

**YANGON UNIVERSITY OF ECONOMICS
DEPARTMENT OF COMMERCE
MASTER OF BANKING AND FINANCE PROGRAMME**

**CREDIT ACCESSIBILITY OF SHOPKEEPERS IN
DAGON MYOTHIT (SOUTH) TOWNSHIP**

AUNG SAW TUN

ROLL NO. 3

MBF (DAY) 2nd BATCH

OCTOBER, 2022

CREDIT ACCESSIBILITY OF SHOPKEEPERS IN DAGON MYOTHIT(SOUTH) TOWNSHIP

A thesis submitted to the Board of Examiners in partial fulfillment of the requirements for the degree of Master of Banking and Finance (MBF)

Supervised by:

Dr. Chaw Su Aung
Associate Professor
Department of Commerce

Submitted by:

Aung Saw Tun
Roll No. 3
MBF (Day) 2nd Batch
2019-2022

October, 2022

ABSTRACT

The purposes of this study are to identify the credit accessibility of shopkeepers in Dagon Myothit (South) of Yangon and to analyze the most influencing factors on the credit accessibility of shopkeepers in Dagon Myothit (South) of Yangon. The method of study is based on quantitative method. This study also applied descriptive research method. 343 shopkeepers (15% of the total) in Dagon Myothit (South) township are selected by using simple random sampling method. According to survey data, credit accessibility and shopkeepers get the high score which means they could have high probability of accessing credit. Multiple regression, it is found that financial knowledge influences on the credit accessibility. From the data analysis, majority of the sampled respondents paid their bills on time, they are able to evaluate financial products by different financial institutions, they save and in general they were financially literate, therefore as a result they were able to access credit. The study also recommends that before the awarding of credit to shopkeepers, the financial institutions should conduct a financial literacy program to educate the shopkeepers. Moreover they must also evaluate the reasons for borrowings and financial capacity, financial character, and conditions of the stockkeepers.

ACKNOWLEDGEMENTS

This thesis could not have been successfully completed without the assistance and encouragement of the following persons. Firstly, I would like to express my sincere thanks to Prof. Daw Tin Tin Htwe, Rector of Yangon University of Economics for their kind permission to participate in this Master of Banking and Finance Programme at the Yangon University of Economic.

Firstly, I wish to extend my deep thanks to Prof. Dr. Daw Tin Tin Htwe, Programme Director of Master of Banking and Finance and Head of the Department of Commerce as well, Yangon University of Economics for her encouragement and support to finish this research in time.

I am deeply thankful to my supervisor Dr. Chaw Su Aung, Associate Professor, Department of Commerce, Yangon University of Economics for giving me beneficial opportunities as her candidate and sharing her precious experiences, kind supervision, stimulating suggestion, and invaluable advice in writing this research paper. Without her guidance and help, I will not accomplish this task.

I would also like to especially thank my respected professors and lecturers who imparted their time and valuable knowledge during the course of my study at the Yangon University of Economics.

I wish to thank all the classmates of MBF Day 2nd Batch for allowing altogether and sharing the spirit of friendship during the learning period. I convey a special acknowledgment to all teachers for sharing their valuable knowledge and experience during their lecture time.

TABLE OF CONTENTS

	Page
ABSTRACT	i
ACKNOWLEDGEMENTS	ii
TABLE OF CONTENTS	iii
LIST OF TABLES	iv
LIST OF FIGURES	vi
LIST OF ABBREVIATION	vii
CHAPTER 1 INTRODUCTION	
1.1 Rationale of the Study	2
1.2 Objectives of the Study	3
1.3 Scope and method of the Study	3
1.4 Organization of the Study	4
CHAPTER 2 LITERATURE REVIEW	
2.1 Concept of Credit Accessibility	5
2.2 Definition for Financial Knowledge, Financial Access and Credit Awareness	6
2.3 Theory for Credit Accessibility	8
2.4 Previous Studies	11
CHAPTER 3 BACKGROUND INFORMATION AND CREDIT ACCESSIBILITY OF SHOPKEEPERS	
3.1 Background Information of Dagon Myothit (South) Township	15
3.2 Profiles of Shopkeepers of Dagon Myothit (South) Township	15
3.3 Source of Credit Access in Dagon Myothit (South) Township	16

CHAPTER 4	ANALYSIS ON CREDIT ACCESSIBILITY OF THE SHOPKEEPERS	
4.1	Research Design	19
4.2	Demographic Factors of Respondents	20
4.3	Reliability Analysis	22
4.4	Descriptive Statistics for the Independent Variable	23
4.5	Analysis of Influencing Factors of Credit Accessibility	27
CHAPTER 5	CONCLUSION	
5.1	Findings and Discussions	29
5.2	Suggestions and Recommendations	30
5.3	Needs for Further Studies	31
	REFERENCES	32
	APPENDIXES	37

LIST OF TABLES

Table No.	Title	Page
4.1	Reliability Analysis	20
4.2	Demographic Factors of Respondents	22
4.3	Financial Knowledge	23
4.4	Financial Access	24
4.5	Credit Awareness of the Shopkeepers	25
4.6	Credit Accessibility	26
4.7	Influencing Factors on Credit Accessibility	27

LIST OF FIGURES

Figure No.	Title	Page
2.1	Conceptual Framework for the previous Study	13
2.2	Conceptual Framework for the Study	14

LIST OF ABBREVIATIONS

CGAP	- Consultative Group to Assist the Poor
IFC	- International Finance Corporation
MFIs	- Microfinance Finance Institutions
NGOs	- Non-Government Organizations
SME	- Small and medium-sized enterprises (SMEs)
UNDP	- United Nations Development Programme
YCDC	- Yangon City Development Committee

CHAPTER I

INTRODUCTION

Myanmar is one of the hardest places to do business, currently ranked 182 out of 189 countries (Myay, 2016). The private sector is facing many challenges including the lack of an enabling business environment and limited access to inputs. Among these challenges, access to finance stands out as the number one challenge. Despite ample domestic liquidity, banks do not provide sufficient credit intermediation. Credit accessibility refers to the ability of individuals and enterprises to obtain external funding to enable them to ease cash flow problems. Credit can be either short-term or long-term depending on the lender's assessment of the borrowers' ability to repay (Stotz,2021).

Most of the people living in Yangon city are using the shop for basic needs in daily life. Myanmar is still a rather developing country, with a meager minimum wage. Currently, the minimum salary in Myanmar is 4,800 Kyat per day. That is USD 3.6 per day or about USD 80 per month, in a month with 22 days of work. It is for primary workers. Nevertheless, in Yangon, some workers are at around \$300 per month.

According to World Bank (2018) Business Report, Myanmar ranked among the lowest in Asia by all indicators in the 'Getting Credit' section. Fixed interest rate spreads, strict collateral requirements, and complex application procedures in combination with financial illiteracy and low quality of loan applications, as well as liquidity problems of banks.

In the city of Yangon, it is estimated that only 14% of the SMEs obtained a formal loan, while 23% got an informal loan in the period 2012–2014 (Kapteyn & Wah, 2016). The latter comes with considerable costs as interest rates on informal loans are on average 39% per year compared to 8.5–13% for formal loans. Moreover, loan amounts offered in the informal sector are on average only one-third of those offered by formal financial institutions (Kapteyn & Wah, 2016). Consequently, a significant proportion of SMEs in Yangon rely on retained earnings for financing working capital and new investments. Kapteyn and Wah (2016) found that 89% of SMEs use personal or family savings as start-up capital, and 52% use them for business operations and expansion. The strict collateral requirements and complex

application procedures in combination with financial illiteracy and the low quality of loan applications accentuate the value of managerial capacity in SMEs when they interact with the formal financial sector.

1.1 Rationale of the Study

Credit accessibility is significant for people's stability of the business and expand new investment in future business plan for owner. Especially for shopkeepers in sub urban area are needs credit accessibility to ensure the capital of their business in instability of market condition and inflation of commodities price facing day to day.

One government bank and six private banks, legal registered thirty pawnshops have in Dagon Myothit (South) Township as per eastern district general administration department data issued on 30 September 2019. Microfinance companies are lending loan to SMEs (including shopkeepers) with multi product loan likes individual loan, group loan and personal loan with to get the credit access by basic people who needs to get basic needs of their daily life and stability of source of income.

Shopkeeper can access the different types of products and services from Microfinance companies, but credit term and interest rates are limited to access the credit by Shopkeepers due to lack of financial literacy and some of MFIs offer loan is collateral based and payback period is limited access the credit by the shopkeeper. Shopkeepers are relying on an informal financial institution like a pawn shop with high interest rate. It becomes the burden of repayment loan and interest in time. To invest in their business and not understand a good financial literacy to access the finance. In Dagon Myothit (South) township shopkeepers were open shops for their daily finance. Their income source is mainly depending on daily income from these shops. In this township, most of shopkeepers did not attend school/college as per Myanmar population and housing census 2014, census report. Whereas Shopkeeper financial management capability determines the family's future. Shopkeepers are considered more thorough in managing cash flow so that she can manage the financial in the household. Shopkeepers need to be careful so that they are not stuck merely as the manager of spending, but also savings and investments. In Dagon Myothit (South) Township, shopkeepers have fewer key financial skills and less confidence in their skills. Shopkeepers were known for their multitasking ability, and they have a lot of

responsibilities to fulfill such as household duties and responsibilities for their small business. The increasing number of shopkeepers can promote the economic and social environment. Shopkeeper financial access is the importance for our country's economic sector growth. As shopkeepers more financial access and can expand their business, Myanmar's economy has also increased.

This study is motivated because of absence of studies in factors effecting credit accessibility of small business owners in Myanmar, its benefits, challenges, and factors likely to explain the reasons for its effecting factors. This paper aims to provide loans to shopkeepers and their working lives are improved, especially how shopkeeper have dealt with their difficult financial situation. The main reason is that a significant proportion of the local population in the region is daily workers, and shop is also a major retail market in the region.

1.2 The Objectives of the Study

The objectives of the study are as follows:

- To identify the credit accessibility of shopkeepers in Dagon Myothit (South) Township.
- To analyze the most influencing factors on the credit accessibility of shopkeepers in Dagon Myothit (South) Township.

1.3 The Scope and Method of the Study

This study only focuses on the credit accessibility of shopkeepers in the Dagon Myothit (South) Township in Yangon. Credit accessibility were measured by financial knowledge, financial access and credit awareness in this study. There are many retailers in bazaar or in house but mostly are shopkeepers. Therefore, this study only focuses shopkeepers on Dagon Myothit (South) township in Yangon. The method of study is based on quantitative method. The primary data was collected from shopkeepers of Dagon Myothit (South) through structured questionnaires. Covering a total population of 2407 shopkeepers in Dagon Myothit (South), the required sample size is 343 shopkeepers by calculating with the formula of Yamane (1973). The structured questionnaire includes questions with 5-point Likert scales. (Ranking from "Strongly Disagree=1", "Disagree=2", "Neither agree nor Disagree = 3", "Agree=4", "Strongly Agree=5". The secondary data are collected from YCDC, journals, previous thesis, and reports.

1.4 Organization of the Study

This paper is organized into five chapters. Chapter 1 is an introductory one that presents rationale of the study, objectives of the study, scope and method of study and organization of the study. Chapter 2 presents with theoretical background of credit accessibility of shopkeepers. Chapter 3 describes about the background of selected township and credit accessibility in Dagon Myothit (South) and practices. Chapter 4 consists of the analysis on credit accessibility of shopkeepers, is presented. Chapter 5 is the part of the conclusion, suggestions, and needs for future research.

CHAPTER II

THEORETICAL BACKGROUND

This chapter considers the theoretical review and the conceptual framework in attempting to understand the financial knowledge, financial access, credit awareness, and credit accessibility. Furthermore, this chapter represents the credit accessibility of Shopkeepers and highlight the important role of financial literacy how impacts on credit access of shopkeepers to stable the source of capital to invest in their business.

2.1 Concept of Credit Accessibility

Access to credit was defined as the ability of individuals and/or businesses to access, financial services. These financial services may include bank accounts, deposits, payment services, lending, and insurance. Credit services may be provided in different formats. Examples include cash credits, in-kind credits, service advances or capital contributions.

Credit access has been mentioned as one of the key ingredients for economic growth in developing and emerging markets. For the survival and overall productivity of a firm credit is a very important component. Accessibility to credit infers to ability of enterprises or individuals to obtain external funding to enable them ease cash stream issues. Credit can be either short term or long-term depending on the lender's assessment of the borrower's ability to pay. Smaller firms usually have limited access to non-bank lenders due to lack of credit worthiness.

Nowadays, access to credit has been a necessity for SMEs in order to grow and expand as they lack adequate capital. It becomes a limitation for small businesses. Those without documentation of ownership of assets to present as collateral. Loans. Credit cards are often efficient and convenient tools, and mortgages are often one. A significant portion of the achievement of long-term goals such as the purchase of a home, but their costs, including reimbursements and costs and charges, shall be inclusive and affordable.

Credit happens to be a critical device that is essential for empowering farms to acquire command required in utilizing the working capital, utilization products as well as the fixed capital. Credit usually presumes a crucial part in increasing the

profits gained from agricultural endeavors (Ibrahim, & Bauer, 2013). Countryside credit financing is applicable in that farmers are offered vehicles on credit and in turn give agricultural production as an exchange that involves the cash, untimely payments, trade bills as well as the acknowledgments derived from brokers. These types of financing are change in that they money caters for associated requirements of the farmers which are usually brought about by gathering, planting as well as marketing cycles (Karumbi, 2013).

In order for farming to be remarkable, access to satisfactory credit meant to cater for agricultural generation is considered to be the empowering factor (Khandker, & Koolwal, 2015). The loaning market of farming across different countries involves taking some money associated with foundations and units that can adequately loan resources to encourage the creation of farm output, harvest, and animals. These business sectors are fundamentally comprised of commercial banks, other financial arrangement firms, and individuals.

The market additionally incorporates specific establishments, for example, Agricultural Co-agents and Rural Development Banks (Langat, 2013). In this manner, opportune accessibility of credit empowers farmers to buy the required injections and machinery to necessitate operations. Horticulture as a segment usually relies on the use of loans which is different from other segment of the economy with regards to intermittent assortments in the agriculturists' returns as well as the varying patterns experienced while moving from subsistence to commercial cultivating. Credit can offer winning chances to farmers and in turn enhance their livelihoods (Maurer, 2014). Credit accessibility will be measured financial knowledge, financial access, and credit awareness in this study.

2.2 Definition for Financial Knowledge, Financial access and Credit Awareness

2.2.1 Financial Knowledge

Financial knowledge is an understanding of financial issues. Individuals need to be aware of the micro and macroeconomic environment and understand the basic issues of everyday finance such as savings, investment, lending, interest rates, inflation, and consumer product pricing. Thus, financial literacy is a form of education in financial issues. In this field of study, the term financial literacy is sometimes used interchangeably with financial knowledge. Kempson et al. (2005)

defined financial literacy is as the ability of an individual to obtain, understand and evaluate financial information. In other cases, financial knowledge is understood as part of financial literacy.

The level of financial knowledge is financial decisions and actions. Therefore, low levels of financial literacy can increase the risk of financial vulnerabilities in older people, which is an important concern. Financial decision-making studies show differences in life courses. For example, older people paid more for credit services than younger adults (Buch & Driscoll, 2009) and were more likely to file for bankruptcy (Pottow, 2011). Overall, having financial knowledge can serve as a protective factor against potentially harmful choices in old age (James, Boyle, Bennett & Bennett, 2012).

2.2.2 Financial Access

Access to finance refers to the ability of an individual or company to access financial services, including credit, deposits, payments, insurance, and other risk management services. The accumulated evidence promotes business growth by providing credit to the most promising companies with access to finance, and by providing credit to the most promising companies, encouraging more start-ups and growing. It shows that they can take advantage of investment opportunities to grow an established company. It benefits the economy in general by accelerating economic growth, intensifying competition, and increasing labor demand. This, in turn, helps those who increase their income at the lower limit of income distribution reduce income inequality and poverty. Lack of access to finance limits the supply of services and credit to households and businesses. Poor individuals and small businesses need to rely on their wealth and internal resources to invest in education and business. This leads to a cycle of limited potential, sustained inequality and slowing growth.

2.2.3 Credit Awareness

Awareness of credit institutions, either formal or informal, is an essential demand-access element of credit. Individuals cannot choose to ask for a loan in an institution that they do not know. It has been recognized that access to financial services must be studied from the supply and demand sides of the market (Pearlman, 2010). With respect to the demand side of the market, Claessens and Kose (2013) explained that entrepreneurs are voluntarily excluded of the credit market if they are

not aware of the service, do not need the service, or assume rejection. Thus, it is suggested that in order to have access to the credit market individuals should decide to be aware of the services. Even though awareness is the first step towards use, not much has been explored about the determinants of awareness of credit sources and their use.

In increasingly global economic development, financial awareness is one of the elements needed to create financial stability. Credit awareness is part of financial literacy and is an important factor that influences perceived knowledge which ultimately influences decision making (Khan, 2015; Mason and Wilson, 2000; Priyadharshini, 2017).

Analysis of survey data suggests that firms – particularly small firms- not only often complain about lack of access to finance, but their growth also suffers from limited access (Beck, Demirguc-Kunt and Maksimovic, 2005; Beck, Demirguc-Kunt, Laeven, and Maksimovic, 2006). The findings of these broad cross-country regressions are supported by individual case studies utilizing detailed loan and borrower information. Specifically, Banerjee and Duflo (2004) studied detailed loan information on 253 small and medium-size borrowers from an Indian bank before and after they become eligible for a directed credit program. Access to finance, and the institutional underpinnings that are associated with better financial access, favorably affect firm performance along a number of different channels. Improvements in the functioning of the formal financial sector can reduce financing constraints more for small firms and others who have difficulty in self-financing or in finding private or informal sources of funding.

2.3 Theory for Credit Accessibility

This study anchored on the Theory of equilibrium credit rationing, imperfect information theory, Pecking order theory and financial inclusion theory. These theories are discussed in details below and the way in which they support the current study.

2.3.1 Theory of Equilibrium Credit Rationing

Hodgeman (1960) developed the theory of credit allocation based on default risk. He defined credit distribution as a situation in which all or some loan applicants would not be awarded the entire loan requested at an applicable interest rate. In this

model, the lender evaluates the potential borrower based on the expected loss rate of the loan. It also assumes that the borrower has the maximum repayment that can be guaranteed, effectively limiting the amount the lender offers to the borrower, regardless of interest rates. In this case, the expected loss is too large compared to the expected return. In addition, there is a theory that lenders cannot distinguish between safe and high-risk borrowers and therefore do not offer all the loans that the borrower may want to take. It also assumes an incomplete credit market due to the asymmetry of information that lenders seek to resolve by imposing interest rates and collateral.

In addition, it is assumed that the demand for commercial bank loans will exceed the supply at prevailing interest rates and the borrower will have to provide the same amount of collateral. He found that whenever a borrower's demand curve intersects the vertical section of the relevant supply curve, the borrower cannot gain additional leverage by promising to pay additional interest. Moreover, as the supply curve shifts from side to side, borrowers will face tighter cash supply constraints that cannot be overcome by offering more interest. However, Hodgeman said another creditor borrower could continue to borrow as much as he wanted and might not have to pay a lot of additional interest to meet the requirements imposed by the lender. This theory is important for this study as financial institutions tend to view MSE as an overly risky borrower. As a result, some financial institutions receive credit and others are restricted or rejected.

2.3.2 Imperfect Information Theory

George A. Akerlof (1970) introduced the concept of asymmetric information. He found that information imperfections occur when one party in a transaction has more up-to-date information than the other. This imbalance can allow one party to open a transaction or make costly decisions. George A. Akerlof argued that information asymmetry is a common feature of all market interactions. For example, at the borrowing stage, borrowers know more about their creditworthiness than lenders.

The Theory stresses that imperfect information can produce adverse selection in the markets such that when a lender or a buyer has imperfect information, a borrower with weak repayment prospects or a seller of low-quality products may crowd out everyone else from their side of the market thereby hindering mutually advantageous transactions. This theory additionally assumes Banks cannot

effectively differentiate between high risk and low risk loan applicants. The theory is relevant to the study because those financial institutions struggle to overcome this obstacle by using of credit scoring techniques and building strong connections with all applicable stakeholders in the industry.

2.3.3 Pecking Order Theory

Myers and Majluf (1984) complemented Donaldson's (1961) work to improve the Pecking Order theory. The theory assumes that the company follows the funding hierarchy, and the funding source is either internal or external. They said internal funding was prioritized over external funding. The theory is that a company seeks external funding only when its internal resources are exhausted. They argued that external funding was needed by the company and needed to be safer and more unmanaged. Employers prefer debt loans with little or no collateral or contracts. In addition, issuance costs are lowest for internal funds, lowest for equity, and highest for liabilities. This theory affects collateral and is applicable to Kenyan SMEs as Kenyan business owners tend to prefer internal sources to other sources.

2.3.4 Financial Intermediation Theory

Gurley and Shaw (1960) developed the theory of financial intermediation based on information asymmetry. They argued that the existence of financial intermediaries is explained by the existence of factors in the following categories: High transaction costs, lack of complete information at useful times. The theory describes the process by which surplus units (saver) raise funds. Through deposits, to intermediaries including banks, credit unions, investment trusts, financial institutions such as financial institutions and borrowers). Transaction costs and asymmetric information are important for understanding financial intermediation, as the theory emphasizes resource allocation based on a complete market. They observed that financial intermediaries could reduce transaction costs and eliminate information costs by gathering depositors and borrowers to meet their trading needs and provide other services. Depositors entrust their funds to these intermediaries, who invest their funds through loans and other investment projects. This allows depositors to settle their savings at any time (through withdrawals). Therefore, the involvement of SMEs with financial institutions can be summarized from the role of financial institutions as financial intermediaries. SMEs are both depositors and borrowers and receive

services from financial institutions such as trading services, liquidity provision, financial advice, asset analysis and valuation, financial asset issuance, lending, monitoring services, risk management and insurance services. is needed. service.

2.4 Previous Studies

The prospect theory, behavioral finance theory, and credit rationing theory provide as the study's foundations. The following some of the previous study relevant to the credit accessibility of shopkeepers in Dagon Myothit (South) township is mentioned as follows.

Stiglitz and Weiss (1981) posit that adverse selection characterizes the credit market due to imperfect information on the borrower risk, the asymmetric spread of the players in the credit market and the effect of the price on that risk. The population could fail to access credit facilities because they may not have capacity to repay the loans as and when they fall due. This theory is important in this study because it indicates some of the determinants of access to credit among populations.

Daniel Kahneman and Amos Tversky were the proponents of the prospect theory established in 1979. They argued that investors value gains and losses differently and make choices depending on perceived gains rather than losses. This theory stipulates that investors are not always rational and make decisions based on their risk attitudes.

Kahneman and Tversky, (1979) argued that the investor evaluates the prospective gains and losses before making the decision and avoids making losses to protect their investments. They opine that investor's risk attitudes towards gains are different compared to their risk attitudes towards losses. They stated that according to investors, losses are perceived to carry more weight than equivalent gains and those investors will take more risks to avoid losses than take little risk to achieve an equivalent gain. Prospect theory is relevant to this study as it can support the importance of financial literacy to help in making sound financial decisions. Financially literate investors are ready to assess the connection between risk (e.g.; debt) and return and choose the choice that provides the simplest outcome.

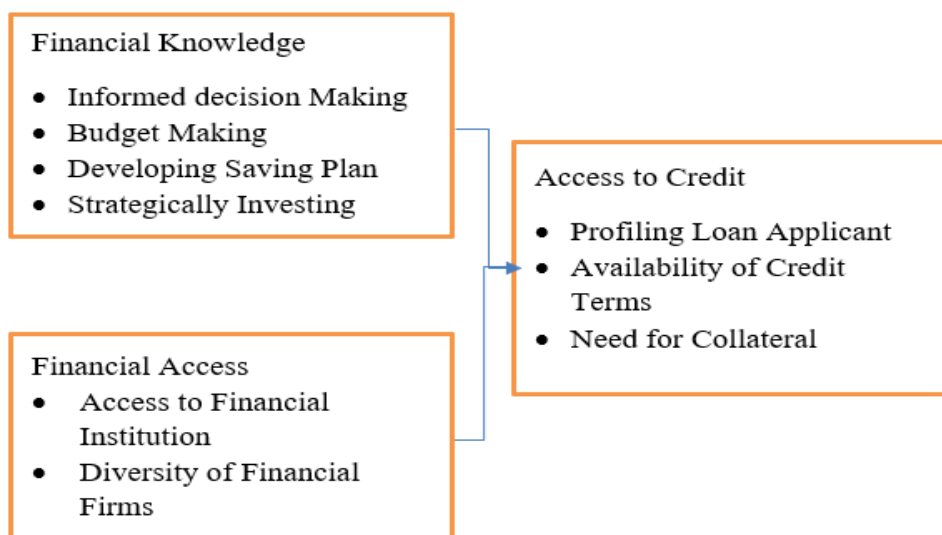
Wong (2017) asserts that this theory offers a basis to explain the financial behavior of individuals, particularly why the majority of the people take the investment decisions they tend to take today. Additionally, the theory explains why an individual would realize their need for financial literacy thus make an effort to

obtain financial knowledge through training or experience, which in turn results in a change in their financial behavior (Hirshleifer, 2015). The theory stresses that the process of seeking information about investment opportunities with the aim of making rational investment decisions is what brings about the desire to acquire financial literacy in many individuals (Garcia, 2013). This theory finds use in this study as it will offer a foundation to relate the financial behavior of individuals to their financial literacy. The theory is, thus ideal to unmask the personal characteristics that may influence the financial literacy of an individual.

Finally, Lubanga (2016), studies the relationship between Financial Literacy and Access to Credit among Youth in Rural Areas: a case Study in Kimi Lili Constituency. In the conceptual framework, independent variables include financial knowledge, financial skills and financial access. Dependent variable includes credit accessibility. To find out the relationship, regression model is used. Lubanga (2016) investigated the relationship between financial literacy, financial skills and financial access, and credit accessibility in his research.

This study was to determine whether there is a relationship connecting financial literacy and access to credit among the rural youth. The study had a target population of 41,181 youth in Kimi Lili Constituency out of which a sample of 384 was selected. Primary data was used for data collection through use of questionnaires matching the research objective and analyzed through regression model, mean, standard deviations and analysis of variances.

Figure (2.1) Relationship between Financial Knowledge, Financial Access and Access to Credit



Source: Linda Sharon Nyangweso Lubanga (2016)

Figure (2.1) is the conceptual framework of Linda Sharon Nyangweso Lubanga (2016). It is important for the researcher in order to develop the concept for the study. Linda Sharon Nyangweso Lubanga studies concluded that the youths in Kimilili were able to pay their bills on time after getting financial knowledge. This is because the youths could now make informed decisions and they could plan wisely for their incomes and prioritize their expenditure. Furthermore, the youths could analyze and evaluate the different financial products and make better decisions.

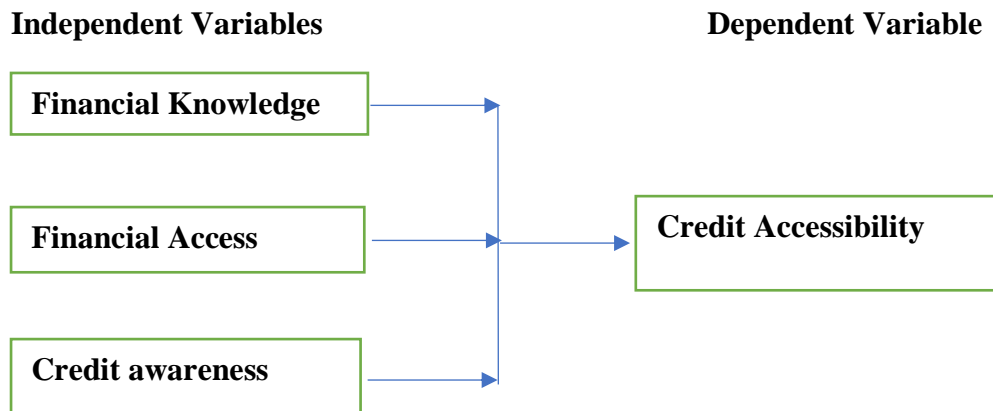
The financial knowledge of the shopkeepers could make effective decision making on household budget, which enables them to manage their debts well, they also could plan for their investment which yielded higher returns enabling them to meet their financial obligations in an easy way. The shopkeepers could also control their spending nature. This is due to the fact that the shopkeepers made comparisons between kind of product and service with others and hence they were able to choose the best one.

2.4.1 Conceptual Framework of the Study

Based on the previous study and literature review is built as shown in Figure (2.2). Based on the below literature review and previous study of Lubanga (2016), the conceptual framework of the study is developed. The numerous factors that influence credit access, such as financial literacy, income levels, the presence of financial institutions, and financial literacy, have also been highlighted in this study based on Linda Sharon's study.

According to the findings of the study, financial literacy has a positive impact on access to financial services, retailers, and the economy. Additionally, there were no specific theories that discussed financial literacy and credit availability, such as making well-informed decisions, creating budgets, developing savings plans, etc.

Figure (2.2) Conceptual Framework of the Study



Source: Own Compilation (2022)

In the independent variables are financial knowledge and financial access and dependent variable is credit accessibility. In this study, independent variables include financial knowledge, financial access, and credit awareness and the dependent variable includes credit accessibility. To find out the relationship between independent and dependent variables, the regression model is used.

Financial Knowledge

Finance Knowledge was defined by (Potrich, Kelmara, & Wesley, 2016) as a particular kind of capital acquired in life through the ability to manage income, expenditure and savings in a safe way. The Organization of Economic Co-Operation and Development (OECD), added that financial knowledge is an important determinant of whether the individual is financially literate, involving questions related to concepts such as simple and compound interest, risk and return and inflation (OECD INFE, 2011).

It is an important constituent in the making of financial decisions for individuals and businesses. It is a generally held argument that improved financial knowledge is said to result in more responsible financial behavior and hence effective financial decisions. (Tang, Baker, & Peter, 2015).

Financial Access

Financial access is an infrastructure prior to efficient financial inclusion. Financial access helps individuals and businesses save for the future, get credit for, expand economic activities, make payments and insure against risks and uncertainties. In addition, financial access encourages economic growth, reduces poverty and enhances financial and macroeconomic stability.

Credit Awareness

Credit access has been defined as the ability of individuals or enterprises to access finance services. These financial services may consist of bank accounts, deposits, payment services, financing and insurance. Credit services can be provided by a variety of forms such as cash credit, credit in kind, service advances or capital contributions.

Credit Accessibility

Accessibility to credit infers to the ability of enterprises or individuals to obtain external funding to enable them ease cash stream issues. Credit can be either short term or long-term depending on the lender's assessment of the borrower's ability to pay. Smaller firms usually have limited access to non-bank lenders due to lack of credit worthiness. Nowadays, access to credit has been a necessity for SMEs in order to grow and expand as they lack of adequate capital.

CHAPTER III

BACKGROUND INFORMATION AND CREDIT ACCESSIBILITY OF SHOPKEEPERS

This chapter includes the background information of Dagon Myothit (South), and Credit Accessibility of shopkeepers in Dagon Myothit (South).

3.1 Background Information of Dagon Myothit (South) Township

Dagon Myothit (South) is found within the southeastern part of Yangon, Myanmar. Dagon Myothit (South) township comprises 26 wards and three village tracts and shares borders with Dagon Myothit (North) and Dagon Myothit (East) in the north, Thingangyun Township in the west across the Pazundaung Creek, the Bago River in the east, and Dagon Seikkan Township in the south (Y.C.D.C,n.d). Dagon Myothit (South) is one of the new satellite towns founded in 1989 by the military government. The township has 31 primary schools, seven middle schools and three high schools. It is home to the University of Culture, Yangon. The population density of Dagon Myothit (South) Township is 4,698 persons per square kilometre (Y.C.D.C, n.d). There are 4.7 persons living in each household in Dagon Myothit (South) Township (Y.C.D.C,n.d). This is slightly higher than the Union average. Dagon Myothit (South) Township, has various kinds of work and earned from different income sources.

3.2 Profile of Shopkeepers in Dagon Myothit (South) Township

In Dagon Myothit (South), most of the shopkeepers owned the shops. Shopkeepers in Dagon Myothit (South) were managed of their shop to be success and fund for future. Shopkeepers from Dagon Myothit (South) townships have financial knowledge, budgeting and how to manage their shop very well. Shopkeepers need to require of how funding their business to be long term and investment plan for their brighter future. To be growth of financial sector in Dagon Myothit (South), shopkeepers are mainly required to know financial matter. From this financial knowledge, shopkeepers can be earned their income more. Shopkeepers are good at budgeting and managing household expenses.

Shopkeepers need financial knowledge since it is due to their income that they have to learn how to budget for it in order to survive and later save some money and get out of poverty. They also need to know financial knowledge to manage their shops and for long term survival. Shopkeepers from Dagon Myothit (South) Township process knowledge of financial literacy and well managed their shop for long term growth. Based on their practical experience, they often gained profits over a few years. They also cover under saving plan for their family and for their future plan. Shop keepers from Dagon Myothit (South) Township were well managed of their daily finance and can plan for their investment sector growth.

In Dagon Myothit (South) Township, most of shopkeepers are using digital and mobile technologies as an integral part of their everyday life. It is not only possible to use a mobile phone to capture and share knowledge, observations and ideas in camera format, but it is now second nature for part of others. By using of enough financial knowledge shopkeepers can manage their shop and can be plan for their future lives and for their family long term survival.

Shopkeepers were including in important sector of Dagon Myothit (South) Township economic sectors and also importance of arrange of financial plan and budget usage. The level of financial literacy affects shopkeeper's quality of life significantly. This affects shopkeeper's ability to provide for themselves and family. Financial literacy enables shopkeepers to understand what is needed to achieve a success life that is financially balanced and sustainable.

This also helps shopkeepers leverage other people's money for business to generate profits Shopkeepers are highly confident in their ability to deal with credit cards and manage debt. By giving individuals the chance to require advantage of increased competition and selection in financial services, financial literacy can yield positive, tangible and lasting results for people, families and the broader community. The benefits include greater personal independence, wellbeing and improved economic prosperity.

3.3 Source of Credit Access in Dagon Myothit (South) Township

Myanmar Economic Bank in Dagon Myothit (South) Township is situated in near Industrial Zone (1) and accepting money on current and time deposit account lending money, collecting and dealing in cheques and other instruments. Private banks likes KBZ, AYA, YOMA and other privates are accepting money on multi

kinds of deposit accounts, lending money to people with multi products loan likes OD, SMEs, home loan and shopper installment loan, Interest rate is within the range 10% to 14.5% and most loan are collateral base. Legal registered thirty pawnshops have in Dagon Myothit (South) Township as per eastern district general administration department data issued on 30 September 2019. Microfinance companies are lending loan to SMEs (including shopkeepers) with multi product loan likes individual loan, group loan and personal loan with to get the credit access by basic people who needs to get basic needs of their daily life and stability of source of income.

Credit access from government bank and private banks in Dagon Myithit (South) township are limited to apply the loan due to most of loan are collateral base and pay back period and interest rate is not ready to accept by shopkeepers. Most of shopkeepers are relying on pawn shops and unformal credit organizations to access the credit with high interest rates but payback period is flexible to do the fund management to allocate the cash to payback loan.

For the survival and overall productivity of a shopkeeper, credit is a very important component. Accessibility to credit infers to the ability of group or individuals to obtain external funding to enable them ease cash stream issues. Credit can be either short term or long-term depending on the lender's assessment of the borrower's ability to pay. Shopkeepers usually have limited access to non-bank lenders due to lack of credit worthiness. Nowadays, access to credit has been a necessity for Shopkeepers in order to grow and expand as they lack adequate capital.

Another limiting factor to access the finance is lack of financial literacy among the shopkeepers. It may lead to poor managing budget, daily cash flow, fund management of daily business transaction. Getting loan from MFIs and other credit institutions with high interest rate and period of credit terms are challenges to make the loan settlement in the short time.

3.3.1 Availability of Credit terms

Suppliers provided the majority of the working capital funding in the form of trade credit. They frequently gave the reason that they did not use external finance as that they did not want to deal with difficult banking processes and tight collateral requirements. Another prevalent response was that bank loans could only be obtained on a short-term basis, making them unreliable for corporate developments. As a

result, business owners favored growing their companies as far as their own finances would allow. The money they made from business operations were typically reinvested for future expansion. Some business owners contended that their operations were just ongoing to retain their current position and that the current business climate did not promote expansion.

3.3.2 Need for Collateral

Traditionally, collateral has been considered an important part of qualifying for a small business loan. Traditional lenders, like banks, typically look for secure assets like real estate or equipment as collateral, although anything of value the lender can easily sell, to satisfy their debt should they default, might be accepted—depending on the lender.

Most of the banks in Myanmar accept only unmovable properties like lands and buildings as collaterals. And even if business owners have lands or buildings, they cannot use these assets as collaterals if they do not have the title of these properties. Because of high cost of lands and buildings, most business owners prefer to rent a land or a building rather than make an outright purchase of these properties. If they did, there would be less money to be used in operating the business. Eventually, their interest to borrow from banks has already waned. Second, most of the SMEs in Myanmar are informally structured, being that they are typically owned and managed by entrepreneurs. They rarely keep accounting records of their business in a systematic manner. This generates the problem of information asymmetry between the business and the bank. The absence of proper financial accounting in many SMEs may be due to various reasons, ranging from inadequate financial accounting knowledge to the practice of deliberately hiding the true state of business affairs for tax purposes. The limited knowledge of business owners on accounting and how accounting records can be used in business decision making keep them from providing the banks complete and systematic set of accounting so these banks can make a credit review.

CHAPTER IV

ANALYSIS ON CREDIT ACCESSIBILITY OF THE SHOPKEEPERS

This chapter presents four parts. Firstly, the research design is presented and followed by the demographic profile of respondents. Respondents' perceptions of financial knowledge, financial access, credit awareness, and analysis on credit accessibility are presented in the last part of the chapter.

4.1 Research Design

This study analyzes the most influencing factors on the credit accessibility of shopkeepers in Dagon Myothit (South) Township. In order to accomplish these goals, shopkeepers' information and opinions were carefully collected through primary data collection. Structured questionnaires have been used as a research instrument to collect data face-to-face. Data collection included 27 questions. There were two parts to it. Eight questions about respondents' personal information are made up in part one.

The purpose of part two was to collect data on shopkeepers' levels of financial knowledge, financial access, credit awareness, and credit accessibility. This section measures financial literacy and credit access behaviors using a five-point Likert scale. To assess the data, a scale of 1 for strongly disagree, 2 for disagree, 4 for agree, and 5 for strongly disagree has been provided. Because of the large population and sub-urban area of Yangon, this residential area in Dagon Myothit (South) Township was chosen.

In this study, the simple random sampling method was used. Covering the total target population of 2407 shopkeepers in Dagon Myothit (South) Township, the required sample size is calculated using the formula of Yamane (1973) as follows.

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

Where:

- n = sample size required
- N = number of people in the target population= 2407
- E = allowable error (%) = 0.05(5%)

Substituting the data,

$$n = \frac{2407}{1 + 2407(0.05)^2} = 343$$

Thus, a total of 343 surveys have been collected from shopkeepers at Dagon Myothit (South). Secondary data was collected from related books, articles, magazines, and the Internet website. Data analysis was performed using the Statistical Package for Social Science (SPSS). Multiple regression analysis was used to determine the relationship between the independent and dependent variables. Descriptive statistics were used to measure the average of at the respondent level.

4.2 Demographic Profile of Respondents

The demographic details of the respondents, including their age group, income level, level of education, and income level, are described at the beginning of this chapter. Based on the respondents' responses, frequency tabulations with more descriptive layout were used later in the chapter.

Table (4.1) Demographic Characteristics of Respondents

Variables	Type	No. of Respondents	Percentage
Gender	Male	152	44.2
	Female	191	55.8
Age (Years)	Under 30 years	136	39.6
	31-40 years	169	49.3
	41-50 years	24	7.0
	Over 51 years	14	4.1
Education	Primary School	20	5.8
	Middle School	96	27.9
	High School	59	17.3
	Matriculation Exam Pass	99	28.9
	Undergraduate	47	13.8
	Graduate	22	6.4

Variables	Type	No. of Respondents	Percentage
Marital Status	Single	95	27.7
	Married	248	72.3
Monthly Income (Kyats)	Below 300,000	96	27.9
	300,001-600,000	197	57.5
	600,001-900,000	37	10.8
	Above 900,001	13	3.9
Business Information	Own	297	86.4
	Rent	45	13.2
	Other	1	0.4
Duration of Business Operation	Less than 1 year	55	16.3
	1 to 5 years	181	52.6
	6 to 10 years	78	22.7
	Over 10 years	29	8.4
Total		343	100%

Source: Survey Data (2022)

According to Table (4.1), among 343 respondents, most respondents dominated by females is 55.8% and the male is 44.2%. The majority of the respondents fell in the age of between 31 and 40 with a percentage of 49.3%. The 7% of respondents are 41 to 50years.Both married and single shopkeepers are included in the sample. Table 4.1 shows marital status of respondents of the sample. Most of the respondents 72.7% are married and 27.7%. According to the table 4.1, 28.9% of the respondents were passed the matriculation exam, 27.9% of the respondents are Middle school students, and 17.3%, are high school student. From the findings, the majority of the responses are Matriculation exam passed. This implies that the respondents had relevant knowledge on financial literacy and credit access thus they had ease in addressing the question and provided the correct responses. Most of the respondents earn 300,001-600,000kyats by 57.5%. The most respondents for business information of 86.4% are owned shop, 13.2% are rent of their shop and 0.4% is neither owned nor rent shop. This implies that the respondents can be access financial background information of shopkeepers.

From Table (4.1), majority of the respondents were duration of business over 10 years are 8.4%, 1 – 5 years are 52.6%, 6 - 10 years are 22.7% and less than 1 years were 16.3% of the respondents. The diversity in the respondent’s business duration meant they would give reliable responses.

4.3 Reliability Analysis

To test the consistency and reliability of the data collected for the study, reliability test is conducted for responses to items used in the study collected from 100 respondents. Table (4.2) shows the Cronbach’s Alpha values and number of items of each variable.

Table (4.2) Reliability Analysis

Sr. No.	Variables	No. of Items	Cronbach’s Alpha
1	Financial Knowledge	5	0.892
2	Financial Access	5	0.814
3	Credit Awareness	5	0.803
4	Credit Accessibility	5	0.863

Source: Survey Data (2022)

In research studies, Cronbach’s Alpha is used to examine the reliability of the questionnaire. According to Zikmund, et al., (2010), when reliability Cronbach’s Alpha value is between 0.89 and 0.95 is considered as excellent value. When the alpha value is from 0.70 and 0.89 is considered as good reliability. When the alpha value is below 0.60 will be considered as poor reliability.

Cronbach’s Alpha should be equal and bigger than 0.60 because it is said that the higher the Cronbach’s Alpha, the more reliable scale has. Viz, Moss et al., (1998) supported that Cronbach’s Alpha value above 0.5 is generally accepted. According to Table (4.2), the result of the reliability analysis of variables shows that all items of each variable support the acceptable level of reliability test. Since all measured variables are higher than 0.6, all measured variables are acceptable and reliable.

4.4 Descriptive Statistics for the Independent Variable

Descriptive statistics used in the survey, such as mean and standard deviation, have also been calculated and listed in the table. This study needed to analyze the most influencing factors on credit accessibility of shopkeepers in Dagon Myothit (South). Therefore, this study analyzed four factors: financial knowledge, financial access, credit awareness, and credit accessibility. Each factor also has its own statement, where shopkeepers have a 5-point Likert scale.

According to (Wilkinson, 1999), the interpretation of Likert scale questions ranges from 1 to 1.80 which represents strongly high, 1.81 to 2.60 represent do not agree, from 2.61 to 3.40 which mean true to some extent 3.41 to 4.20 representing agree. And it is represented from 4.21 to 5.00, very high.

4.4.1 Financial Knowledge

Financial knowledge is very important, and people take the credits based on their financial knowledge. The survey examines the shopkeepers' financial management. Mean scores for each question are calculated and the results are shown in Table (4.3).

Table (4.3) Financial Knowledge

Sr No.	Statement	Mean	Std. Deviation
1.	I have better understanding of how to manage my income.	4.23	0.864
2.	I am able to compare and contrast the different payment instruments.	4.16	0.951
3.	I have adequate knowledge of price changes on cost of living.	3.85	0.081
4.	I have better understand of financial instruments (e.g. Bank services, Microfinance, Pawn etc.)	4.51	0.741
5.	I do financial planning for the future.	4.39	0.674
	Overall Mean	4.22	

Source: Survey Data (2022)

According to Table (4.3), the highest mean score is 4.51. This mean that shopkeepers in Dagon Myothit (South) have better understand of financial instruments (e.g. Bank services, Microfinance, Pawn etc.). On the other hand, the lowest mean score is 3.85. This mean that shopkeepers in Dagon Myothit (South) have adequate knowledge of price changes on cost of living. The overall mean value for credit awareness is 4.02. According to the overall mean value, the shopkeepers agree that they have the financial knowledge.

4.4.2 Financial Access

To know the financial accessibility of shopkeepers in Dagon Myothit (South) Township, 4 questions are asked. The results are shown in Table (4.4).

Table (4.4) Financial Access

Sr No.	Statement	Mean	Std. Deviation
1.	I have several options for borrowing money whenever I need.	3.93	0.250
2.	Several financial institutions are within my walking distance.	3.97	0.741
3.	I can easily access when credit is required.	4.02	0.633
4.	I usually choose the lowest interest when I try to get the credit.	4.37	0.607
5.	I can access more finances by using my valuable asset.	4.31	0.707
Overall Mean		4.11	

Source: Survey Data (2022)

According to Table (4.4), the highest mean score is 4.37. This mean that shopkeepers in Dagon Myothit (South) usually choose the lowest interest when they try to get the credit. On the other hand, the lowest mean score is 3.93. This mean that shopkeepers in Dagon Myothit (South) have several options for borrowing money whenever they need. The overall mean value for credit awareness is 4.11. According to the overall mean value, the shopkeepers agree that they have the financial access.

4.4.3 Credit Awareness

Credit awareness is very important for shopkeepers since they examine how to get the credit from credit institution. Credit awareness of shopkeepers is shown in Table (4.5).

Table (4.5) Credit Awareness of the Shopkeepers

Sr No.	Statement	Mean	Std. Deviation
1.	I obtained free copies of their credit report once a month.	4.31	0.707
2.	I often review my credit Income Level report on a monthly basis.	4.35	0.650
3.	I can check my account transactions everyday	4.08	0.753
4.	I check the entries and balance on the statement.	3.64	0.480
5.	I check my receipts and spending records against the statement.	3.76	0.474
	Overall Mean	4.02	

Source: Survey Data (2022)

According to Table (4.5), the highest mean score is 4.35. This mean that shopkeepers in Dagon Myothit (South) often review their credit Income Level report on a monthly basis. On the other hand, the lowest mean score is 3.64. This mean that shopkeepers in Dagon Myothit (South) check the entries and balance on the statement. The overall mean value for credit awareness is 4.02. According to the overall mean value, the shopkeepers have the credit awareness.

4.4.4 Credit Accessibility

To know the financial accessibility of shopkeepers in Dagon Myothit (South) Township, 4 questions are asked. The results are shown in Table (4.6).

Table (4.6) Credit Accessibility

Sr No.	Statement	Mean	Std. Deviation
1.	I can access credits from financial institutions.	3.82	0.593
2.	The process of getting credit is easy.	3.92	0.837
3.	I usually choose the shortest period of time to repay the loan.	3.63	0.484
4.	I can access the loans to fund my business prospects.	3.40	0.541
5.	Accessing credit has improved my economic and family status.	3.65	0.529
	Overall Mean	3.68	

Source: Survey Data (2022)

According to Table (4.6), the highest mean score is 3.92. This mean that shopkeepers in Dagon Myothit (South) accept the process of getting credit is easy. On the other hand, the lowest mean score is 3.40. This mean that shopkeepers in Dagon Myothit (South) access the loans to fund my business prospects. The overall mean value for credit accessibility is 3.68. According to the overall mean value, the shopkeepers agree that they have credit accessibility.

Table (4.7) Overall Mean Values of Variables

No.	Mean	Mean
1	Financial Knowledge	4.22
2	Financial Access	4.11
3	Credit Awareness	4.02
4	Credit Accessibility	3.68

Source: Survey Data (2022)

According to Table (4.7), the financial knowledge of shopkeepers is the highest mean value of 4.22 which presents that most of the respondents agree to the fact that they have financial knowledge. Financial access is the second highest mean value of 4.11, third highest mean value is 4.02 with credit awareness and the fourth highest mean value is 3.68 with credit accessibility, this means that shopkeepers can access the credit.

4.5 Analysis of Influencing Factors of Credit Accessibility

In this research, in order to find out the effects of influencing factors on credit accessibility multiple regression model is used. Table (4.8) shows the relationship between influencing factors and credit accessibility.

Table (4.8) Influencing Factors on Credit Accessibility

Variable	Unstandardized Coefficients		β	t	Sig
	B	Std. Error			
(Constant)	5.645	.174		32.420	.000
Financial Knowledge	.469***	.035	.699	13.400	.000
Financial Access	-.572***	.090	-.543	-6.332	.000
Credit Awareness	-.394***	.080	-.375	-4.934	.000
R Square	.487				
Adjusted R Square	.482				
F Value	107.552***				

Source: Survey Data (2022)

*** Significant at 1% level, ** Significant at 5% level, * Significant at 10% level

According to Table (4.8), the value of R Square is almost 48.7% percent thus this specified model could explain the variety of influencing factors on credit accessibility. The overall significance of the model, F value, is highly significant at the 1 percent level. This model can be said valid. The model can explain almost 48.2 percent about the variance of the independent variable and dependent variable because Adjusted R square is 0.482. Among three independent variables, financial knowledge has the expected positive sign and is strongly significant at 1 percent level. According to the regression

result, positive relationship means that the increase in financial knowledge leads to more credit accessibility. If there is an increase in financial knowledge by 1 unit, this will also raise credit accessibility by 0.469 units. The standardized coefficient (Beta) of risk has the largest value (.699) among the three explanatory variables indicating that financial knowledge has the greatest contribution to increase the credit accessibility when the variance explained by other variables is controlled.

CHAPTER V

CONCLUSION

This chapter presents findings and discussions, recommendations and suggestions and needs for future research. First part consists of the finding based on the survey data and research analysis of shopkeepers in Dagon Myothit (South). On the second part, it includes the recommendations and suggestions that are from the results of the research findings. In the last part, it presents the needs for future research.

5.1 Findings and Discussions

This study finds out to identify the credit accessibility of shopkeepers in Dagon Myothit (South) Township and to analyze the most influencing factors on the credit accessibility of shopkeepers in Dagon Myothit (South) Township. The findings reveal that most of the shopkeepers are females. They are 31 to 40 years old and most are passed the matriculation exam. The majority of the respondents are married and earn above 300,001- 600,000kyats. According to the survey, shopkeepers were able to handle their daily finances after receiving financial knowledge and understood the value of having a financial plan for the future. This is because the shopkeepers were able to plan their finances for the future and use financial knowledge to prioritize their spending and make smart investment decisions that would lead to long-term economic growth.

Most of the shopkeepers are investing capital amount above 300,000- 500,000 Kyats and some of shopkeepers are investing capital amount above 600,000 – 1,000,000 Kyats. Investing capital may be varied due to kind of products are different between the shopkeepers.

Regarding financial knowledge, there is positive and significant relationship with credit accessibility. The shopkeepers may assess and compare the various financial solutions and come to better judgments. The study also discovered that retailers could create efficient household budgets using their financial expertise, enabling them to effectively manage their debts. Shopkeepers have a habit of preserving money that could improve their family's financial status.

On the other hand, financial access and credit awareness have a negative impact on credit accessibility. That is because shopkeepers in Dagon Myothit (South) access the

finances from informal financial sources (e.g. pawn shops, parents, etc.). Therefore, they have more financial access, and they have less credit accessibility. Credit awareness also has a negative impact on credit accessibility, because they know about loans, credit, and financial institutions.

Concerning financial access, the survey result reveals that income level affects credit accessibility for most respondents. People find credit sources very easily as most of the sources are near and within walking distance. Thus, they have many options to get the credits. On the other hand, they could not improve their credit amount by the valuable assets since they don't have valuable assets.

Regarding credit accessibility, most people could get financial access and admit that credit improves their economic and family status. It is found that collateral affects credit accessibility as financial institutions have to take the collateral as a guarantee. They think credit terms are reasonable when they take the credits. On the other hand, they could not get the full amount that they applied for. Generally, most of the respondents could access credit at a moderate level.

The study also presented that accessing financial institutions in shopkeepers in Dagon Myothit (South) Township was very easy as they were within near of the shop. The study also presented shopkeepers have several options for borrowing money whenever they need as they could select from many financial institution that are placed in one location. This study also revealed that shopkeepers usually choose the lowest interest rate when they tried to get credit.

The study further revealed that shopkeepers accessed loans to fund their business prospects and also have difficulties for this loan application process. The study also found out, the more financial access for shopkeepers, the more credit accessibility for the shopkeepers is viable. Shopkeepers could access from financial institutions however this was limited by lack of collateral but whenever they accessed the credits an improvement in their economic status.

5.2 Suggestions and Recommendations

According to this study, credit access is dependent on financial knowledge. The government should give shopkeepers the opportunity to pursue additional financial education coursework. Financial institutions should take on a bigger role in supporting the government's aim of financial inclusion through financial education for private sector economic growth in order to increase Shopkeepers' financial literacy. Financial

institutions ought to offer seminars and workshops on financial instruments. Shopkeepers might make judgments on credit and loan possibilities if they had the necessary financial knowledge and abilities, but they are not accustomed to taking loans.

Financial literate does not only for individual who capable with numerical skill but also behavior and attitude, shopkeeper who literate in finance will understand and asses their financial needed, make sound decision for their business not only for day to day but also long-term goal and business performance which further improve their creditworthy and in turn increase the probability of access to credit.

Moreover, to improve the credit accessibility of shopkeepers, financial institutions should focus on the major profile of shopkeepers from Dagon Myothit (South) Township. Relating to credit accessibility, most shopkeepers do not get the full application loan amount they want to borrow. Therefore, they have to take from at least two or more places to get an adequate amount of loan. As a result of this,

Financial Institutions should arrange for new loan products with reduced collateral limits. Financial Institutions should also provide a wide share of financial knowledge about loan products and types and should arrange to provide credit to shopkeepers with the lowest interest rate and should reduce the loan application process for easy access of credit.

5.3 Needs for Further Studies

The objectives of study are the examination of the relationship between financial knowledge, financial access, credit awareness and credit access among shopkeepers in Dagon Myothit (South). It is therefore recommended that similar studies should be done to cover other very remote areas like the Rural household and income arrangement areas which could be facing different situations as compared to this study and investigate the case as it applies to shopkeepers in those areas.

A similar study could be conducted in the whole country due to the fact that shopkeeper's account for the highest group of the country's population. This will enable the financial institutions in planning how to improve the economic status of the shopkeepers both in urban and remote areas.

REFERENCES

- Agarwal, S., Driscoll, J. C., Gabaix, X., & Laibson, D. (2009). What is the age of reason?. *Dementia*, 80, 100.
- Akerlof, G. A. (1970). 4. The market for 'lemons': quality uncertainty and the market mechanism. *Market Failure or Success*, 66.
- Akudugu, M. A., Egyir, I. S., & Mensah-Bonsu, A. (2009). Women farmers' access to credit from rural banks in Ghana. *Agricultural Finance Review*.
- Asnawi, A. (2013). Determinant of funding accessibility and its impacts to the performance of beef-cow breeding enterprises in South Sulawesi Province, Indonesia. *European Journal of Business and Management*, 5(9), 77-84.
- Bennett, J. S., Boyle, P. A., James, B. D., & Bennett, D. A. (2012). Correlates of health and financial literacy in older adults without dementia. *BMC geriatrics*, 12(1), 1-9.
- Boot, A. W., & Thakor, A. V. (1994). Moral hazard and secured lending in an infinitely repeated credit market game. *International economic review*, 899-920.
- Buch, C. M., Driscoll, J. C., & Ostergaard, C. (2009). Cross-border diversification in bank asset portfolios. *International Finance, forthcoming*.
- Campero, A., & Kaiser, K. (2013). *Access to credit: awareness and use of formal and informal credit institutions* (No. 2013-07). Working Papers.
- Claessens, S., Ghosh, S. R., & Mihet, R. (2013). Macro-prudential policies to mitigate financial system vulnerabilities. *Journal of International Money and Finance*, 39, 153-185.
- Donaldson Jr, R. J. (1961). Radar reflectivity profiles in thunderstorms. *Journal of Atmospheric Sciences*, 18(3), 292-305.
- Gurley, J. G., & Shaw, E. S. (1960). *Money in a Theory of Finance* (No. 332.4/G97m).
- Hilgert, M. A., Hogarth, J. M., & Beverly, S. G. (2003). Household financial management: The connection between knowledge and behavior. *Fed. Res. Bull.*, 89, 309.

- Hodgeman, C. D. (1960). Tables for Identification of Organic Compounds; Supplement to Handbook for Chemistry and Physics. *Cleveland, Ohio, Chemical Rubber Publishing Co*, 157.
- Hyz, A. B. (2011). Small and medium enterprises (SMEs) in Greece-Barriers in access to banking services. An empirical investigation. *International Journal of Business and Social Science*, 2(2).
- Ibrahim, A. H., & Bauer, S. (2013). Access to micro credit and its impact on farm profit among rural farmers in dryland of Sudan. *Global Advanced Research Journal of Agricultural Science*, 2(3), 88-102.
- Joo, S. H., & Grable, J. E. (2004). An exploratory framework of the determinants of financial satisfaction. *Journal of family and economic Issues*, 25(1), 25-50.
- Jiang, X. F., Chen, T. T., & Zheng, B. (2014). Structure of local interactions in complex financial dynamics. *Scientific reports*, 4(1), 1-9.
- Kapteyn, A., & Wah, S. H. (2016). Challenges to small and medium-size businesses in Myanmar: What are they and how do we know?. *Journal of Asian Economics*, 47, 1-22.
- Karumbi, J., Mulaku, M., Aluvaala, J., English, M., & Opiyo, N. (2013). Topical umbilical cord care for prevention of infection and neonatal mortality. *The Pediatric infectious disease journal*, 32(1), 78.
- Kempson, E., McKay, S., & Collard, S. (2005). Incentives to save: Encouraging saving among low-income households. *Final report on the Saving Gateway pilot project, Personal Finance Research Centre, University of Bristol*.
- Khan, S. (2015). Impact of sources of finance on the growth of SMEs: evidence from Pakistan. *Decision*, 42(1), 3-10.
- Khandker, S. R., & Koolwal, G. B. (2016). How has microcredit supported agriculture? Evidence using panel data from Bangladesh. *Agricultural Economics*, 47(2), 157-168.
- Langat, R. C. (2013). *Determinants of lending to farmers by commercial banks in Kenya* (Doctoral dissertation, University of Nairobi).
- Lyons, A. C., Chang, Y., & Scherpf, E. (2006). Translating financial education into behavior change for low-income populations. *Journal of Financial Counseling and Planning*, 17(2).
- Mason, C. L. J., & Wilson, R. M. S. (2000). Conceptualising fi-financial literacy. *Occasional paper*, 7.

- Maurer, K. (2014). Where is the risk? Is agricultural banking really more difficult than other sectors?. In *Finance for Food* (pp. 139-165). Springer, Berlin, Heidelberg.
- Myay, C. (2016, August 20). *Amid hype, burma ranked one of the hardest places to do business*. The Irrawaddy. Retrieved October 18, 2022, from <https://www.irrawaddy.com/business/amid-hype-burma-ranked-one-hardest-places-business.html>
- Myers, S. C., & Majluf, N. S. (1984). Corporate financing and investment decisions when firms have information that investors do not have. *Journal of financial economics*, 13(2), 187-221.
- Ogolla, G. A. (2013). *Relationship between corporate social responsibility and financial performance of commercial banks in Kenya* (Doctoral dissertation, University of Nairobi).
- Pearlman, S. (2010). Flexibility matters: do more rigid loan contracts reduce demand for microfinance?.
- Pottow, J. (2011). Ability to pay. *Berkeley Bus. LJ*, 8, 175.
- Priyadharshini, S. H. (2017). From financial literacy to financial well-being: A study of the level of financial literacy of women teaching faculty in educational institutions in Coimbatore region. *Exclude quotes Off Exclude matches*, 1.
- Stotz, J. (2021, April 11). *Average and minimum salary in Yangon, Myanmar*. Check-in Price. Retrieved October 18, 2022, from <https://checkinprice.com/average-minimum-salary-yangon-myanmar/>
- Su, B., Gong, S., Ma, Z., Yap, L. W., & Cheng, W. (2015). Mimoso-inspired design of a flexible pressure sensor with touch sensitivity. *Small*, 11(16), 1886-1891.
- World Bank. (2017). *Doing business 2018: reforming to create jobs*. The World Bank.
- Wilkinson. (1999). Likert-type Scales. *Reporting and Interpreting Scores Derived*, 2-7.
- World Bank. (2018). *Poverty and shared prosperity 2018: Piecing together the poverty puzzle*.
- Yamane, T. (1973). *Statistics: an introductory analysis*-3.
- Zikmund-Fisher, B. J., Fagerlin, A., & Ubel, P. A. (2010). A demonstration of “less can be more” in risk graphics. *Medical Decision Making*, 30(6), 661-671.

General Administration Department, Yangon Division, Myanmar. (2019). Dagon Myothit (South) Township data 2019.

Ani Caroline Grigion Potrich & Kelmara Mendes Vieira & Wesley Mendes-Da-Silva, 2016. " Development of a financial literacy model for university students," Management Research Review, Emerald Group Publishing, vol. 39(3), pages 356-376, March.

Paola Bongini, Paola Iannello, Emanuela E. Rinaldi, Mariangela Zenga & Alessandro Antonietti.(2018).Empirical Research in Vocational Education and Training volume 10, Article number: 12 (2018).

Ning Tang, Andrew Baker, Paula C. Peter. (2015). Investigating the Disconnect between Financial Knowledge and Behavior: The Role of Parental Influence and Psychological Characteristics in Responsible Financial Behaviors among Young Adults.

Survey Questionnaire
A STUDY OF CREDIT ACCESSIBILITY OF SHOPKEEPERS IN
SOUTHDAGON TOWNSHIP

Dear Respondents,

This questionnaire is designed to collect information required to explore the credit accessibility of shopkeepers in Dagon Myothit (South) township. It would be kind of you if you could please involve in the survey by answering the questions.

Thank for your sharing valuable time to filling out this questionnaire.

Aung Saw Tun

MBF II- 3 (Day 2nd Batch)

Section (A) Demographic Profile of Respondents

1. Gender

- Male
- Female
- Other

2. Age

- Under 30
- 31-40 years
- 41-50 years
- Above 51

3. Marital Status

- Single
- Married
- Other

4. Educational Level

- Primary School
- Middle School
- High School
- Matriculation Exam Pass
- Undergraduate
- Graduate

5. Monthly Income

- Below 300,000
- 300,001 – 600,000
- 600,001 – 900,000
- Above 900,001

6. Business Information

- Own
- Rent
- Other

7. Duration of Business Operation

- Less than 1 years
- 1 to 5 years
- 6 to 10 years
- Over 10 years

Section (B) Descriptive Survey on the Study of Credit Accessibility of Shopkeepers in Dagon Myothit (South) Township. All the five options provided for the questions below will count as 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, and 5= strongly agree.

(1) Financial Knowledge

Sr. No.	Financial Knowledge	5	4	3	2	1
1	I have better understanding of how to manage my income.					
2	I am able to compare and contrast the different payment instruments.					
3	I have adequate knowledge of price changes on cost of living.					
4	I have better understand financial instruments (e.g. Bank service, microfinance, pawn etc.)					
5	I do financial planning for the future.					

(2) Financial Access

Sr. No.	Financial Access	5	4	3	2	1
1	I have several options for borrowing money whenever I need it.					
2	Several financial institutions are within my walking distance.					
3	When credit is required, I can easily access.					
4	I usually choose the lowest interest when I try to get the credit.					
5	I can access more finances by using my valuable asset.					

(3) Credit Awareness

Sr. No.	Credit Awareness	5	4	3	2	1
1.	I obtained free copies of their credit report once a month.					
2.	I often review my credit Income Level report on a monthly basis.					
3.	I can check my account transactions every day.					
4.	I check the entries and balance on the statement.					
5.	I check my receipts and spending records against the statement.					

(4) Credit Accessibility

Sr. No.	Credit Accessibility	5	4	3	2	1
1.	I can access credits from financial institutions.					
2.	The process of getting credit is easy.					
3.	I usually choose the shortest period of time to repay the loan.					
4.	I can access the loans to fund my business prospects.					
5.	Accessing credit has improved my economic and family status.					