

Section - 3

I

Comment on the various problem of the Small Scale industries in India.

Suggest some way to overcome such problems?

A

Small Scale Industries do not enjoy much of the advantage enjoyed by large scale enterprises because of their size and nature.

They face many problem problems in their functioning & many Small Scale Industries.

Problem faced in Small Scale Industries in India.

- I Poor Capacity utilization
- II Incompetent management
- III Inadequate finance.

IV Raw material shortage

V lack of marketing support

VI poor industrial relationship

Poor Capacity Utilization ↓

In many of the small scale industries, the capacity utilization is not enough. In installed capacity nearly half of the industries machines remain idle.

Capital is unnecessarily locked up and stop machinery ~~is also~~ also occupied space.

Incompetent management ↓

Many small scale industries are run in incompetent manner by poorly qualified entrepreneurs.

without much skill or experience.

Very little thought goes into matters such as demand, production level or financial, plant location

③ Inadequate finance g.

many small scale industries face the problem of scarcity of funds. They are not able to access the domestic capital market to raise resources. They are not able to tap foreign market by issuing D.P.

④ Raw material shortage g.

Raw material shortages are not available at the required quantity and quality. Since demand for raw material is more than the supply, the price of raw materials are quite high.

① Lack of marketing support - Small scale industries lack of market knowledge with regard to competitor, customer, preference market trend.

Since their production vol is small and can't meet demand for large quantities

Some way to overcome such problems

- ① Equitable allocation of raw material imported components and equipment
- ② Improvement in methods and technology of production
- ③ Provision for adequate finance
- ④ Marketing assistance
- ⑤ Provision for industrial education