Simple Analysis of the Financial Problems Faced by College Students and Solutions

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Abstract. It can be said that the start of the successful start up business road is usually not after graduation. To obtain the successful start up business, the most important is to have the very rich social practical experience and the solid and stable professional knowledge. At the initial stage of college students’ entrepreneurship, financial management always throughout the enterprise production management and entrepreneurship in many aspects. Individual proprietorship enterprises, partnership enterprises and limited liability companies belong to the most common three kinds of enterprises. These three kinds of enterprises all need in accordance with the relevant provisions of the financial management of the Chinese enterprises, establishing the effective accounting books, to carry out the financial accounting work. Study on the existed problems of the financial management in the initial stage of starting up business by the college students, mainly is want to make the financing and financial management of the college students’ pioneering enterprises more smoothly carry on, reasonably control the risks may appear, fully play the essential benefits of venture capital, in the aspects of policy and theory, bring the effective basis for constructing the perfect financial management model of the enterprises in the initial stage of start up business by the college students.

1. College Students Facing the Financial Problems in Starting Up Business
   1.1 Fuzzy concept of financial management

According to the analysis of the current status can found that quite a number of college students’ pioneering enterprises are micro-enterprises, which have the characteristics of small scale, low volume of business and simple organizational structure [1]. By the influence of consumption, most of the enterprises only have several employees in the initial stage of starting up business, some bosses play the role of employees, and this situation is very common. For the financial management of enterprises, due to the volume of business is relative small, the managers of the enterprises usually do not separately set up the financial management position, all through the part-time job method to reduce the human cost, these exist the relative large differences with the governance structure of the modern enterprises, it is difficult to build the wholesome financial management system. On this basis, the financial work of enterprises will be as the pure way of bookkeeping by the managers, it can be said that their all energy and center are on the market development and the research and development of products, it is difficult to effectively recognize the importance of the financial management.

   1.2 Financial management lack of standardization

For the college students in start up business, their majors are relative responsible, in addition to the economic management major, also includes some other majors’ staffs. It can be said that whether they are the economic management majors or other majors’ students, which are very lack of experience in the financial management of enterprises, when carry on the operation and management of funds are all in accordance with the individual’s subjective will to carry on, and the enterprises do not have the basic financial system [2]. Moreover, the enterprises in the initial period of starting up business have not establish the perfect financial credit system, which can easily cause the operation of working capital is limited, the account receivable of enterprises can not be returned.
in time, and cause the bad debts. Moreover, the enterprises are not enough strictly control the stock, which makes the proportion of inventory of the enterprises is high at the end of month, the operating capital of enterprises in stagnation. In addition, some start-up enterprises in the initial stage of starting up business are lack of ability to control the funds and spend too much, so the enterprises are difficult to develop smoothly.

1.3 Single financing channel

It is found that from the related survey, when the college students in start up business, the main source of their funds mainly includes these four aspects, first is the free funds, which contain the salaries of college students obtained from working during the period of school, scholarships and support of parents; secondly is borrow from the family and friends, these funds are the college students rely on their own relationships to borrow, but most still rely on the relationships from their parents, and there is a benefit that most the funds from family and friends are not required to pay interest, so these funds will not bring too much burden of material to the entrepreneurs; thirdly is bank loan, in the usual situation, want to loan from the banks must through the relative complex procedures, and also have the certain collaterals and suitable credit rating. But the credit rating of college students is not high, and collaterals are not much, so it is difficult to obtain the loans for starting up business from the relevant institutions of the bank [3]. Although currently our country actively advocate the college students to expand the start own business, also introduces a corresponding preferential measures to promote the college students to start own business, but in the practical situation, banks and college students compose the factual credit relationships, it is relative difficult that the government wants to interfere, therefore, the implementation of the actual policy still exists the certain restrictions; fourth is the risk investment funds.

1.4 Weak cost consciousness

We all know that the obtained net income of the enterprises’ operation is the total income deducts the cost, the lower cost, the actual net income is also higher, but from the practical point of view, most of the college student entrepreneurs are lack of the understanding in this aspect. Especially in the initial stage of enterprises, a lot of college student entrepreneurs are too extravagance and waste, cost consciousness is very weak, and even some operators are not clearly know and understand the meaning and concept of the cost, uniformly think the operating costs as the purchasing costs of product raw materials and human costs [4]. For the practical situation, the meaning of the enterprises’ management cost is relative wide, which involves in the whole process of production and operation of enterprises, so in addition to the need of control the fixed costs, also need to control the variable costs, that is to say that not only requires represent the production cost to control, but also needs to control the operating costs. Therefore, the cost accounting is very important in the process of start up business, must enhance the degree of attention, and control all links of cost.

2. Suggestion and Analysis on the Financial Problems Faced by College Students in Start up Business

2.1 Strengthen study on the financial management knowledge of enterprises, enhance the consciousness of financial management

For the college students with entrepreneurial intention, when in the school need to actively participate in learning the related courses of financial management, through audit, minor and other ways to enrich their own financial management, clear the financial management plays the roles in the actual operating process of enterprises, actively deal with the appeared financial problems in the process of operating management of enterprises. Moreover, when the colleges are carrying on the entrepreneurship education, also need to emphasize on the importance of financial management, targeted teach more financial management knowledge, using KAB, SYB and other related training courses integrate the financial management knowledge [5]. In addition, college students to start up
business need to increase the importance of financial management, merge the concept of financial management into the development of enterprises’ culture.

2.2 Complete the financial management system of enterprises, improve the standardization of enterprises’ financial management

The pioneering enterprises by college students must establish the complete and wholesome financial management system, which mainly includes the financial statement system, investing and financing system and so on, in essence, apply the financial management work in the enterprises’ management. Next is to set up the professional financial management positions, choose the professional financial managers, to prevent the emergence of external and part-time job is too much. Although employ the professional financial management workers will make the cost payout of pioneering enterprises increases, complete the reasonable financial management work can promote the long-term development of enterprises. Finally, optimize the allocation of funds, improve the utilization of funds, the actual experience shows that most of the college students are unsuccessful start up business and they all think that due to their lack of funds and the capital chains are cut off, although this is one of the key factors, analyze o the level of financial management can obtained that in the entrepreneurial process, optimize the allocation of funds, strengthen the operating ability of funds by the enterprises can to prevent many market risks. Due to the shortage of venture capital of college students, the importance of the reasonable use of resources is more pivotal.

2.3 Broaden the financing channels, improve the financing capacity of enterprises

The scale of enterprises of the college students is not large, the reputation is not complete, and without the effective collaterals, therefore, it is difficult to smoothly carry on the collection of funds. How to break through the difficulties in this aspect is the key for the development of pioneering enterprises by college students. Secondly is the flexible operation, pioneering enterprises can use the commercial credit for appropriately liabilities, like when the enterprises choose the raw materials can not use the buying way of cash, this is more important for the financing of funds. However, the enterprises can make use of the method of cash discount to encourage the buyers when selling the products, let them make the payment in advance as much as possible, so as to ensure the back-flow velocity of the funds [6]. Thirdly, the pioneering enterprises can use the way of stock financing, actively attract the individual enrich of funds to join in the entrepreneurial team, which not only can effectively relieve the difficult problems of investment, but also can disperse the risks of pioneering enterprises. For the pioneering enterprises, must enhance pay attention to the quality of their products and services, maintain a good credit, and enhance the financing capacity of enterprises.

2.4 Enhance cost consciousness, clear the scope of cost control

The entrepreneurial enterprises by college students produce the situation of capital chain rupture in the actual operating process, the key influence factor is the cost consciousness of entrepreneurs is weak, the initial stage of enterprises creation, they focus on the market development, sales promotion and others, naturally weaken the cost control. Some college students are in the situation of not clear the market demand, blindly buy the raw materials and equipments to carry on the production, caused the products are unmarketable, and the unmarketable products will also continuously increase the cost of production, which make the working capital of enterprises decreases even the capital chain is cut off. And for the control direction of the entrepreneurial cost, quite a number of entrepreneurs by college students are not clear understanding, for the consideration of entrepreneurial cost is not comprehensive enough, the accounting conversion appears very obvious error. Under the normal situation, there are two main required costs in the initial stage of start up business by college students, respectively are the controllable and uncontrollable costs, mainly include the field rent, equipment investment, salary, etc. The controllable cost is one of the key parts, which can be controlled by the entrepreneurs. College students must be in accordance with the operating requirements and market demands of enterprises in the initial stage of start up business, to clear the scope of controllable cost, furthest promote the profitability of enterprises.
References


