

**THE DETERMINANTS OF ENTREPRENEURIAL INTENTION
OF THE UNDERGRUATES IN EASTERN UNIVERSITY,
SRILANKA**

By

GALAPITA GEDARA CHITHRANANDA ABEYSEKARA
(EU/IS/2009/COM/54)
(COM 1074)

A Project Report Submitted to the faculty of Commerce and Management,
Eastern University, Sri Lanka as a partial fulfillment of the requirement of the
Degree of Bachelor of Commerce (Special)



FCM1577



Project Report
Library - EUSL

Department Of Commerce
Faculty of Commerce and Management
Eastern University, Sri Lanka

ABSTRACT

Sri Lanka is a developing nation has a high rate of unemployment among the young graduates emerging from the universities. The Sri Lankan government is taking great efforts in transforming into a knowledge-based economy, where the term 'entrepreneur' has been defined as one of its key elements. The problem is how to instill in the minds of students that they should venture into business instead seeking jobs.

This study presents evidence of factors that affect the entrepreneurial intentions of undergraduates of Eastern University, Sri Lanka. One hundred and thirty undergraduates that represent six faculties from the Eastern University, Sri Lanka were selected using convenient judgment sampling technique for the investigation. Questionnaire survey was made in collecting data. Descriptive statistics, correlation and simple regression technique were used in analyzing data. Results reveal that social factors, psychological factors, economic factors and political and legal factors and technological factors are prominent factors that lead to become entrepreneurs. Further, it was found that there is a high intention among undergraduates to be entrepreneurs compared to other employments. At the same time, they show that male students have more entrepreneurial intention than female students. Unwillingness to bear risk and funding problems were found to be as main reasons for a less intention to become entrepreneur among undergraduates.

Keywords: Entrepreneurial Intention, Determinants and Undergraduates

TABLE OF CONTENTS

Acknowledgement.....	I
Abstract.....	II
Abbreviations.....	III
Table of Contents.....	IV
List of Tables.....	VIII
List of Figures.....	IX
1. Chapter One	
1.1. Background of the Study.....	01
1.2. Significance of the study.....	03
1.3. Problem Statement.....	04
1.4. Research Questions.....	05
1.5. Objectives of the Study.....	06
1.5.1. Other Objectives.....	06
1.6. Scope of the Study.....	06
1.7. Summery.....	06
2. Chapter Two	
2.1. Chapter Introduction.....	07
2.2. Define Entrepreneurship.....	07
2.3.1 Approaches of entrepreneurship.....	10
2.3. Define intention.....	12
2.4. Entrepreneur and Entrepreneurial Intention.....	14
2.5. Factors Affecting Entrepreneurial Intention.....	15
2.6. Relationship between EI and Various Determinants.....	19
2.7. Earlier research works and contribution of this study in adding value to existing scientific literature.....	20
2.8. Summery.....	22
3. Chapter Three	
3.1. Chapter Introduction.....	23
3.2. Conceptualization.....	23
3.2.1 The Conceptual Framework of the Study.....	24
3.3. Definition of Variables.....	25

3.3.1 Dependent Variable- Entrepreneur Intention	25
3.3.2 Independent Variables- Determinants	25
3.3.2.1 Economic Factors	25
3.3.2.2 Social Factors	25
3.3.2.3 Psychological Factors	26
3.3.2.4 Political and Legal Factors	26
3.3.2.5 Technological Factors.....	26
3.4. Operationalization	26
3.5. Summary	29
4. Chapter Four	
4.1. Chapter Introduction.....	30
4.2. Study setting, Design, and Method of Survey	30
4.3. Population.....	31
4.4. Sampling.....	31
4.5. Data Collection.....	32
4.6. Method of Data Presentation	33
4.6.1 Data Presentation for Personal Information.....	33
4.6.2 Data Presentation for determinants and EI	33
4.7. Method of Measurement	33
4.7.1 Method of Measuring the Entrepreneurial Intention	33
4.7.2 Method of Measuring the determinants for EI.....	34
4.7.3 Method of Measuring the Personal Information.....	37
4.8. Method of Data Analysis.....	38
4.8.1 Univariate Analysis	38
4.8.2 Cross Tabulation Analysis	38
4.8.3 Bivariate Analysis.....	38
4.8.3.1 Correlation Analysis	39
4.8.3.2 Simple Regression Analysis	40
4.9. Method of Data Evaluation	40
4.9.1 Data Evaluation for determinants to become an entrepreneur.....	41
4.9.1.1 Economic Factors.....	41
4.9.1.2 Social Factors.....	42
4.9.1.3 Psychological Factors	42

4.9.1.5 Technological Factors.....	43
4.9.2 Data Evaluation for Entrepreneurial Intention.....	43
4.10 Summary.....	44
5. Chapter Five	
5.1. Chapter Introduction.....	46
5.2. Analysis of Reliability of the Instruments.....	46
5.3. Data Presentation.....	47
5.3.1 Data Presentation for Personal Information.....	47
5.3.1.1 Gender.....	47
5.3.1.2 Ethnicity.....	48
5.3.1.3 Faculty Distribution.....	48
5.3.1.4 Education level.....	49
5.4. Data Analysis.....	50
5.4.1 Univariate Analysis.....	50
5.4.1.1 Frequency distribution analysis of respondents by determinants.....	50
5.4.1.1.1 Determinants to become an entrepreneur.....	50
5.4.1.1.1.1. Economic Factors.....	51
5.4.1.1.1.2. Social Factors.....	52
5.4.1.1.1.3. Psychological Factors.....	53
5.4.1.1.1.4. Political and Legal Factors.....	54
5.4.1.1.1.5. Technological Factors.....	55
5.4.1.2 Mean and SD for Entrepreneurial Intention.....	56
5.4.2 Cross Tabulation Analysis.....	57
5.4.2.1. Mean comparison between gender and EI.....	57
5.4.2.2. Mean comparison between ethnicities and EI.....	58
5.4.2.3. Mean comparison between faculties and EI.....	58
5.4.2.4. Mean comparison between educational level and EI.....	59
5.4.3 Bivariate Analysis.....	59
5.4.3.1. Correlation analysis-determinants and EI.....	59
5.4.3.2. Simple Regression Analysis.....	63
5.4.3.2.1. Determinants and Entrepreneurial Intention.....	63
5.5. Summary.....	65

6. Chapter Six	
6.1. Introduction	66
6.2. Discussions on personal information.....	66
6.2.1. Gender of under graduates	66
6.2.2. Ethnicities of under gradulators.....	66
6.2.3. Faculties of the under gradulators.....	66
6.2.4. Educational level of under gradulators.....	66
6.3. Discussions on research variables	67
6.3.1. Economic Factors	67
6.3.2. Social Factors	68
6.3.3. Psychological Factors.....	68
6.3.4. Political and Legal Factors	68
6.3.5. Technological Factors.....	69
6.3.6. Relationship between economic Factors and EI.....	69
6.3.7. Relationship between social Factors and EI.....	69
6.3.8. Relationship between psychological Factors and EI.....	70
6.3.9. Relationship between political and Legal Factors and EI	70
6.3.10. Relationship between Technological Factors and EI	71
6.3.11. Relationship between determinants and EI	71
6.4. Summery	72
7. Chapter Seven	
7.1. Introduction	73
7.2. Conclusion.....	73
7.3. Recommendations	74
7.4. Limitations of the Study	75
7.5. Future Research.....	75
7.6. Implication of the Study	76

Appendix

Appendix - 1: The Questionnaires used for the study

Appendix - 2: The Output of the Analyses

Appendix - 3: Index of Statistical Definitions

Bibliography