

# **FUNDING STARTUP ENTERPRISES: PROBLEMS FACED AND SOLUTIONS**

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degree Master of Science in Financial Mathematics



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## Abstract

Startup Enterprises (SE's) are important in an economy as they may be ended as large corporate entities in the future. The researcher defines a SE as a business started within the last five years which is yet to reach scalable markets.

Fresh business ideas expressed to the world as an SE and newer businesses are created by the way of a Start up. This paper is based on quantitative and qualitative research methods to examine the factors behind funding issues faced by a start up enterprise in meeting their capital requirements. Moreover this paper provides recommendations for the issues outlined at the research.

More than 125 questionnaires were distributed and 80 of them have responded and the findings show that there are 3 main factors for SE's to face funding issues namely, Institutional barriers, weakness in the company, and personal barriers to raise capital.

Some of the changes proposed as solutions are national policy changes, however, without doing so startups could never be nurtured to grow up to greater heights added, some of the current banking practices are not in favor of SE's and hence directions from governing authorities needs to be re-evaluated for betterment of SE's.

This paper explains the problems faced by SE's and the corrective measures to be adopted to overcome the said funding issues faced.

Key words : SE's, Start up, Funding



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## LIST OF ABBREVIATIONS

Abbreviation	Description
GDP	Gross Domestic Product
SE	Startup Enterprises
SME	Small and Medium Enterprises
POT	Pecking Order Theory
HR	Human Resources
CEO	Chief Executive Officer



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