Research Framework of College Students' Financing Mode in Innovation and Entrepreneurship in Jilin Province

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Abstract. The research of College Students' self employment has become the primary issue to solve the employment. The number of college students with entrepreneurial intention is significantly higher than the number of college students who finally carry out entrepreneurial action. Why can't most college students with entrepreneurial intention fail to carry out entrepreneurial action? One of the most prominent problems is the difficulty of College Students' Entrepreneurship financing. Therefore, innovation and entrepreneurship financing mode can improve the ratio of College Students' entrepreneurial action. It can promote the independent entrepreneurship of college students in Jilin Province, relieve the employment pressure and prosper the economy of Jilin Province.

1. Introduction

Jilin Province as a major province of education, the number of college graduates in 2018 was 195,000. The overall initial employment rate was 84.43%. In 2019, the number of people reached to an new high, so the total pressure is great. In the past two years, about 50000 college graduates have not been employed every year. With the extension of these people's unemployed years, their employability has declined. According to the employment quality report of Jilin Province in 2014, less than 1% of college students start their own businesses. Under such a severe employment situation, the research on College Students' independent entrepreneurship has become the primary issue to solve the employment problems. The preliminary survey of college students in Jilin Province shows that the number of college students with entrepreneurial intention is significantly higher than the number of college students who finally carry out entrepreneurial action. Why can't most college students with entrepreneurial intention fail to carry out entrepreneurial action? This paper takes Jilin College students who have entrepreneurial intention as the research object, and analyzes the influencing factors of their entrepreneurship activities. Among them, one of the most prominent problems is the difficulty of College Students' Entrepreneurship financing. Therefore, to provide effective financing measures to help them carry out entrepreneurial action is a very worthy topic to pay attention to, so as to promote the independent entrepreneurship of college students in Jilin Province, ease the employment pressure, and prosper the economy of Jilin Province.

2. A Review of the Current Situation of College Students' Entrepreneurial Financing Dilemma

In the 1930s, British MP Macmillan first put forward the concept of "financial gap". In his investigation report on the problems of small and medium-sized enterprises provided to the British
Parliament, Macmillan pointed out that most small and medium-sized enterprises are facing financing problems and have a large financing gap. In recent years, although China's venture capital has developed to a certain extent and the government has paid more and more attention to college students' entrepreneurship, college students' entrepreneurial enterprises are still facing a certain financial gap.

2.1. The Formal Capital Market has a Minimum Asset Size Requirement for an Enterprise to Issue Shares

At present, there are two formal capital markets in mainland China: Shenzhen Stock Exchange and Shanghai Stock Exchange. In these two capital markets, enterprises need to reach a certain asset scale (usually 50 million yuan) if they want to issue stocks and raise funds. Such a high capital requirement is impossible for new enterprises founded by College students. Moreover, even if it can be listed successfully, it is also very difficult for a new venture to pay a high listing fee.

2.2. There is a Serious Problem of Information Asymmetry in the Formal Capital Market

Due to the lack of experience, enterprises founded by college students can not have enough information to make decisions compared with large enterprises. Therefore, it is unrealistic for college students to rely on the formal capital market to obtain financing.

2.3. Formal Capital Market has Institutional Discrimination Against Enterprises

China's capital market is not mature enough, so it is not market-oriented, but policy-oriented. The government's excessive interference in the capital market makes the state-owned enterprises occupy a large number of institutional advantages and have a large number of "privileges", while non-state-owned enterprises are often at a disadvantage. At present, the number of state-owned and state-owned holding companies listed accounts for more than 60% of the total number of Listed Companies in China, and the market value is about 80%. However, the number of non-state-owned companies listed on the stock market is less than 40%, and the market value is only about 20%. The stock market has become a "money tool" for state-owned enterprises. This kind of system discrimination makes the financing of College Students' entrepreneurial enterprises more difficult.

2.4. The Informal Capital Market is Still Immature

In western countries with developed capital markets, the development of aim and the third market helps SMEs solve the financing problems to a large extent. However, China's current informal capital market is still very immature. On the one hand, it lacks of NASDAQ small market, OTCBB market and pink single market. On the other hand, although small informal capital markets such as "gem" have emerged, such capital markets have certain restrictions on the nature and scale of enterprises, and there are still high financing barriers for college students to start their own businesses.

For financial institutions, there are many kinds of costs involved in the process of providing entrepreneurship financing for college students. These costs become the basis for financial institutions to provide loans for college students, and also determine that college students must choose their own financing methods to obtain funds. These costs can be divided into information search cost in order to reduce the prior adverse selection, the cost in the transaction process and the cost to prevent the credit risk after the event. Financial repression refers to the excessive intervention of the government or relevant institutions on financial activities and financial system,
which results in the inhibition of the development of the financial system, thus hindering the economic development. Financial repression is manifested in three aspects: Bank Monopoly, bank supervision and private lending. The existence of financial repression leads to the financing dilemma of college students.

3. An analysis of the Causes of College Students' Financing Difficulties

3.1. Narrow Channels of Venture Financing

The narrow financing channels of college students not only lead to the lack of funds, but also affect the cultivation and acquisition of human and social resources and other entrepreneurial resources (Chen Jinqiu, 2014; Wang Xiaobing, Chen Shengyong, Mo Xinhui, 2015; Zhou Pei, 2015; Ning Ru, Ding Lu, 2015). Based on the financing ability of college students and the current venture capital environment in China, it is difficult for college students to independently attract venture capital from the society. The main source of funds is loans from relatives and friends, and the financing channel is single (Chen Jie, 2011; Wu Kaijun, 2012; Zhang Xianli, 2016).

However, the amount of these venture capital is relatively small, which is almost a drop in the bucket for some enterprises with large capital demand. At present, many local governments will designate relevant banks or financial institutions to provide small loans to start-up enterprises, and the preferential range is also large, which is more suitable for college students to apply for entrepreneurship. However, some scholars believe that although there are various preferential policies, as banks, as specialized financial institutions, are more strict in risk control and need to be reviewed at all levels, the complexity of the procedures for business loans of commercial banks makes it more difficult for college students to start their own businesses.

At present, the venture capital institutions in Jilin Province have little investment, small scale, weak capital strength and lack of venture capital funds. The scale of venture capital can not meet the needs of College Students' Entrepreneurship financing in Jilin Province. Due to the limitation of their own capital strength, investment companies can only accept some projects with less investment, less risk and quick effect, and can not wait for the long process of College Students' entrepreneurship. Therefore, the lack of venture capital institutions in the province is also one of the factors affecting college students' financing.

3.2. Self Financing Ability is not Strong

College students lack professional knowledge and standardized financial management in the initial stage of entrepreneurship, and lack of entrepreneurial preparation is an important reason for financing difficulties (Chen Jie, 2011). College students who have just entered the society are lack of practical experience, entrepreneurial skills and social experience. Many people start their own businesses blindly and do not have practical business planning. Influenced by the surrounding environment, he started his business with the impulse and yearning for success. What they lack is the understanding of the entrepreneurial project itself, financing channels and methods, as well as the relevant government policies. They start a business with enthusiasm. When they encounter capital problems, they first think whether they can solve them. The current situation of initial financing is not optimistic. If they can't raise the required funds in these aspects, they will often give up starting a business in despair. This is also a major factor in the short life span of small and micro enterprises in China. The lack of detailed feasibility plan at the initial stage of entrepreneurship can
easily lead to the blind choice of financing objects and one-sided trust of financiers, which makes it difficult for enterprises to develop for a long time (Chen Song, 2013).

3.3. The Relevant National Policies have not been Effectively Implemented

In recent years, the government has issued a lot of entrepreneurship policies, which only roughly prescribe the principle direction, but has not issued a series of detailed rules, which makes the implementation effect lack (Chen Jinqiu, 2014; Chen Song, 2014). Zheng Xu (2015) proposed that the government's preferential policies did not form a complete system; the policies were too general, and the operability was not strong; and the propaganda efforts were not enough.

4. The Main Contents of Innovating College Students' Entrepreneurial Financing Mode

This study adopts the method of questionnaire survey to study the problem of College Students' Entrepreneurship financing. The research object is college students in Jilin Province (including junior college degree or above). The current situation of College Students' entrepreneurial willingness, entrepreneurial opportunity and entrepreneurial ability is investigated, and the evaluation of college students on capital demand, financing environment, national policies, financial institutions and educational institutions in the process of entrepreneurship is investigated. It also provides some countermeasures and suggestions on the main channels, financing risks, stage selection mode and optimization of College Students' entrepreneurial financing system.

4.1. Investigation and Analysis of the Current Situation of College Students' Entrepreneurship Financing in Jilin Province

This part plans to use statistical data collection, research to obtain data and cases, analyze the financing channels of college students in Jilin Province, analyze the difficulties and pressures of entrepreneurship financing, and find out the reasons for the difficulties.

4.2. Analysis on the Influencing Factors of College Students' Entrepreneurial Financing Ability in Jilin Province

This part intends to collect and analyze the data from the financing ability of college students to get the macro and micro factors that affect the financing ability of college students, so as to solve the problem of financing difficulties in essence.

4.3. Innovation Jilin Province University Student Entrepreneurship Financing Channel Research

At present, China's financing channels include direct financing, using foreign capital, financing through accounts receivable loan and sale, financing through sale and leaseback, financing by buy back contract, and financing by using supply relationship. Through the case analysis of the existing financing channels, find out the suitable financing channels for college students in Jilin Province, and carry out policy innovation.

4.4. Analysis on the Innovation of Financing Ways for College Students in Jilin Province

Based on the investigation and analysis of the current situation of College Students' Entrepreneurship financing in Jilin Province, the influencing factors of College Students' entrepreneurial financing ability in Jilin Province, the research on entrepreneurial financing channels of college students in Jilin Province and the experience of developing small and
medium-sized enterprises in developed countries, a unique new channel for promoting entrepreneurship financing of college students in Jilin Province is formed\[6\].

5. Conclusion

This research framework starts from the current situation of College Students' entrepreneurial financing difficulties, analyzes the causes of College Students' entrepreneurial financing difficulties, and finally puts forward the main ideas of Innovative College Students' entrepreneurial financing mode. In order to optimize the entrepreneurial assistance of college students in Jilin Province and promote the economic prosperity and development of Jilin Province.

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