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A Study on Problems and Challenges of Young Business Entrepreneurs in Selected Districts of Karnataka

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ABSTRACT:

Entrepreneurship plays an important role in employment generation, innovation, income creation and economic development. Young business entrepreneurs are particularly important because they contribute to new business creation, technological adoption and local economic activity. However, young entrepreneurs often encounter financial, institutional and business-support constraints that may affect their ability to establish, manage and sustain their enterprises. Against this background, the present study examines the problems and challenges faced by young business entrepreneurs in selected districts of Karnataka, with particular emphasis on finance-related and support-related problems. The study covers six districts, namely Bengaluru, Tumakuru, Shivamogga, Chitradurga, Chikkamagaluru and Mysuru. A descriptive research design was adopted, and primary data were collected from 400 young business entrepreneurs using a structured questionnaire and a five-point Likert scale. The questionnaire covered twelve finance-related variables and twelve support-related variables. The data were analysed using descriptive statistics and multiple regression analysis. The finance-related regression model produced an R value of 0.886 and an R^2 of 0.784, indicating that 78.4% of the variation in the dependent variable was explained by the finance-related variables. The model was statistically significant with $F = 117.325$ and $p < 0.001$. Lack of adequate initial capital, difficulty obtaining bank loans, high interest rates, difficulty obtaining supplier credit and cash-flow management were among the statistically significant factors. The support-related regression model demonstrated an R value of 0.972 and an R^2 of 0.945, explaining 94.5% of the variation in the dependent variable. The model was statistically significant with $F = 556.530$ and $p < 0.001$. Marketing and promotional support, incubation and start-up support, technology and digital support, training and skill development, and entrepreneurship-development programmes showed statistically significant relationships. The study concludes that improving access to finance, strengthening entrepreneurial support systems, expanding training and incubation facilities, enhancing marketing assistance and promoting digital capabilities are important areas for supporting young entrepreneurs. The findings provide useful implications for policymakers, financial institutions, educational institutions, incubation centres and entrepreneurship-support organisations in Karnataka.

Keywords: *Young Entrepreneurs; Finance-related Problems; Support-related Problems; Entrepreneurship Development; MSMEs; Karnataka.*

1. INTRODUCTION

Entrepreneurship plays an important role in economic development by promoting innovation, generating employment, mobilising resources and creating new sources of income. Young business entrepreneurs are particularly important because they introduce new ideas, adopt emerging technologies and contribute to the development of competitive business activities. Start-ups and young enterprises can also contribute to employment creation and economic dynamism. The OECD notes that start-ups and scale-ups are important drivers of innovation and job creation, while entrepreneurship policies increasingly focus on finance, training, mentoring, incubation and business advice. Despite their potential, young entrepreneurs often encounter several problems during the establishment and development of their businesses. Finance is one of the most significant challenges. New entrepreneurs may have limited personal savings, inadequate initial capital, insufficient collateral and limited credit history. Consequently, obtaining bank loans and working capital can be difficult. High interest rates, lengthy loan-processing procedures and difficulties in accessing alternative sources such as venture capital and angel investment may further constrain business growth. The OECD identifies information asymmetries, high transaction costs, insufficient financial knowledge and dependence on bank finance as continuing challenges for SMEs and entrepreneurs. Financial difficulties are also connected with the ability of entrepreneurs to manage cash flows and meet the increasing cost of business operations. Young entrepreneurs may lack adequate financial planning and advisory support, making it difficult to estimate capital requirements, manage working capital and select suitable sources of finance. The availability of appropriate and affordable finance is therefore important throughout the business life cycle, from start-up to expansion. Apart from finance, young entrepreneurs require a supportive entrepreneurial ecosystem. Government assistance, entrepreneurship development programmes, mentoring, training, incubation facilities, market information, networking opportunities and technology support can influence their ability to establish and sustain businesses. The OECD describes entrepreneurial ecosystems as involving interconnected institutions, organisations, infrastructure, policies, regulations, finance, networks and advisory resources. Business support

services are particularly relevant for young entrepreneurs who may have limited managerial and entrepreneurial experience. The ILO emphasises entrepreneurship development through business management training and business services, including programmes designed to help individuals start and improve small businesses. Similarly, incubators can provide coaching, mentoring, technical assistance, networking, facilities and access to finance. Against this background, the present study examines the problems and challenges faced by young business entrepreneurs, with particular emphasis on finance-related problems and support-related problems. The study considers twelve finance-related variables and twelve support-related variables to understand the major constraints experienced by young entrepreneurs in establishing, managing and developing their businesses.

2. LITERATURE REVIEW

The literature on entrepreneurship indicates that the development and sustainability of young businesses are influenced by financial, institutional, managerial and environmental factors. Among these, access to finance and availability of business support have received considerable attention because young enterprises frequently operate with limited resources and experience (Ministry of MSME, 2025; ILO & IHD, 2024; SIDBI, 2024). Access to finance is widely recognised as an important prerequisite for business creation, development and growth. The Ministry of Micro, Small and Medium Enterprises (2025) highlights the importance of adequate financial support for the development and sustainability of MSMEs in India. Similarly, SIDBI (2024) emphasises the continuing importance of appropriate financing for MSMEs at different stages of business development. Rajamani et al. (2022) found that access to finance remains a significant challenge for Indian MSMEs, particularly because of difficulties associated with formal financing mechanisms and financial requirements. Information asymmetries, high transaction costs, limited financial skills and dependence on bank finance continue to create financing difficulties. These issues are particularly relevant to young entrepreneurs because newly established businesses may have limited operating history and fewer assets that can be offered as security (Rajamani et al., 2022; Malepati et al., 2022). The Economic Survey 2024–25 also recognises the importance of improving the business environment and financial access for enterprises in India (Ministry of Finance, 2025). Bank finance remains an important source of external funding for small businesses. However, young entrepreneurs may face difficulties in obtaining bank loans because financial institutions assess creditworthiness, repayment capacity and security requirements. Rajamani et al. (2022) identified access to finance as a continuing challenge for MSMEs in India, while Malepati et al. (2022) examined the determinants affecting access to finance among MSMEs in Andhra Pradesh. These studies indicate that institutional financing conditions can influence the ability of small enterprises to obtain external finance. The cost of borrowing can influence the financial viability of young enterprises. Higher interest rates increase debt-servicing costs and may discourage entrepreneurs from borrowing for investment and expansion. The Reserve Bank of India (2025) provides evidence on the changing financial and credit environment in India, while SIDBI (2025) highlights the financing conditions affecting the MSME sector. Consequently, the cost and availability of borrowed funds remain relevant considerations for young entrepreneurs. Adequate initial capital is essential for establishing a business because entrepreneurs must meet expenses relating to equipment, premises, inventory, registration, employees and marketing. After establishment, working capital becomes necessary for meeting regular operating expenses. Insufficient working capital can create difficulties in paying suppliers, employees and other business obligations. The Ministry of MSME (2025) and SIDBI (2025) emphasise the importance of financial resources for sustaining MSME activities. Gang et al. (2022) further discuss the relationship between access to finance and entrepreneurship in the Indian informal sector. Young entrepreneurs may also experience limited access to venture capital, angel investment and other non-bank sources of finance. Alternative sources of finance are particularly relevant to innovative and growth-oriented enterprises. The Indian startup ecosystem has expanded considerably, with Startup India and DPIIT providing institutional support for startups and entrepreneurial ventures (DPIIT, 2026; Startup India, 2026). Kaur et al. (2024) examine the role of incubators and accelerators in India's FinTech entrepreneurial ecosystem, while Safiullah et al. (2024) discuss the economic impact of the Indian startup ecosystem. NASSCOM and Zinnov (2024, 2025) also highlight developments and challenges in the Indian technology startup ecosystem. Financial management is another important dimension of entrepreneurial success. Entrepreneurs must estimate financial requirements, monitor revenues and expenditures, maintain liquidity and plan future investments. Lack of financial planning and difficulty in managing cash flows can therefore become significant internal constraints for young businesses. The Ministry of MSME (2025) and SIDBI (2024, 2025) emphasise the importance of financial capability and access to appropriate financial resources for MSME development. Khari et al. (2026) specifically examine determinants associated with access to finance and entrepreneurial intention among young entrepreneurs in Gurugram. Government financial schemes, subsidies and other forms of public assistance can help entrepreneurs overcome financing constraints. However, the availability of a scheme does not necessarily guarantee access. Entrepreneurs may lack awareness about eligibility requirements, application procedures or documentation. The Government of India has introduced several initiatives to support entrepreneurship, MSMEs and startups (Ministry of MSME, 2025; Ministry of Finance, 2025; DPIIT, 2026). The Startup India initiative also provides information relating to startup recognition and ecosystem support (Startup India, 2026). Therefore, awareness and accessibility of government financial schemes constitute important dimensions of finance-related entrepreneurial problems. Entrepreneurial development depends not only on financial resources but also on the wider institutional environment. Government agencies, financial institutions, universities, business associations and other organisations can provide information, training, advice and infrastructure. NITI Aayog (2025) and the Ministry of MSME (2025) highlight the importance of institutional and policy support for entrepreneurship and enterprise development. The entrepreneurial ecosystem approach also emphasises the interaction between institutions, finance, infrastructure, networks, knowledge and policy support (Safiullah et al., 2024). Lack of adequate government or institutional support can therefore restrict entrepreneurial development. The Startup India initiative and the State Startup Ecosystem Ranking provide examples of institutional mechanisms designed to strengthen entrepreneurial ecosystems in India (DPIIT, 2026; Startup India, 2026). Nagar and Ahmad (2024) discuss the role of the Startup India Scheme in fostering entrepreneurship and innovation in India. Training and entrepreneurship development programmes can improve knowledge relating to business planning, financial management, marketing, human resources and operations. The International Labour Organization (2024) emphasises entrepreneurship and SME management training as an important mechanism for helping individuals start and improve businesses. The India Employment Report also highlights the importance of education, skills and employment opportunities for young people in India (ILO & IHD, 2024).

Singh (2023) identifies several challenges faced by startup entrepreneurs and highlights the relevance of entrepreneurial capabilities and ecosystem support. Mentoring provides entrepreneurs with access to experience, knowledge and practical guidance. Young entrepreneurs may benefit from experienced business owners, consultants, industry experts and professional networks. Khokhawala and Iyer (2024) examine entrepreneurial networking within the Indian entrepreneurial ecosystem and demonstrate the relevance of relationships and networks in entrepreneurial development. Safiullah et al. (2024) similarly emphasise ecosystem relationships and institutional connections in the development of India's startup environment.

Business incubators and accelerators have become important components of entrepreneurial ecosystems. They can provide physical facilities, coaching, mentoring, technical assistance, networking, peer learning, testing facilities and, in some cases, access to finance. Kaur et al. (2024) examine the role of incubators and accelerators in India's FinTech entrepreneurial ecosystem. The development of startup-support mechanisms under Startup India further demonstrates the increasing importance of incubation and institutional support for emerging enterprises (DPIIT, 2026; Startup India, 2026). Business networks enable entrepreneurs to establish relationships with suppliers, customers, investors, institutions and other entrepreneurs. Access to market and business information can similarly help entrepreneurs understand customer preferences, competitors, prices and emerging opportunities. Khokhawala and Iyer (2024) emphasise the importance of entrepreneurial networking in the Indian entrepreneurial ecosystem. Safiullah et al. (2024) also identify ecosystem relationships and institutional connections as relevant to startup development. Therefore, limited networking opportunities and difficulty accessing market information may constrain business development. Marketing support can assist young entrepreneurs in developing product visibility, customer relationships and market reach. Singh (2023) identifies market-related and ecosystem-related challenges among startup entrepreneurs, while Ray (2024) discusses the growth of the Indian startup ecosystem and the importance of an enabling entrepreneurial environment. At the same time, technology and digital capabilities have become increasingly important for business operations, communication, marketing and access to markets. Naganjani and Sita (2023) examine digital competency among Indian MSMEs and highlight the growing importance of digital capabilities in the era of Digital India. Gupta and Agarwal (2023) examine the role of digital financial services for Indian MSMEs. Pandey and Jaiswal (2023) discuss the digitalisation of the MSME sector and related policy initiatives and challenges. Mandal and Singh (2023) further examine digital and innovative entrepreneurship in the Indian handicraft sector. NASSCOM and Zinnov (2024, 2025) document developments in India's technology startup ecosystem, including the emphasis on business fundamentals, technology and innovation. NASSCOM (2024) also highlights the development of India's generative-AI startup landscape. These developments suggest that digital capabilities, technology adoption and innovation support are increasingly relevant to young enterprises. Overall, the literature indicates that the sustainability and development of young business enterprises depend on an interconnected set of financial and support-related conditions. Access to initial capital, institutional finance, working capital, alternative finance and financial-management capabilities can influence the financial sustainability of young enterprises. At the same time, government support, entrepreneurship-development programmes, training, mentoring, incubation, networking, market information, marketing assistance and digital capabilities can contribute to the broader entrepreneurial ecosystem. Indian evidence particularly demonstrates the importance of strengthening access to finance and institutional support for MSMEs and startups (Ministry of MSME, 2025; RBI, 2025; SIDBI, 2025; DPIIT, 2026). The present study therefore examines twelve finance-related variables and twelve support-related variables to understand the problems and challenges faced by young business entrepreneurs in selected districts of Karnataka. This framework is consistent with the broader Indian literature, which identifies finance, skills, digitalisation, institutional support, networking and market access as important dimensions of entrepreneurial development.

3. RESEARCH PROBLEM

The existing literature demonstrates that financial constraints and support-related factors are interconnected rather than isolated problems. Access to finance may depend on financial knowledge, institutional procedures, collateral availability and awareness of government programmes, while access to support may depend on networking, mentoring, incubation, training and information systems. OECD and ILO evidence provides a broad understanding of these constraints, but the relative importance of individual problems may vary across regions, sectors and categories of young entrepreneurs. Therefore, there is scope for empirical research that simultaneously examines finance-related problems and support-related problems among young business entrepreneurs using clearly defined variables. The present study addresses this gap by examining twelve finance-related variables and twelve support-related variables, thereby providing a structured framework for assessing the challenges experienced by young entrepreneurs.

4. NEED FOR THE STUDY

Young business entrepreneurs play an important role in employment generation, innovation, income creation and economic development. However, their ability to establish and sustain businesses is affected by several financial and institutional constraints. Limited initial capital, difficulty in obtaining bank loans, high interest rates, collateral requirements, inadequate working capital and poor access to alternative sources of finance may restrict business growth. In addition, inadequate government support, limited mentoring, insufficient training, lack of incubation facilities, weak networking opportunities, inadequate market information and limited technology support can create further challenges. The nature and intensity of these problems may differ across regions and types of businesses. Therefore, there is a need to systematically examine the finance-related and support-related problems faced by young business entrepreneurs in selected districts of Karnataka.

5. OBJECTIVES OF THE STUDY

1. To examine the influence of finance-related problems that hinder the success of young business entrepreneurs in selected districts of Karnataka.

2. To examine the influence of support-related problems that hinder the success of young business entrepreneurs in selected districts of Karnataka.

6. HYPOTHESES

H₀₁: Finance-related problems do not have a significant influence on the downfall of young business entrepreneurs in selected districts of Karnataka.

H₁₁: Finance-related problems have a significant influence on the downfall of young business entrepreneurs in selected districts of Karnataka.

H₀₂: Support-related problems do not have a significant influence on the downfall of young business entrepreneurs in selected districts of Karnataka.

H₁₂: Support-related problems have a significant influence on the downfall of young business entrepreneurs in selected districts of Karnataka.

7. RESEARCH METHODOLOGY

The present study adopts a descriptive research design to examine the influence of finance-related and support-related problems on the success of young business entrepreneurs in selected districts of Karnataka. The study covers six districts, namely Bengaluru, Tumakuru, Shivamogga, Chitradurga, Chikkamagaluru and Mysuru. The study is based on both primary and secondary data. Primary data were collected from 400 young business entrepreneurs through a structured questionnaire. The questionnaire was designed to measure finance-related problems, support-related problems and entrepreneurial success using a five-point Likert scale. The finance-related problems include access to loans, interest rates, initial capital, collateral, working capital and financial planning, while support-related problems include government support, mentoring, training, networking, incubation, market information and technology support. Secondary data were collected from books, journals, research publications, government reports and other relevant sources. The collected data were systematically coded, tabulated and analysed using descriptive statistics and multiple regression analysis to examine the influence of finance-related and support-related problems on the success of young business entrepreneurs.

8. SAMPLE DESIGN

The study adopts the Yamane (1967) sampling method to determine the sample size of young business entrepreneurs. The study covers six selected districts of Karnataka, namely Bengaluru, Tumakuru, Shivamogga, Chitradurga, Chikkamagaluru and Mysuru. Based on the Yamane sampling method, a total sample of 400 young business entrepreneurs was selected for the study. The respondents were selected from the identified study areas and were administered a structured questionnaire for the collection of primary data. The questionnaire measured finance-related problems, support-related problems and the success of young business entrepreneurs using a five-point Likert scale.

The Yamane formula is:

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

Where:

- **n** = Sample size
- **N** = Total population of young business entrepreneurs
- **e** = Level of precision/sampling error

Thus, the **Yamane (1967) sampling method** was used as the basis for selecting the **400 respondents** included in the study.

9. DATA ANALYSIS

Finance-related problems

H₀₁: Finance-related problems do not have a significant influence on the downfall of young business entrepreneurs in selected districts of Karnataka.

H₁₁: Finance-related problems have a significant influence on the downfall of young business entrepreneurs in selected districts of Karnataka.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.886 ^a	.784	.778	.44792

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	282.475	12	23.540	117.325	.000 ^a
	Residual	77.646	387	.201		
	Total	360.120	399			
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.695	.105		6.638	.000
	Finance-related problem variable	-.184	.032	-.234	-5.792	.000
	Difficulty in obtaining bank loans	.246	.025	.314	9.849	.000
	High interest rates on business loans	.109	.029	.156	3.703	.000
	Lack of adequate initial capital	.550	.030	.725	18.243	.000
	Difficulty in providing collateral/security for loans	.052	.108	.069	.486	.628
	Limited access to venture capital and angel investment	-.234	.102	-.331	-2.284	.023
	Difficulty in obtaining working capital	-.072	.093	-.099	-.777	.438
	Delayed loan approval and disbursement	.094	.070	.135	1.340	.181
	Lack of awareness about government financial schemes and subsidies	-.055	.072	-.075	-.755	.451
	Difficulty in managing cash flow	.159	.067	.221	2.390	.017
	High cost of business operations	-.135	.057	-.195	-2.377	.018
	Difficulty in obtaining credit from suppliers	.238	.066	.331	3.637	.000
a. Dependent Variable: Problems that hinder the success of young business entrepreneurs						

The multiple regression results indicate that finance-related problems have a statistically significant influence on the downfall of young business entrepreneurs in the selected districts of Karnataka. The model summary reports an R value of 0.886, indicating a strong relationship between the finance-related problem variables and the dependent variable. The R Square value of 0.784 indicates that 78.4% of the variation in the problems contributing to the downfall of young business entrepreneurs is explained by the finance-related variables included in the regression model. The Adjusted R Square value of 0.778 confirms that the model maintains a high explanatory power after adjustment for the number of independent variables. The standard error of the estimate is 0.44792. The ANOVA results further establish that the overall regression model is statistically significant, with $F = 117.325$ and $p < 0.001$. Since the significance value is below the 0.05 level, the regression model provides statistically significant evidence of an association between the finance-related problems and the downfall of young business entrepreneurs. Therefore, H_{01} is rejected and H_{11} is accepted. The coefficient results show that difficulty in obtaining bank loans has a significant positive influence ($\beta = 0.314$, $t = 9.849$, $p < 0.001$). High interest rates on business loans also have a significant positive influence ($\beta = 0.156$, $t = 3.703$, $p < 0.001$). Lack of adequate initial capital has the highest positive standardized coefficient ($\beta = 0.725$, $t = 18.243$, $p < 0.001$), indicating a strong statistical association with the dependent variable. Limited access to venture capital and angel investment has a significant negative coefficient ($\beta = -0.331$, $t = -2.284$, $p = 0.023$). Difficulty in managing cash flow is statistically significant ($\beta = 0.221$, $t = 2.390$, $p = 0.017$), while high cost of business operations also shows a significant negative coefficient ($\beta = -0.195$, $t = -2.377$, $p = 0.018$). Difficulty in obtaining credit from suppliers is significant and positive ($\beta = 0.331$, $t = 3.637$, $p < 0.001$). However, difficulty in providing collateral/security for loans ($p = 0.628$), difficulty in obtaining working capital ($p = 0.438$), delayed loan approval and disbursement ($p =$

0.181), and lack of awareness about government financial schemes and subsidies ($p = 0.451$) do not have statistically significant individual effects at the 5% significance level.

Support-related problems

H_{02} : Support-related problems do not have a significant influence on the downfall of young business entrepreneurs in selected districts of Karnataka.

H_{12} : Support-related problems have a significant influence on the downfall of young business entrepreneurs in selected districts of Karnataka.

The multiple regression results indicate that support-related problems have a statistically significant influence on the downfall of young business entrepreneurs in the selected districts of Karnataka. The Model Summary shows an R value of 0.972, indicating a very strong relationship between the support-related problem variables and the dependent variable. The R Square value of 0.945 indicates that 94.5% of the variation in the problems contributing to the downfall of young business entrepreneurs is explained by the twelve support-related variables included in the model. The Adjusted R Square value of 0.944 confirms the high explanatory power of the model after adjustment for the number of predictors. The standard error of the estimate is 0.23014. The ANOVA results show that the overall regression model is statistically significant, with $F = 556.530$ and $p < 0.001$. Since the significance value is less than 0.05, the regression model is statistically significant. Therefore, H_{02} is rejected and H_{12} is accepted, indicating that support-related problems have a significant influence on the downfall of young business entrepreneurs. The coefficient results reveal that difficulty in accessing entrepreneurship development programmes has a significant positive influence ($\beta = 0.070$, $t = 2.066$, $p = 0.040$). Limited access to training and skill-development programmes also has a significant positive influence ($\beta = 0.130$, $t = 5.062$, $p < 0.001$). Lack of adequate incubation and startup support has a significant positive influence ($\beta = 0.252$, $t = 4.799$, $p < 0.001$).

Model Summary						
Model		R	R Square	Adjusted R Square	Std. Error of the Estimate	
1		.972 ^a	.945	.944	.23014	
ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	353.721	12	29.477	556.530	.000 ^a
	Residual	20.498	387	.053		
	Total	374.219	399			
Coefficients ^a						

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.012	.056		-.222	.824
	Lack of adequate government support	-.038	.027	-.050	-1.428	.154
	Difficulty in accessing entrepreneurship development programmes	.057	.027	.070	2.066	.040
	Lack of business mentoring and guidance	-.024	.016	-.034	-1.550	.122
	Limited access to training and skill-development programmes	.107	.021	.130	5.062	.000
	Lack of information about government schemes and incentives	-.069	.020	-.084	-3.542	.000
	Difficulty in obtaining necessary business licenses and registrations	-.007	.021	-.009	-.342	.733
	Lack of institutional support from banks and financial institutions	-.045	.039	-.034	-1.172	.242

Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
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	B	Std. Error	Beta		
Limited access to business networking opportunities	.034	.096	.035	.348	.728
Lack of adequate incubation and startup support	.246	.051	.252	4.799	.000
Difficulty in accessing market and business information	-.253	.051	-.248	-4.960	.000
Lack of support for marketing and promotion of products/services	.761	.042	.756	18.043	.000
Limited access to technology and digital business support	.224	.108	.218	2.069	.039
a. Dependent Variable: Problems that hinder the success of young business entrepreneurs					

Lack of support for marketing and promotion of products/services has the strongest positive standardized coefficient ($\beta = 0.756$, $t = 18.043$, $p < 0.001$), indicating a strong statistical association with the dependent variable. Limited access to technology and digital business support also has a significant positive influence ($\beta = 0.218$, $t = 2.069$, $p = 0.039$). Conversely, lack of information about government schemes and incentives has a significant negative coefficient ($\beta = -0.084$, $t = -3.542$, $p < 0.001$), while difficulty in accessing market and business information also has a significant negative coefficient ($\beta = -0.248$, $t = -4.960$, $p < 0.001$). These negative coefficients indicate an inverse statistical relationship with the dependent variable as it has been coded in the regression model. However, lack of adequate government support ($p = 0.154$), lack of business mentoring and guidance ($p = 0.122$), difficulty in obtaining necessary business licenses and registrations ($p = 0.733$), lack of institutional support from banks and financial institutions ($p = 0.242$), and limited access to business networking opportunities ($p = 0.728$) do not have statistically significant individual effects at the 5% significance level.

10. RESEARCH FINDINGS:

Findings – Finance-Related Problems

1. Finance-related problems have a significant overall influence on the downfall of young business entrepreneurs. The regression model is significant at the 5% level ($F = 117.325$, $p < 0.001$), resulting in rejection of H_{01} .
2. The model shows a strong relationship between finance-related problems and the dependent variable, with $R = 0.886$. The R^2 of 0.784 indicates that 78.4% of the variation in the dependent variable is explained by the finance-related variables.
3. Lack of adequate initial capital emerges as a major finance-related factor, with the highest positive standardized coefficient ($\beta = 0.725$, $p < 0.001$).
4. Difficulty in obtaining bank loans has a statistically significant positive influence ($\beta = 0.314$, $p < 0.001$), indicating that access to institutional finance is an important concern.
5. Difficulty in obtaining credit from suppliers also has a significant positive influence ($\beta = 0.331$, $p < 0.001$), showing the relevance of trade credit for young entrepreneurs.
6. High interest rates on business loans significantly influence the dependent variable ($\beta = 0.156$, $p < 0.001$), indicating that the cost of borrowed funds is an important financial concern.
7. Difficulty in managing cash flow has a statistically significant positive influence ($\beta = 0.221$, $p = 0.017$), while high business operating costs also show a significant relationship ($\beta = -0.195$, $p = 0.018$).
8. Several finance-related variables do not have significant individual effects, including difficulty in providing collateral/security ($p = 0.628$), difficulty in obtaining working capital ($p = 0.438$), delayed loan approval and disbursement ($p = 0.181$), and lack of awareness of government financial schemes and subsidies ($p = 0.451$).

Findings – Support-Related Problems

1. Support-related problems have a significant overall influence on the downfall of young business entrepreneurs. The regression model is statistically significant ($F = 556.530$, $p < 0.001$), resulting in rejection of H_{02} and acceptance of H_{12} .
2. The model demonstrates a very strong relationship, with $R = 0.972$. The R^2 value of 0.945 indicates that 94.5% of the variation in the dependent variable is explained by the twelve support-related variables.
3. Lack of support for marketing and promotion of products/services is the strongest individual support-related factor, with $\beta = 0.756$ and $p < 0.001$.

4. Lack of adequate incubation and startup support has a significant positive influence ($\beta = 0.252$, $p < 0.001$), highlighting the importance of incubation and start-up assistance.
5. Limited access to technology and digital business support has a statistically significant positive influence ($\beta = 0.218$, $p = 0.039$), indicating the relevance of digital capabilities for young entrepreneurs.
6. Limited access to training and skill-development programmes significantly influences the dependent variable ($\beta = 0.130$, $p < 0.001$), while difficulty in accessing entrepreneurship development programmes is also significant ($\beta = 0.070$, $p = 0.040$).
7. Lack of information about government schemes and incentives ($\beta = -0.084$, $p < 0.001$) and difficulty in accessing market and business information ($\beta = -0.248$, $p < 0.001$) show statistically significant negative coefficients.
8. Lack of adequate government support, mentoring and guidance, business licensing support, institutional support from banks and financial institutions, and networking opportunities do not show statistically significant individual effects at the 5% level, as their respective p-values exceed 0.05.

11. SUGGESTIONS

1. Improve access to institutional finance: Banks and financial institutions should simplify loan procedures and provide young entrepreneurs with timely and accessible business finance, particularly during the start-up stage.
2. Strengthen initial-capital support: Since lack of adequate initial capital shows a strong statistical association with entrepreneurial difficulties, suitable start-up funding, seed capital and financial assistance should be made more accessible.
3. Provide affordable credit facilities: Financial institutions should consider suitable interest-rate structures and flexible repayment arrangements to reduce the financial burden associated with business loans.
4. Promote financial management skills: Young entrepreneurs should be provided with training in cash-flow management, budgeting, financial planning and cost control to improve their ability to manage business finances effectively.
5. Expand entrepreneurship development and skill-training programmes: Government agencies, educational institutions and entrepreneurial organisations should increase access to entrepreneurship development programmes and practical skill-development training.
6. Strengthen incubation and start-up support: More accessible incubation facilities should be developed to provide young entrepreneurs with mentoring, technical assistance, business guidance, networking and other start-up services.
7. Enhance marketing and promotional support: Since marketing and promotional support shows the strongest individual statistical association among the support variables, entrepreneurs should be provided with assistance in branding, digital marketing, product promotion and market expansion.
8. Improve technology and digital-business support: Young entrepreneurs should be encouraged and supported to adopt digital technologies, e-commerce platforms, digital payment systems and online marketing tools to strengthen their business operations and market reach.
9. Improve access to government schemes and market information: Government agencies and support institutions should strengthen awareness and information mechanisms so that young entrepreneurs can easily identify relevant schemes, incentives, market opportunities and business information.

12. LIMITATIONS OF THE STUDY

1. Geographical limitation: The study is restricted to six selected districts of Karnataka—Bengaluru, Tumakuru, Shivamogga, Chitradurga, Chikkamagaluru and Mysuru. Therefore, the findings may not fully represent young business entrepreneurs across all districts of Karnataka or other states of India.
2. Sample-size limitation: The study is based on 400 young business entrepreneurs. Although the sample was selected using the Yamane sampling method, a larger sample could provide broader representation of different categories and sectors of young entrepreneurs.
3. Cross-sectional nature: The study captures the problems and challenges faced by entrepreneurs at a particular point in time. Since entrepreneurial conditions may change due to economic, technological, financial and policy developments, the study does not measure changes over a longer period.
4. Self-reported information: Primary data were collected through a structured questionnaire. Consequently, the findings depend on the respondents' perceptions, experiences and willingness to provide accurate information.

5. Limited variables: The study mainly concentrates on finance-related and support-related problems. Other factors such as personal characteristics, managerial capabilities, psychological factors, market competition, family support, technological innovation and environmental conditions are not examined extensively.
6. Statistical limitation: Multiple regression identifies statistical relationships among the selected variables, but the results should not automatically be interpreted as establishing definite causal relationships. The findings are also dependent on the measurement and coding of the variables used in the questionnaire.

13. DIRECTIONS FOR FUTURE RESEARCH

Future research may extend the study to all districts of Karnataka and other Indian states to facilitate wider comparison of entrepreneurial challenges. Comparative studies may examine differences between rural and urban entrepreneurs, manufacturing and service enterprises, and first-generation and experienced entrepreneurs. Future researchers may also undertake longitudinal studies to examine how financial and support-related problems change as businesses move from start-up to growth stages. Additional variables such as entrepreneurial intention, managerial competency, digital literacy, innovation capability, family support, market competition, risk perception and psychological characteristics may be incorporated. Studies may further examine the effectiveness of government schemes, incubation programmes, credit-guarantee mechanisms and entrepreneurship-development programmes. Qualitative interviews and case studies could complement quantitative findings and provide deeper insights into entrepreneurs' experiences. Future research may also investigate women and socially disadvantaged young entrepreneurs separately to understand their specific financial, institutional and market-related challenges.

14. CONCLUSION

Young business entrepreneurs contribute significantly to employment generation, innovation, income creation and local economic development. However, their business activities are affected by financial and support-related challenges. The present study examined these challenges among 400 young entrepreneurs in six selected districts of Karnataka. The regression results demonstrate that finance-related problems have a significant overall relationship with problems hindering entrepreneurial success, with the finance model explaining 78.4% of the variation in the dependent variable. Lack of adequate initial capital, difficulty obtaining bank loans, supplier credit, interest rates and cash-flow management emerged as important statistically significant factors. Similarly, support-related problems show a very strong statistical relationship, with the model explaining 94.5% of the variation. Marketing and promotional support, incubation, technology support, training and entrepreneurship-development programmes were among the significant factors.

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