



A Study on the Credit Repayment Behaviour of Borrowers

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Abstract

Most banks have experience to a varying degree problem of non-performing loans some of which have been closed down by regulatory authorities. This in turn led to contraction of activities, decline in output, and imposition of substantial costs on loans. This study sought to find out how demographic characteristics of borrowers affect credit repayment performance in MSME. The purpose of this study was to investigate the effects of demographic characteristics on credit repayment performance of MSME in Virudhunagar district. The study was conducted through descriptive research design; a survey method was employed and the study population comprised of 474 registered MSME in Virudhunagar district. Data was collected by means of a self-administered questionnaire. The data was subsequently analyzed using quantitative techniques of descriptive statistics and regression analysis. The study found that there is was no relationship between the demographic characteristics of borrowers and the credit repayment performance of MSME.

Keywords: demographic characteristics, credit repayment performance, MSME