STUDENT’S PERCEPTION REGARDING STUDENT FINANCING
(A CASE STUDY OF PALWAL AND FARIDABAD DISTRICT OF HARYANA)

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ABSTRACT
Student financing are the method of support for students in higher education. Money is loaned to students at a subsidized rate to help towards their maintenance costs and to cover the cost of tuition fees. Graduates repay these loans to the government after their income exceeds the threshold level. These loans are therefore a method for private contributions towards the costs of higher education. An aim of the student support system is to ensure that the upfront costs do not deter potential students. Graduates repay student loans and they generally have above average incomes. The boom in the banking sector has led to release of large amount of funds for education loans. Now, education loans are easily available from various banks in India and this change is encouraging more and more students to take up higher education despite their financial shortcomings. Many nationalized as well as private banks have come up with various educational loan schemes that students can benefit from. The present study is carried out in the Palwal and Faridabad District of Haryana, regarding the student perception about education loan. The education loan is to provide financial support to deserving students for pursuing education loan in India and abroad. The aim of the study is to examine the student’s perception towards education loan and compare male and female students with respect to various loan features like Value Addition, Mortgage, Effectiveness, Eligibility Criteria, Procedure or Convenience, Disbursement and Rate of Interest regarding education loan. The research was conduction in Palwal and Faridabad District of Haryana on undergraduates and graduates students. Data has been collected through personal survey. Descriptive statistical tool like Mean, SD, Co-Variance and t-test have been used for data analysis.

KEYWORDS: Student Perception, Value Addition, Mortgage, Procedure, Disbursement etc.

Introduction:
Education and development are closely related, as education provides inputs for economic growth among which knowledge is an important one. Modern economic growth, as seen in recent years, is driven by knowledge, for which knowledge creation and utilization acquires significance. Development of knowledge is based on the quantity and quality of education system available, particularly of higher education, in a country. Therefore, higher education
assumes significance as creator and supplier of knowledge. Access to and availability of higher education is crucial for creation, spread and application of knowledge for development. Importance of higher education can be understood from its functions like (i) creation and dissemination of knowledge, (ii) supply of manpower, particularly knowledge workers, (iii) attitudinal changes for modernization and social transformation, (iv) formation of strong nation-state, and (v) promotion of higher quality individual and social life. Hence, development of higher education becomes significance.

Development of higher education depends on various factors, among which finance plays a major role. Financing higher education has attracted serious attention of policy makers and educational thinkers as higher education system is facing financial crunch in recent years. Alternative ways of financing higher education are being explored and implemented to overcome the problem of deficit finance and cost-recovery. Among them educational loan is increasingly seen as an important source of finance. Higher education develops qualities that are valued by employers, such as problem-solving and communication skills. Doing a higher education course could give you an edge in the job market.

**Status of Higher Education in India:**
An analysis of growth in number of educational institutions, access to higher education institutions, and enrolment of students provides a view of status of higher education

**Growth of Higher Education in India:**
Recognizing the need, the Indian government gave significant attention to higher education system to higher education system and as a result a huge higher education system has been developed. The following Table shown the number of colleges increased from 496 in 1947-48 to 14,219 in 2012-13. While the number of universities grown from mere 20 to 523 during the same period. Similarly, the enrollment of students for higher education has seen tremendous increase over the period. During 1947-48 only 2 lakh students had enrolled for higher education which increased to 169.75 lakh in 2012-13, which indicates a rapid growth and increasing demand for higher education in India.

Education is the process of instruction aimed at all round development of individuals, providing with necessary tools to participate in day to day activities of the world. An Education Loan is just like a debt. The money that you borrow from the bank and repay it with interest. The importance and the value of education is known to all of us. It is the actual wealth of the person. How ever, at times we encounter the situation where there is willingness to study more and higher degrees, but due to our limited financial resources it gets bit difficult. It is under this situation education loan or student financing prove as a boon.

**Review of Literature:**

There is a vast assortment of literature on student loans and debt that particularly emphasize the situations of young people. Anya Kamenetz is the author of “Generation Debt,” a literature work on the debt problems 18-34 year olds face. She goes into detail on how student loans have been and will continue to negatively affect student’s financial and educational decisions because the cost of attending college has been increasing. In addition, the author Jeffrey Williams wrote “Student Debt and the Spirit of Indenture,” and compares student loans to
indentured servants of England in the 1600’s because of increasing pressure to pay off loans. Both authors use very similar statistics and analysis to describe the environment of higher education and its effects that they are having on the current and climbing population of young people. The findings were very similar, and each author takes strong stances on policies that affect college students, and will be discussed below.

Each author has found that the real cost of college has been increasing over the last two to three decades. The price of college has risen faster than inflation for the last three decades and faster than family income for the last fifteen years. The cost of college for the average American family is increasing at unprecedented rates because of state budget cuts and lack of funding for grants. Two out of three students enrolled in college in this nation have to finance their way through college using student loans. In 2004, the average college senior graduate had an astounding $19,200 in debt. There are many different estimations of average debt, some ranging higher or lower than others, but $19,200 seems to be a moderately conservative estimation of debt for an average graduate. In addition, the average indebtedness on credit cards for college students is $2,169 with over 90% of graduating seniors having a credit card. With student loans being harder to obtain, it is agreed that many students have had to place their loans on their credit cards to be able to finance their education.

Student Financing, Opportunity Growth, and Equity in Access to Higher Education. (A Czech-Dutch comparative study of student support systems and their effects on the development of inequity in access to higher education.) Petr Matějů2 and Tomáš Konečný Institute of Sociology, Academy of Sciences of the Czech Republic Hans Vossensteyn Center for Higher Education Policy Studies, University of Twente, Enschede The main objective of this article was to assess the possible effect of student financing models on the levels of inequality in access to higher education. We are aware of the complexity of the processes and enormous variety of factors determining educational decisions made by individuals and their parents, particularly regarding participation in tertiary education. The sociological models tell us that students’ parents and other peers have an overriding impact on student choice. On the other hand, scholars inquiring into the possible role of policies in explaining differences in the likelihood of attaining higher education have traditionally utilized similar analytically traced and statistically proven differences between countries. To be sure, one of the key roles of the modern social sciences is to reduce the entropy about the effects of policies, and to contribute to debates about their efficiency.

On Cost-Sharing, Tuition Fees and Income Contingent Loans for Universal Higher Education: A New Contract Between University, Student and State. June 2006, Policy Futures in Education, Vol. 6, No. 4, 2008 , In the search for a viable 21st century cost-sharing contract between university, student and state, the issues of rising participation and student demand, functional differentiation, institutional competition and stratification and social inequality are systematically discussed. The argument develops through, firstly, a critical appraisal of the genre of elite, mass and universal higher education; secondly, a discussion of the consequences of US institutional stratification; and, thirdly, an assessment of national tuition fee systems as a way of sponsoring mass and universal participation. The Ivy League and the California Master Plan as well as the tuition fee systems in Australia, New Zealand and England have addressed rising participation and relative declining state funding (per FTE tertiary student) while seeking to preserve and enhance quality by mobilizing and concentrating resources. Yet, the accumulated unintended consequences of these systems are undermining their very foundations, making none of these a suitable candidate for emulation in the 21st century. Moreover, the conceptual distinction
between, elite, mass and universal higher education is flawed and not suitable for guiding further reform initiatives. Consequently, it is submitted that the financing of state funded undergraduate degrees (BA) be decoupled from postgraduate degrees (MA, PhD). The rise of the European Higher Education Area with 46 member states, and more expected to join, serves as a vantage point from which to critique the legacy of the 20th century and develop preliminary policy recommendations for the 21st century.

**Objectives:**
1. To study the students perception towards education loan with respects to their loan features.
2. To compare the students perception towards education loan with respect to their gender.

**Hypotheses:**
H1. There is no significant difference between the students perception towards education loan with respects to their loan features.
H2: There is no significant difference between male and female students perception towards education loan.

**Research Methodology:**
To achieve the objectives following research methodology is accomplished in Palwal and Faridabad District. Data is collected by both Primary data source as well as secondary data sources, randomly in both districts. The primary data of this study were 53 collected from both male and female students in Faridabad, Haryana randomly. A self administered questionnaires based on six attributes of education loan were distributed to collect the primary data. The data collected were processed by the relevant statistical tools using SPSS as a sophisticated technique. Also study student’s perception towards education loan and compare male and female students with respect to various attributes of education loan like Values Addition, Mortgage & Effective, Eligibility Criteria, Procedure or Convenient, Disbursements & Rate of interest. Each factor is measured by three questions. Our score is determined by adding three scores together for each factor. Survey consist of 5-point likert scale like 1=SD 2=D 3=UN 4=A,5=SA (“1” strongly disagree to “5” strongly agree).

**Sample:**

<table>
<thead>
<tr>
<th>Gender</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>30</td>
</tr>
<tr>
<td>Male</td>
<td>25</td>
</tr>
</tbody>
</table>

**Results**
This section is further divided into two sub-sections. In first section, empirical results regarding student’s perception towards education loan with respects to their loan features are presented. In second section, compare the student’s perception towards education loan with respect to their gender is calculated.
TABLE-1 Students Perception Towards Education Loan With Respect To Loan Features.

<table>
<thead>
<tr>
<th>LOAN FEATURES</th>
<th>MEAN</th>
<th>SD</th>
<th>COVARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values Addition</td>
<td>8.89</td>
<td>4.01</td>
<td>45.06</td>
</tr>
<tr>
<td>Mortgage &amp; Effective</td>
<td>7.3</td>
<td>4.01</td>
<td>54.96</td>
</tr>
<tr>
<td>Eligibility Criteria</td>
<td>8.66</td>
<td>4.40</td>
<td>50.76</td>
</tr>
<tr>
<td>Procedure Or Convenient</td>
<td>8.8</td>
<td>3.33</td>
<td>37.85</td>
</tr>
<tr>
<td>Disbursement</td>
<td>8.43</td>
<td>3.49</td>
<td>41.40</td>
</tr>
<tr>
<td>Rate Of Interest</td>
<td>10.0</td>
<td>3.32</td>
<td>33.09</td>
</tr>
</tbody>
</table>

The analysis of table-1 shows that most of the respondents have a high level of perception about the rate of interest. Rising interest rates may make obtaining and paying off student loans more burdensome, particularly for students from financially disadvantaged households. Mortgaging was suggested that flexibility may be brought into the scheme by fixing progressively stepped up installments starting with a relatively smaller amount in the beginning. Procedure Or Convenient As today every person is very busy. He cannot more days for taking loan so. Processing time should be reduced. But this processing time can be reduced only when the sanction authority is necessary for branch offices. Disbursement scheme indicate that the loan applications will be accepted normally by the branch nearest to the residence of the parent. The interaction indicated that may not be the most prudent way of handling loan sanctions. In many ways a branch situated nearer to the college would be able to better appreciate the financial needs of the students and coordinate better with the colleges during the study period. Values Addition Part-time courses, research work and job oriented specialized programs could be considered based on merit and placement records at bank’s discretion. Banks could consider rating of educational institutions and students, as a tool for improving asset quality. Banks should increase its product line in education loans. Special scheme for non-professional students as well as for professional students should be increased. Banks should introduce some new model keeping in mind the loan suitable for medium income group customer.

TABLE-2 Students Perception Towards Education Loan With Respect To Their Gender

<table>
<thead>
<tr>
<th>LOAN FEATURES</th>
<th>FEMALE</th>
<th>MALE</th>
<th>t-test</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MEAN</td>
<td>SD</td>
<td>MEAN</td>
</tr>
<tr>
<td>Values Addition</td>
<td>8.57</td>
<td>3.98</td>
<td>9.22</td>
</tr>
<tr>
<td>Mortgage &amp; Effective</td>
<td>6.6</td>
<td>4.08</td>
<td>8.00</td>
</tr>
<tr>
<td>Eligibility Criteria</td>
<td>8.63</td>
<td>4.80</td>
<td>8.70</td>
</tr>
<tr>
<td>Procedure Or Convenient</td>
<td>8.6</td>
<td>3.80</td>
<td>9.00</td>
</tr>
<tr>
<td>Disbursement</td>
<td>8.2</td>
<td>3.79</td>
<td>8.65</td>
</tr>
<tr>
<td>Rate Of Interest</td>
<td>10.5</td>
<td>3.30</td>
<td>9.57</td>
</tr>
</tbody>
</table>

The mean difference is significant at the level .05.
The analysis of table-2 shows that the gender has no significant difference to decide on their loan features. The results showed that on average, male students rated more on all six dimensions than female students. For the purpose of hypothesis H2 that there exists no difference between male and female respondents as regards their perception towards education loan in SBI. From the research data it becomes clear that males and female are significantly different in Values Addition. Although overall it shows that males were slightly more concerned loan features than females. Thus hypothesis H2 is partially accepted and partially rejected.

Findings:
From the data collected, it may be concluded that:
1. Respondents from the both districts said that they always prefer bank whenever they require loan for education purpose.
2. Respondent shows that rare of interest highly attracted themselves. They prefer first of all, low interest rate.
3. There should be flexibility in mortgage.
4. Eligibility criteria should be based on need as well as merit.
5. Disbursement of loan should be start after completion of loan or after joining a job, whichever is earlier.
6. Value addition services are also accepted by students. They attract the students for getting loan. Because like other product and services customer prefer those product which offer extra benefit.

Suggestions:
- The procedure of getting loan should be easy to students.
- The rate of interest should be low.
- To encourage higher studies disbursement should be flexible.

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