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Financial Analysis Of Entrepreneurship Education

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Abstract,. *This is a literature review on the study of the financial aspects of entrepreneurial activities. This study seeks to serve as a preliminary mapping in the process of developing learning materials and preparing financial competencies that entrepreneurs and aspiring entrepreneurs must master for business management. Collecting and analyzing literature on financial studies in order to construct a curriculum for financial education in the context of entrepreneurship is the method employed. This study's findings indicate that it is necessary to map learning materials and compile a study of a set of financial knowledge that enhances the business development skills of entrepreneurs. At the conclusion of this research, suggestions, and implications for future academic studies and learning are also provided.*

Keywords: *Entrepreneurship, Learning, Financial*

Abstrak,. Demikianlah tinjauan pustaka mengenai kajian aspek keuangan dalam kegiatan wirausaha. Kajian ini berupaya sebagai pemetaan awal dalam proses pengembangan materi pembelajaran dan penyiapan kompetensi finansial yang harus dikuasai para wirausahawan dan calon wirausaha untuk manajemen usaha. Mengumpulkan dan menganalisis literatur studi keuangan untuk menyusun kurikulum pendidikan keuangan dalam konteks kewirausahaan adalah metode yang digunakan. Temuan penelitian ini menunjukkan perlunya memetakan materi pembelajaran dan menyusun kajian tentang seperangkat pengetahuan keuangan yang dapat meningkatkan keterampilan pengembangan usaha para wirausaha. Pada kesimpulan penelitian ini juga diberikan saran, dan implikasi untuk penelitian dan pembelajaran akademis di masa depan.

Kata Kunci: Kewirausahaan, Pembelajaran, Keuangan

INTRODUCTION

The term "entrepreneurship" is presently a popular topic of conversation, whether in a macro or micro context a global context, or even a personal context. In recent years, the terms 'entrepreneurship,' 'finance,' and 'learning' have become three of the most significant terms because they are all crucial to the sustainability of producing new entrepreneurs who are skilled in the administration of their businesses (Rwanda Ministry of Trade and Industry, 2020).

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In recent decades, entrepreneurship research has become an increasingly important topic in economics. Although the concept of entrepreneurship has a lengthy history in the commercial sector, its adoption in the social economy or third sector is relatively recent and has only recently been adopted by the social economy or third sector. There is widespread agreement that entrepreneurship (a micro phenomenon) must fuel macroeconomics and broader macroeconomic conditions. However, more research needs to be conducted on the effects of macroeconomic policies on entrepreneurship (Chauhan, 2020).

Entrepreneurship plays a significant role in job creation and economic development; consequently, many nations have established policy programs and institutions that encourage entrepreneurship to capitalize on this positive externality. Entrepreneurship is crucial to the progress and economic development of a nation. Entrepreneurial activities are viewed as a means to boost economic development and address other economic issues, such as unemployment (Audretsch, 2003).

Entrepreneurship is all about trying things out because you can't know what you need to know to be successful ahead of time or figure it out from a set of starting principles. The firm's financial structure is integral to its business strategy and has significant implications for its behavior (Guckenbiehl & Corral de Zubielqui, 2022). Aktan & Bulut (2008) have conducted research on the effect of corporate entrepreneurship on a company's financial performance by producing a guide that assists business managers in developing nations in achieving and sustaining financial success.

In accordance with these requirements, learning about entrepreneurship is equally crucial. Pertaining to entrepreneurship itself, which must be able to operate efficiently in order to produce new entrepreneurs who contribute to the economy. New business owners who contribute to the economy. According to Ratten & Jones (2021), entrepreneurship education is the process of providing individuals with the ability to identify commercial opportunities as well as the insight, self-esteem, knowledge, and skills to act, for them to take action.

Entrepreneurial finance differs significantly from publicly traded corporations, limiting the applicability of conventional finance theories. Agency problems and information asymmetries form the foundation of a substantial portion of corporate finance theory: agency issues and information imbalances (Ahmed & Aassouli, 2022).

Financing Entrepreneurial finance differs from conventional corporate finance only insofar as the extent of these two issues is more significant, necessitating contractual solutions that differ from those typically encountered by larger, more established businesses (ESA, 2021). As a result, corporate finance requires a distinct set of skills and personality to apply to large corporations, necessitating a modification to make it so.

Future research should investigate the categories of entrepreneurship education that can affect career aspirations. Specifically, as described previously, there is a need for a learning process that promotes financial interest and competence. Consequently, we must discover ways to create new entrepreneurs, immediately or even. Therefore, we must discover ways to create new entrepreneurs immediately following or even before graduation.

RESEARCH METHODS

This research employs a literature review approach to examine the topic of finance from various sources, with a focus on entrepreneurship finance. Various sources are uniquely related to finance in entrepreneurship, as opposed to finance in large corporations.

LITERATURE REVIEW

In the context of entrepreneurship, this section will present some prior research on various financial-related topics. The numerous topics that have been outlined illustrate the preparation of learner competencies during the entrepreneurship learning process. Historically, researchers in finance have tended to perceive entrepreneurship as entirely distinct from corporate finance. Utterly distinct from the discipline of corporate finance.

RESULT AND SCUSSION

Financial Structure of Start-Up

Beginning Financial Structure as far as theoretical research is concerned, little is known about the financial structure of fledgling companies. Most theoretical research and empirical investigations have focused on large established firms, which can utilize various sources of finance, such as equity or commercial paper, a very different situation than that faced by startups. Unlike small businesses, corporations can issue shares or commercial paper, a situation vastly different from that of small businesses (Adeniyi et al., 2020).

Consistent with the asset-specificity-based theoretical foundations, we find that startups with more physical assets or whose proprietors own other businesses are more likely to have external debt than other startups (Teece, 2018). Due to the higher liquidation value of these assets, firms that own other businesses are more likely than others to have external debt in their financial structure. On the other hand, all else being equal, startups with more human capital embodied in self-employment or intellectual property assets have a lower likelihood of using debt, consistent with the specificity of the use, higher asset specificity, and lower collateral value of these assets (Shadab, 2013).

Entrepreneur's Source of Finance

A startup company is a newly established company or entrepreneurial venture in the product development and market research phase. As the GDP per capita rises, more investment opportunities in entrepreneurial endeavors become available. After surviving the first trial, the entrepreneurs gained the confidence to seek financial support from other funding sources, such as business angels and seed investments, even though the company's level of development and the entrepreneur's experience is unrelated to the financing method (UNECE, 2023).

Similar to other documents, business people's financial sources are also discussed. As demonstrated by Frid et al (2016), which investigates the relationship between low-wealth business founders in the United States and external startup funding. Then Fraser et al (2015) examine the existing literature to highlight what we know (and do not know) about entrepreneurial finance and growth, and their research demonstrates that very little is known about the crucial relationship between access to external finance and growth due to the limitations of current approaches to testing constraints finance.

The authors Hazam et al (2017) then evaluate crowdfunding as a source of funding for social enterprises. In particular, it examines the perspectives of social entrepreneurs regarding crowdfunding, the factors that motivate or impede its use, the various available resources, and its suitability for social enterprises. The results indicate that crowdfunding as a financing instrument still needs to be discovered and utilized by social media entrepreneurs, and the analysis explains why this is the case.

Sustainability Index in the Financial Sector

The number of organizations that significantly impact sustainable development is insufficient and must increase immediately. This motivated researchers in sustainable entrepreneurship to investigate the financial and non-financial positive impacts that may have resulted from implementing sustainable business strategies (Alberico et al., 2022). They propose linking additional financial indicators to the sustainability index, such as return on equity, return on assets, cost of capital, and market-to-book ratio. Sustainability metric. How can non-financial parameters be incorporated into the evaluation of sustainability performance? Another factor that merits special consideration is the financial aspect (Gleißner et al., 2022).

Social Entrepreneur Finance Packages

In this article, the author contends that a broader conception of the social entrepreneur is warranted because the social enterprise is not solely dependent on market success. Indeed, the financial foundations of third-sector organizations are diverse, and this diversity is likely reflected in the financing arrangements for new ventures, implying that social entrepreneurs must be able to negotiate between the public sector, philanthropy, and the market (Mthembu & Barnard, 2019).

The specialized literature on social entrepreneurship identifies several skills necessary for social entrepreneurs to reconcile public contexts, nonprofit organizations, and for-profit businesses. Tenacity encompasses the patience required to overcome financial obstacles, regulations, politics, and bureaucracy, particularly in government funding (Chauhan, 2020).

Funding Alternatives and Financial Contracts

Accessing capital is one of the most significant challenges for entrepreneurial companies. Because such businesses are typically not yet profitable and lack tangible assets, debt financing is typically not an option. Consequently, entrepreneurs typically rely on three primary sources of external equity financing: venture capital funds, angel investors, and company investors (Capital, 2019).

Two fundamental issues mark the entrepreneurial financing environment. First, there needs to be more information between entrepreneurs and investors. Second, there is a moral dilemma that poses a potentially grave risk. Once entrepreneurs acquire funds from outside investors, they are incentivized to misuse them by purchasing products that benefit them disproportionately. Governments that wish to encourage entrepreneurship should avoid capital controls and advocate for other investment climate reforms instead (OHCHR, 2012).

Financial Literacy in Business Sustainability

Burchi et al (2021) investigated the effect of financial literacy on the survival of new businesses. The formation of new businesses is essential for a flourishing economy. A robust economy. There are numerous hypotheses as to why so many new businesses falter. One of these theories focuses on financial literacy. From a practitioner's perspective, this research emphasizes the significance of financial literacy in forming new ventures and encouraging frequent financial reporting by young entrepreneurs.

In addition, entrepreneurs receive a comprehensive education in financial literacy, whereas other groups will receive nothing, allowing them to compare the consequences of their failings. The group will receive nothing and then evaluate the effects of the unsuccessful new ventures. Likewise, it would be intriguing to investigate the effect of the monthly requirement for financial reports on new business failures (Lusardi, 2019).

OECD (2015) analyzed the main characteristics of alternative techniques to direct debt, such as "asset-based financing," "alternative debt," "hybrid instruments," and "hybrid instruments." Including "asset-based financing," "alternative debt," "hybrid instruments," and "equity instruments."

Finance in Entrepreneurial Growth

We are utilizing an endogenous growth framework to examine the effect of financing on entrepreneurial growth in Nigeria. Finance is crucial in developing entrepreneurship and Micro, Small, and Medium-Sized Businesses. There is abundant evidence in the literature indicating that financing entrepreneurship can result in high employment and productivity development, which positively affects economic growth (UnitedNations, 2021).

The Characteristics of the Entrepreneur Determine Debt Financing

Determined by feeble and robust social ties, entrepreneurial self-efficacy, and entrepreneurial education, debt financing for small businesses. Entrepreneurship. Entrepreneurship, the entrepreneurial process, and entrepreneurs themselves are the focal point of policy discussions, incentives, and extensive academic research (Muthumeena & Yogeswaran, 2022).

If financial constraints are binding, low-wealth households cannot establish a business. Such restrictions reduce entrepreneurial activity and, consequently, economic growth. Consequently, policy initiatives frequently look to facilitate access to financing. Financial limitations are frequently cited as a significant barrier to entrepreneurship (Rwanda Ministry of Trade and Industry, 2020).

Georgescu & Herman (2020) This study examines the impact of student characteristics, family characteristics, business characteristics, entrepreneurial motivation, time management, and financial management on entrepreneurial student academic achievement and business growth. In addition, this study found that business performance is influenced by personal characteristics, entrepreneurship, internal environment, and external environment, with the personal characteristics of women entrepreneurs in the home food industry in Bogor being the most influential variable on their business performance (Marliati, 2020).

Financial Management

According to numerous reports, Micro's employees must be more competent and experienced, despite being mentored by numerous government agencies (Eraut & Hirsch, 2007). There is an urgent need to endow their business with a unique method of financial management that can contribute to its success. The effectiveness of financial management will be primarily determined by the objectives stated in the strategic plan documents of startup businesses. Financial management in the operation of a micro-sized business is a crucial factor in determining its success. Effective management will realize a definite profit, and the best decisions will be made.

Financial Decision Making and the Formation of New Businesses

According to Ajagbe et al (2016), investment and financial decisions play an increasingly significant role in economic growth and the formation of new entrepreneurial ventures. Consequently, investment and financial policies are part of the primary operational resolutions in developing nations to encourage domestic investment by companies, incredibly entrepreneurial technology companies.

Policymakers and practitioners pursuing innovative solutions to social problems now consider social entrepreneurship one of the hottest topics in the United States, Europe, and other parts of the world. Accounting information is beneficial for decision-making. However, many entrepreneurs need accounting knowledge. Among them are those who need to comprehend the significance of recording and bookkeeping for the continuity of their businesses (Lutfillah et al., 2022).

CONCLUSION

The findings of this study indicate that it is necessary to map learning materials and compile a review of a set of financial knowledge that develops the business development competence of entrepreneurs.

Suggestions and implications for the study of academics and learning are the need for more systematic preparation efforts about the finance curriculum in entrepreneurship to equip students to face increasingly complex and demanding entrepreneurial challenges with creativity in problem-solving based on their competence.

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