ ቁርጠኛ ናቸው:::

ሐ/  በወንዶችና በሌሎች መካከል የጎሳ ልዩነት የለም

40, የአባላቱ ስታብ ህርት በተዘዋዋሪ ንድፈት ላይ ተጽዕኖ ያሳድራሉ በለው ያስባሉ?  አዎ  አይደለም

41/ በእርስዎ አስተያየት ንግድ ምን ዓይነት ጥሩ ሁኔታ እየተመራ ነው?  አዎ  አይደለም

42, መልስ ለምሳሌ ሆነ፣ ምክንያቶች ምን ድናቸው?

ሀ/  ለማስተዳደር የሚያስችል የእውቀት እና የክህሎት እጥረት

ለ/  የፍላጎት እጥረት

ሐ/ ሌሎች \_\_\_\_\_

➤ **የሥራ ጠራት ጋር ተያያዥ ነት ያላቸው ጥያቄዎች**

43, ንግድ ምን ስራ መጀመር ወይም በፊት የገበያ ጥናት (market study) አካሂደዋል?  አዎ  አላካሂደኩም

44, በቡድን ምውስጥ የቡድን ግንባታ እና ትብብር አለብለው ያስባሉ?  አዎ  የለም

45 ,ለስራዎአስፈላጊ የሆኑ የመመዘገቢያ መጽሐፍ / book of records/ አለዎት?  አዎ  የለም

46. የመመዘገቢያ መጽሐፍን ለምን ዓላማ ይጠቀሙበታል?

ሀ/  የንግድ ሥራውን ትርፍ እና ኪሳራ እና የገንዘብ ሁኔታዎችን ለመገምገም

ለ/  የብድር ክፍያ ሁኔታን ለመከታተል

ሐ/  ምንም እውቀት የለኝም

መ. ሌላ ካለ ይግለጹ \_\_\_\_\_

### ክፍል 3- አጠቃላይ ጥያቄዎች

1, ተዘዋዋሪ ህጋዊ ወሰን በትግል እና ክፍያ በሚፈጸሙበት ጊዜ የሚያጋጥሙ የትንግንኛውን ምንጭቶች ወይም ተግዳሮቶች ካሉ እባክዎ ያዋናዎቹን ተግዳሮቶች ይጠቀሱ

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2, ስለ ወጣቶች ተዘዋዋሪ ህጋዊ ጥራት አጠቃላይ አስተያየት ያላዎት ይናገሩ?

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