FUNDING STARTUP ENTERPRISES: PROBLEMS FACED AND SOLUTIONS

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Dissertation submitted in partial fulfillment of the requirement for the degree Master of Science in Financial Mathematics

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October 2015
Declaration of the candidate & the supervisor

I declare that this is my own work and this Dissertation does not incorporate without acknowledgement any material previously submitted for a degree or Diploma in any other university or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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ACKNOWLEDGEMENT

I would like to express my sincere gratitude to my supervisor Ms. H.V.S de Silva Senior Lecturer Department of Mathematics, Senior Lecturer Mr. Rohana Dissanayake, and the senior lecturer Mr. T.M.J.A Coorey department of mathematics, University of Moratuwa for the utmost patience, guidance and tremendous support extended to pursue this study.

And also my heartfelt appreciation to my parents and my friends for the constant support and help provided which made me felt motivated and encouraged every time.

Thank You,

P.S Hettiarachchi
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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<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>SE</td>
<td>Startup Enterprises</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>POT</td>
<td>Pecking Order Theory</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resources</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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