STUDENTS LEVEL OF AWARNESS TOWARDS EDUCTION LOAN

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Abstract: *The study designed to analyze about students awareness level of various aspect for availing education loan such as Documentation procedure, Borrowing limit, Repayment schedule, Rate of interest, Time taken for loan sanctioned , To produce third party guarantee, Security demand, Time taken for disbursement, Submission of bank account statement, Should be an Indian National/ Indian citizenship, Parental maximum income limit, Percentage of marks required, Expenses covered and Rules and regulations of the RBI bank.*

Key words: **Education loan, Awareness, Students and Bank**

1. INTRODUCTION

Education loans are the scheme followed by aims at providing financial support from the banking system to deserving and merit students for pursuing higher education in India and abroad. The main emphasis is every meritorious student though poor is providing an opportunity to pursuing education with the financial support from banking system with affordable terms and conditions. By this way, the deserving student can claim the opportunity to pursue higher education with sufficient financial support of commercial banks.

2. SIGNIFICANCE OF THE STUDY

The study attempts to analyze the various bankers providing financial assistance to the students pursuing higher education and on the other side to study the student's level of awareness with regard to education loan.

3. RESEARCH GAP

There are many banks giving priority for the contribution to support the financially weaker student's community. So based on the earlier studies, no specific study has been taken about the level of awareness of education loan.

4. REVIEW OF LITRATURE

Navaneetha (2014), conclude that education has a significant role in the Indian Economy. Higher education is increasing with the new paradigm. Higher education involves creation of intellects of world standards and also training of skilled human power at mass level without compromising on quality. Education has become a costly affair recently. It is met by the nationalized and private sector banks through educational system. The study has been

approached from the point of view students / customers in Coimbatore, who intended to avail the education loan offered by the State Bank of India. The study discusses on detail about the factors motivating the students to borrow their money from State Bank of India.

Geetha Rani. P (2016), in the article titled " Financing Higher Education and Education Loans in India Trends and Troubles ", attempts to investigate the trends in financing higher education which convey that student loans is the dominating source of financing higher education in India. It is concluded that fees, scholarships and student loans need to be examined in the context of increasing cost and role of markets in higher education along with affordability within the domain of family characteristics.

Jayadev.M(2017), in the article titled " An Analysis of Educational Loans" , found that educational loans are a relatively new phenomenon when it comes to funding higher education in India. There has been a significant rise in the volume of outstanding educational loans with an annual growth rate of 12% since March 2008. Banks are concerned about increasing non-performing assets with respect to educational loans. This paper argued for a statutory framework that addresses all aspects of funding higher education through loans and scholarships.

Haneman Victoria J(2017), studied "Invisible Student Loan Debt and the Mortgage Interest Deduction (July 16, 2017)". A brief overview of student loan borrowing generally, as well as the student loan interest deduction available to student loan borrowers, is provided in Section I of this Article. Section II starts with a brief overview the housing finance system in the United States, but also explores the upside-down way in which homeownership through debt is subsidized through the Internal Revenue Code: a tax deduction that misallocates benefits to higher-earning taxpayers at the expense of lower and middle income taxpayers. Examples illustrating the tax consequences of student loan interest and home mortgage interest are introduced in Section III.

5. OBJECTIVES OF THE STUDY

To know the level of awareness towards education loan among the students.

6. HYPOTHESES

H_0 : Mean awareness does not differ based on socio economic factors of the students.

7. RESEARCH METHODOLOGY

7.1 Source of Collection of Data

The present study has been used primary data. The primary data were collected from the 530 students who have availed loan of various commercial banks in Coimbatore District, who were assisted by the both public sector and private sector banks by using structured questionnaire.

7.2 Sampling technique and tools

The sampling technique used for this research study is Convenient Sampling Method. 't' Test and Analysis of Variance (ANOVA) are employed for analyzing data.

8. LIMITATIONS OF THE STUDY

- Geographical area is restricted to Coimbatore District,
- The sample size has been restricted to only 530 respondents for al loan availed from both public and private sector banks. So it is very less comparatively to the total population

9. FINDINGS OF THE STUDY - LEVEL OF AWARENESS ON EDUCATION LOAN

Student's level of awareness on education loan has been measured by assigning scores to questions relating to educational loan. Fourteen such questions are included in the questionnaire. Answers to the questions have been rated on a five-point scale. The scores allotted to the answers range from one to five. Thus, the maximum score a student would get is seventy. Score obtained by each student is divided by 70 and multiplied by 100 to convert it into an index. This index is termed as 'Awareness index'. The index ranges between 40.00 and 100.00 and the grand mean of awareness index is 68.43. Based on the awareness index, the students have been divided into three groups as student with low, moderate and high level of awareness. In order to classify the students into three such groups, quartiles have been made use of. Accordingly, students with awareness index ranging up to 58.88 are termed as students with low level of awareness, those with awareness index ranging between 58.89 and 77.97 are termed as students with moderate level of awareness and those students with awareness index above 77.97 are termed as students with high level of awareness. Of the 530 students, 78 (14.70%) students are with low level of awareness, 366 (69.10%) students are with moderate level of awareness and the rest 86 (16.20%) students are with high level of awareness.

9.1 Gender

To ascertain whether there exists any difference in the mean values of Awareness index between the two groups of students classified based on gender, the following hypothesis is framed and tested.

H_o: Mean awareness does not differ among students classified on the basis of gender motivators.

Table 9.1

Gender and Level of Awareness

Gender	Number of Students	Awareness	Standard Deviation	Minimum	Maximum
Male	216	71.04	10.64	45.71	100.00
Female	314	66.63	8.28	40.00	97.14
Total	**530**	**68.43**	**9.55**	**40.00**	**100.00**
Df: 528	**'t' Value: 5.350**		**P Value: .000**		**Significant**

Source: Primary Data

Mean awareness is found high among male students. Mean awareness is found low among female students. As the calculated P value is less than 0.01, there exists a significant mean difference among students classified on the basis of gender. Hence, null hypothesis is rejected.

9.2 Age

To ascertain whether there exists any difference in the mean values of Awareness index among three groups of students classified based on Age, the following hypothesis is framed and tested.

H_o: Mean awareness does not differ among students classified on the basis of age.

Table 9.2

Age and Level of Awareness

Age (Years)	Number of Students	Awareness	Standard Deviation	Minimum	Maximum
Up to 20	288	67.11	9.29	40.00	100.00
21 to 25	200	70.69	8.98	45.71	97.14
Above 25	42	66.67	11.92	50.00	85.71
Total	**530**	**68.43**	**9.55**	**40.00**	**100.00**
Df: ν_1 2, ν_2 527		**F Value: 9.346**	**P Value: .000**		**Significant**

Source: Primary Data

Mean awareness is found high among students, whose age ranges from 21 to 25 years. Mean awareness is found low among students, who are above the age of 25 years. As the calculated P value is less than 0.01, there exists a significant mean difference among students classified on the basis of age. Hence, null hypothesis is rejected.

9.3 Area of Residence

To ascertain whether there exists any difference in the mean values of Awareness index among three groups of students classified based on Area of Residence, the following hypothesis is framed and tested.

H_o: Mean awareness does not differ among students classified on the basis of community.

Table 9.3

Area of Residence and Level of Awareness

Area of Residence	Number of Students	Awareness	Standard Deviation	Minimum	Maximum
Urban	196	72.08	9.66	50.00	100.00
Semi- urban	214	65.54	7.81	45.71	97.14
Rural	120	67.61	10.30	40.00	100.00
Total	**530**	**68.43**	**9.55**	**40.00**	**100.00**
Df: ν_1 2, ν_2 527		**F Value: 26.979**	**P Value: .000**		**Significant**

Source: Primary Data

Mean awareness is found high among students, who reside in urban area. Mean awareness is found low among students, who reside in semi-urban area. As the calculated P value is less than 0.01, there exists a significant mean difference among students classified on the basis of area of residence. Hence, null hypothesis is rejected.

9.4 Percentage of Mark Obtained

To ascertain whether there exists any difference in the mean values of Awareness index among various groups of students classified based on percentage of marks obtained, the following hypothesis is framed and tested.

H_o: Mean awareness does not differ among students classified on the basis of percentage of Marks Scored.

Table 9.4

Percentage of Marks and Level of Awareness

Percentage of Marks Obtained	Number of Students	Awareness	Standard Deviation	Minimum	Maximum
50-60	40	66.20	10.55	50.00	97.14
60-70	130	69.14	9.95	45.71	90.00
70-80	140	70.37	9.37	57.14	100.00
Above 80	220	71.57	8.79	40.00	94.29
Total	**530**	**68.43**	**9.55**	**40.00**	**100.00**
Df: ν_1 3, ν_2 526		**F Value: 7.888**	**P Value: .000**		**Significant**

Source: Primary Data

Mean awareness is found high among students, who scored more than 80 percent of marks. Mean awareness is found low among students, who score 50 to 80 percent of. As the calculated P value is less than 0.01, there exists a significant mean difference among students classified on the basis of percentage of marks scored. Hence, null hypothesis is rejected.

9.5 Earning Members

To ascertain whether there exists any difference in the mean values of Awareness index among three groups of students classified based on earning members, the following hypothesis is framed and tested.

H_o: Mean awareness does not differ among students classified on the basis of earning members.

Table 9.5

Earning Members and Level of Awareness

Earning Members	Number of Students	Awareness	Standard Deviation	Minimum	Maximum
One	216	71.55	9.67	45.71	100.00
Two	117	69.40	10.73	40.00	90.00
Above Two	197	64.42	6.94	52.86	97.14
Total	**530**	**68.43**	**9.55**	**40.00**	**100.00**
Df: ν_1 2, ν_2 527		**F Value: 33.043**	**P Value: .000**		**Significant**

Source: Primary Data

Mean awareness is found high among students, who have one earning member in their family. Mean awareness is found low among students, who have more than two earning members in their family. As the calculated P value is less than 0.01, there exists a significant

mean difference among students classified on the basis of number of earning members in their family. Hence, null hypothesis is rejected.

9.6 Parental Occupation

To ascertain whether there exists any difference in the mean values of Awareness index among various groups of students classified based on parental occupation, the following hypothesis is framed and tested.

H_o: Mean awareness does not differ among students classified on the basis of parental occupation.

Table 9.6

Parental Occupation and Level of Awareness

Parental Occupation	Number of Students	Awareness	Standard Deviation	Minimum	Maximum
Daily Wage Earner	126	65.64	9.47	50.00	97.14
Agriculturists	86	68.84	10.22	50.00	94.29
Govt. Employee	48	73.27	12.13	40.00	100.00
Pvt. Employee	184	68.12	8.42	57.14	100.00
Business	66	68.18	9.16	45.71	85.71
Professional	20	67.33	8.53	57.14	81.43
Total	**530**	**68.43**	**9.55**	**40.00**	**100.00**
Df: ν_1 5, ν_2 524		**F Value: 3.294**	**P Value: .006**		**Significant**

Source: Primary Data

Mean awareness is found high among students, whose parents are Government employees. Mean awareness is found low among students, whose parents are daily wage earners. As the calculated P value is less than 0.01, there exists a significant mean difference among students classified on the basis of parental occupation. Hence, null hypothesis is rejected.

9.7 Annual Income

To ascertain whether there exists any difference in the mean values of Awareness index among various groups of students classified based on annual income, the following hypothesis is framed and tested.

H_o: Mean awareness does not differ among students classified on the basis of annual income.

Table 9.7

Annual Income and Level of Awareness

Annual Income	Number of Students	Awareness	Standard Deviation	Minimum	Maximum
Up to 1,00,000	196	67.21	9.90	50.00	94.29
1,00,001-2,00,000	226	67.86	9.35	40.00	100.00
2,00,001-5,00,000	88	70.84	8.45	45.71	87.14
Above 5,00,000	20	76.14	8.00	60.00	85.71
Total	**530**	**68.43**	**9.55**	**40.00**	**100.00**
Df: ν_1 3, ν_2 526		**F Value: 7.843**	**P Value: .000**		**Significant**

Source: Primary Data

Mean awareness is found high among students, whose annual family income ranges above Rs. 5,00,000. Mean awareness is found low among students, whose annual family income ranges up to Rs. 1,00,000. As the calculated P value is less than 0.01, there exists a significant mean difference among students classified on the basis of annual income. Hence, null hypothesis is rejected.

9.8 First Generation Graduate

To ascertain whether there exists any difference in the mean values of Awareness index between the two groups of students classified based on first generation, the following hypothesis is framed and tested.

H_o: Mean awareness does not differ among students classified on the basis of first generation.

Table 9.8

First Generation Graduate and Level of Awareness

First Generation	Number of Students	Awareness	Standard Deviation	Minimum	Maximum
Yes	354	67.24	9.03	45.71	100.00
No	176	70.83	10.14	40.00	100.00
Total	**530**	**68.43**	**9.55**	**40.00**	**100.00**
Df: 528	**'t' Value: -4.137**		**P Value: .000**		**Significant**

Source: Primary Data

Mean awareness is found high among students, who are not first generation graduates. Mean awareness is found low among students, who are first generation graduates. As the calculated P value is less than 0.01, there exists a significant mean difference among students classified on the basis of first generation. Hence, null hypothesis is rejected.

9.9 Type of Course

To ascertain whether there exists any difference in the mean values of Awareness index among three groups of students classified based on course, the following hypothesis is framed and tested.

H_o: Mean awareness does not differ among students classified on the basis of course of study.

Table 9.9

Type of Course and Level of Awareness

Type of Course	Number of Students	Awareness	Standard Deviation	Minimum	Maximum
Engineering	238	69.41	11.07	40.00	100.00
Arts & Science	226	66.23	7.28	45.71	90.00
Professional	66	72.42	8.72	57.14	84.29
Total	**530**	**68.43**	**9.55**	**40.00**	**100.00**
Df: ν_1 2, ν_2 527		**F Value: 13.601**	**P Value: .000**		**Significant**

Source: Primary Data

Mean awareness is found high among students, who pursue professional courses. Mean awareness is found low among students, who pursue Arts and Science courses. As the calculated P value is less than 0.01, there exists a significant mean difference among students classified on the basis of course of study. Hence, null hypothesis is rejected.

9.10 Duration of Course

To ascertain whether there exists any difference in the mean values of Awareness index among various groups of students classified based on duration of course, the following hypothesis is framed and tested.

H_o: Mean awareness does not differ among students classified on the basis of duration of course.

Table 9.10

Duration of Course and Level of Awareness

Duration of Course	Number of Students	Awareness	Standard Deviation	Minimum	Maximum
Two	68	72.02	8.91	57.14	84.29
Three	214	66.33	7.32	45.71	90.00
Four	238	69.41	11.07	40.00	100.00
Five	10	65.71	6.53	60.00	77.14
Total	**530**	**68.43**	**9.55**	**40.00**	**100.00**
Df: ν_1 3, ν_2 526		**F Value: 8.050**	**P Value: .000**		**Significant**

Source: Primary Data

Mean awareness is found high among students, who pursue two year course. Mean awareness is found low among students who pursue five year course. As the calculated P value is less than 0.01, there exists a significant mean difference among students classified on the basis of duration of course. Hence, the null hypothesis is rejected.

9.11 Nature of Institution

To ascertain whether there exists any difference in the mean values of Awareness index among various groups of students classified based on nature of institution, the following hypothesis is framed and tested.

H_o: Mean awareness does not differ among students classified on the basis of nature of institution.

Table 9.11

Nature of Institution and Level of Awareness

Nature of Institution	Number of Students	Awareness	Standard Deviation	Minimum	Maximum
Government	98	69.58	11.76	40.00	91.43
Aided	90	69.27	8.30	58.57	100.00
Self finance	303	67.78	8.92	52.86	100.00
University	39	68.64	10.73	45.71	94.29
Total	**530**	**68.43**	**9.55**	**40.00**	**100.00**
Df: ν_1 3, ν_2 526		**F Value: 1.180**	**P Value: .317**		**Not Significant**

Source: Primary Data

Mean awareness is found high among students, who pursue their higher studies at Government colleges. Mean awareness is found low among students, who pursue their higher studies at Self finance colleges. As the calculated P value is greater than 0.05, there does not exist any significant mean difference among students classified on the basis of duration of course. Hence, null hypothesis is accepted.

- Mean awareness is found high among male students. Mean awareness is found low among female students. The result of t- test disclosed that there exists a significant mean difference among students classified on the basis of gender.
- Mean awareness is found high among students, whose age ranges from 21 to 25 years. Mean awareness is found low among students, who are above the age of 25 years. The result of ANOVA disclosed that there exists a significant mean difference among students classified on the basis of age.
- Mean awareness is found high among students, who belong to general community. Mean awareness is found low among students, who belong to Scheduled Tribe community. The

result of ANOVA disclosed that there exists a significant mean difference among students classified on the basis of community.

- Mean awareness is found high among students, who reside in urban area. Mean awareness is found low among students, who reside in semi urban area. The result of ANOVA disclosed that there exists a significant mean difference among students classified on the basis of area of residence.
- Mean awareness is found high among students, who scored more than 80 percent of marks. Mean awareness is found low among students, who score 50 to 80 percent of. The result of ANOVA disclosed that there exists a significant mean difference among students classified on the basis of percentage of marks scored.
- Mean awareness is found high among students, who have one earning member in their family. Mean awareness is found low among students, who have more than two earning members in their family. The result of ANOVA disclosed that there exists a significant mean difference among students classified on the basis of number of earning members in their family.
- Mean awareness is found high among students, whose parents are Government employee. Mean awareness is found low among students, whose parents are daily wage earners. The result of ANOVA disclosed that there exists a significant mean difference among students classified on the basis of parental occupation.
- Mean awareness is found high among students, whose annual family income ranges above Rs. 5,00,000. Mean awareness is found low among students, whose annual family income ranges up to Rs. 1,00,000. The result of ANOVA disclosed that there exists a significant mean difference among students classified on the basis of annual income.
- Mean awareness is found high among students, who are not first generation graduates. Mean awareness is found low among students, who are first generation graduates. The result of t-test disclosed that there exists a significant mean difference among students classified on the basis of first generation.
- Mean awareness is found high among students, who pursue professional courses. Mean awareness is found low among students, who pursue Arts and Science course. The result of ANOVA disclosed that there exists a significant mean difference among students classified on the basis of course of study.
- Mean awareness is found high among students, who pursue two year course. Mean awareness is found low among students, who pursue five year course. The result of ANOVA disclosed that there exists a significant mean difference among students classified on the basis of duration of course.
- Mean awareness is found high among students, who pursue their higher studies at Government colleges. Mean awareness is found low among students, who pursue their higher studies at Self finance colleges. The result of ANOVA disclosed that there does not exists any significant mean difference among students classified on the basis of duration of course.

10. CONCLUSION

Education is the backbone of a cultured society, but it has become more commercial or money-making and in order to ensure the best possible education, it is an expensive affair, because the Aided, the Government and the Self-financing colleges follow different fee level from their students. At the same time all the students are not supportive of this fee structure. So, there is a need of education loan for their studies. The current study also attempted to focus students level of awareness on education loan.

It is concluded that the banker should create more awareness through various sources of media about the factors considered for sanctioning education loan that the students are unaware of various aspects like period for loan processing, eligibility Criteria, Adequacy of loan sanctioned, repayment schedule, third party guarantee, expenses covered, RBI rules and regulations and collateral securities.

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