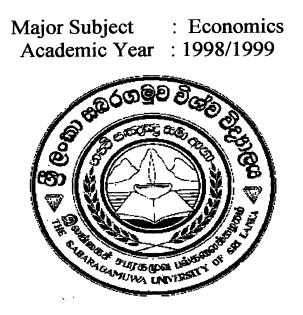
The role of Small and Micro Industries Leader and Entrepreneur promotion project (SMILE 11) in the development of the small and micro scale entrepreneurs. (Based on Commercial Bank of Ceylon limited, Minuwangoda)

The report submitted to the Department of Social Sciences in partial fulfillment of the requirements of B.A (Special) Social Sciences Specialized in



Registration Number: **98/SL/112** Examination index Number: **EA 749**

Department of Social Sciences. Faculty of Social Sciences And Languages

SABARAGAMUWA UNIVERSITY OF SRI LANKA BELIHULOYA 70140

The role of Small and Micro Industries Leader and Entrepreneur promotion project (SMILE 11) in the development of the small and micro scale

entrepreneurs.

(Based on Commercial Bank of Ceylon limited, Minuwangoda.)

Academic Year: 1998/1999

This is to certify that this report is submitted in partial fulfillment of B.A Social Sciences (Special) Degree program.

Signature of Head

.....

Date.....

This is to certify that this report or part of it has not been submitted to any other institution and I have given due references to all published materials used in this report

Student's Signature M.A. Denarding

Date ... 19 1.03 1 8 002

Department of Social Sciences.

i

Dedicated

То

My Beloved

Parents & Teachers

.

Acknowledgement

It is my obligation to acknowledge the wisdom and counsel of generous people who have helped me to complete this project. My special thanks goes to Prof. I. K Perera, Vice Chancellor of the Sabaragamuwa University of Sri Lanka for providing the instructions and making the necessary arrangements for this dissertation.

In particularly I would like to thank Prof. Rajiva Wijesinghe, Dean of the faculty of Social Sciences and Languages, for extending the due date.

I would like to convey my special thank to Dr. J.M.N.G Samarakoon for her guidance and supervision and I should also thank for all the other economics lecturers.

I want to thank particularly Manager, SMI unit, Commercial Bank of Ceylon Ltd. (Head Office), Colombo.

I'm particularly thankful to Manager, Commercial Bank of Ceylon Ltd, Minuwangoda.

I would like to thank staff members of the Commercial Bank of Ceylon Ltd, Minuwangoda.

I'm grateful to thank Mr. Sisira Lokugamage, Commercial Bank of Ceylon Ltd, (Head Office), for the assistance given me to accomplish my objective.

I would like to thank Pathmini Communication for the computing assistance. I'm grateful to my colleagues for comments and questions, which stimulated further research and deeper understanding of this project.

I'm indebted to all my lecturers, friends and well wishes of mine who have given valuable suggestions in this research project.

Contents

| Dedication | i |
|-----------------|-----|
| Declaration | ii |
| Acknowledgement | iii |
| List of Tables | iv |
| List of Figures | v |
| Abbreviations | vi |

Chapter 1

Introduction

| 1.1 Introduction | 2 |
|-----------------------------|---|
| 1.2 Description of the Area | 6 |
| 1.3 Objectives | 8 |
| 1.4 Research question | 8 |
| 1.5 Methodology | 8 |
| 1.6 Limitations | 9 |
| 1.7 Chapter Outline | 9 |
| · | |

Chapter 2

.

| Role of Entrepreneur in Economic Development | | | |
|--|----|--|--|
| 2.1 Introduction | 12 | | |
| 2.2 Who is an Entrepreneur? | 12 | | |
| 2.3 Characteristics of an Entrepreneur | 14 | | |
| 2.4 Functions of an Entrepreneur | 16 | | |
| | | | |

| 2.5 Types of Entrepreneurs | 17 |
|--|----|
| 2.6 Growth of Entrepreneurs | 18 |
| 2.7 Entrepreneurship in Economic Development | 19 |
| 2.8 Entrepreneurial Development | 21 |

Chapter 3

| Operating Instructions of SMILE II | |
|---|----|
| 3.1 Introduction | |
| 3.1.1 GLS | 25 |
| 3.1.2 TTAS | 25 |
| 3.1.3 Definitions | 26 |
| 3.2 Eligibility Criteria | |
| 3.2.1 Sub – Loans Eligibility | 26 |
| 3.2.2 Refinance Loan Eligibility | 27 |
| 3.3 Credit Conditions | |
| 3.3.1 Sub – Loans | 28 |
| 3.3.2 Refinance Loans | 29 |
| 3.4 Approval Procedure | |
| 3.4.1 Free limit for approval | 30 |
| 3.4.2 Documents | 30 |
| 3.4.3 PCI Appraisal formats | 31 |
| 3.4.4 Routing through head office | 31 |
| 3.4.5 Timing | 31 |
| 3.4.6 Decision by NDB | 32 |

3.5 Disbursement Procedure

| 3.5.1 Capital Contribution | 32 |
|---|----|
| 3.5.2 Maximum number of disbursement applications | 33 |
| 3.5.3 Automatic Cancellation | 33 |
| 3.5.4 Allocation of funds | 33 |
| 3.6 Repayment and Follow – Up | |
| 3.6.1 Sub project supervision | 33 |
| 3.6.2 Pre settlements | 34 |
| 3.6.3 Rescheduling of loans | 34 |

.

. .

Chapter 4

Data Analysis

| - | |
|--|------|
| 4.1 Educational Status | 38 |
| 4.2 Members of the family | 39 |
| 4.3 Status and type of Business | 39 |
| 4.4 SMILE II Loan | 41 |
| 4.5 Performances Before and After SMILE II | 44 |
| 4.6 Advantages of SMILE II | 47 |
| 4.7 Regional Development | 48 |
| 4.8 Relief provided by the Bank | . 48 |
| 4.9 Suggestions to develop the Bank | 49 |
| Chapter 5 | |
| Conclusions and Recommendations | |
| 5.1 Conclusions | 51 |
| 5.2 Recommendations | 52 |
| | |

Annexure

.

٠