International Journal of Economics, Commerce and Management
United Kingdom Vol. VI, Issue 12, December 2018
http://ijecm.co.uk/ ISSN 2348 0386

EFFECTS OF ENTREPRENEURIAL FINANCIAL SKILLS ON LOAN REPAYMENT IN MICRO AND SMALL ENTERPRISES IN ELGEYO MARAKWET COUNTY, KENYA

Kiptum Amos Kipruto
Egerton University, Kenya
amktum@yahoo.com

Abstract

The purpose of this study is to find out the effect of owners or managers financial literacy on loan repayment among Entrepreneurs. Based on Dual Process theory of financial management, this study seeks to find out whether financial literacy affects loan repayment among Entrepreneurs. Descriptive survey design was adopted. The target population for this study was 280 owners or managers of MSEs in Elgeyo Marakwet County. This study adopted a form of qualitative descriptive research, the case study design. The study used random sampling method to sample the 30% of the respondents from the target population. Primary data was collected using self administered structured questionnaires supplemented by the interviews. The study used both descriptive and inferential statistics techniques. The study findings showed that there is positive effect of financing skills repayment ($\beta 1 = 0.361$, $p<0.05$) and budgeting skills ($\beta 3 = 0.685$, $p<0.05$) on loan repayment. The study concludes, financing skills and budgeting skills by MSE owners contributes to loan repayment by the Medium and Small Enterprises.

Keywords: Loan Repayment, Budgeting Skills, Financing Skills, Small and medium enterprises (SMEs), UAS, United Kingdom, international Monetary Fund Mission (IMFM)

INTRODUCTION

Financial skills have attracted expanding consideration in both the developed and developing countries in recent years with the changing global business arena. Financial l skills, financial knowledge, and financial education often have been used interchangeably both in the academic literature and in the popular media (Huston, 2010). Financial skills refer to the ability to make informed judgments and effective decisions regarding the use and management of money (Eniola, & Entebang, 2016). According to Remund (2010), financial skills refers to the degree to which one understands key financial concepts and possesses the ability and confidence to manage personal finances through appropriate, short-term decision-making and sound, long-range financial planning.

According to Greenspan (2002), financial skills helps to inculcate individuals with the financial knowledge necessary to prepare household budgets, set up savings plans, and develop strategic investment decisions. It helps in empowering and imparting knowledge to consumers so that they are knowledgeable about finance in a way that is relevant to their lives and enables them to use this knowledge to analyze products and make informed decisions. According to Hilgert *et al.,* 2003, financial knowledge is directly correlated with self-beneficial financial behavior. Financial skills aids the decision making processes such as payment of bills on time, proper debt management which enhances the credit worthiness of potential borrowers to improve their livelihoods, enhance economic growth, sound financial systems, and reduction of poverty . It also gives a greater control of one's financial future, more effective utilisation of financial products and services, and reduced susceptibility to overzealous retailers or fraudulent schemes. However, Skeptics such as Lyons *et al.,* 2006 questioned the effectiveness of financial education on improving financial skills. Van *et al.,* 2011, did a survey on Dutch adults, the researchers established that households with low levels of financial skills are more likely to base their behavior on financial advice from friends and are less likely to invest in stocks market.

Smaller scale business people frequently need adequate financial literacy to make complex monetary choices they confront (Drexler *et al.,* 2010). This is tragic, since as indicated by Oseifuah (2010) financial proficiency among new business people contributes significantly to their enterprise abilities. Business people who are interested in new ventures need to be sure with their financial literacy, and in addition the management of the new ventures (Kotzè & Smit, 2008). On the off chance that people are unskilled concerning their own accounts, their monetary administration of new pursuits will likewise be missing and will prompt diminished new pursuit creation and conceivable disappointments of SMEs (Kotzè & Smit, 2008). If people are illiterate in respect to their personal finances, their financial management of their business enterprises will also be lacking and thus reduction in new venture creation and possible failures of SMEs (Kotzè & Smit, 2008). It can therefore be seen that micro, small and medium enterprises are greatly affected by lack of financial literacy and such deficiency undermines the chance of their business growth and survival.

Drexler *et al.,* (2010) pointed out that individuals as well as entrepreneurs are needed to make hard financial choices in many occasions in life, whether in their own individual accounts or as entrepreneurs. Cole & Fernando (2008) declare that there is relationship between financial skills, the ability to make good financial decisions and household well-being and business survival. A review of the literature on financial skills in Kenya reveals that few studies have empirically investigated the financial literacy of the MSEs in Kenya. The main objective of the current study is to examine the effect of financial literacy on loan repayment by Entrepreneurs in Elgeyo Marakwet County.

Statement of the problem

Financial resources are key resources for a firm. It enables a firm to acquire other resources and serve as an important instrument in the resource structuring process (Lyons *et al.,* 2006). Due to this important role of finances in a business set up, it can be argued that to perform well, business entities would require financially literate individuals who can acquire and manage this important resource while keenly involved in business decision-making process.

Effective implementations of financial skills lead to improvement in business performance due to improved ability to track business events from the record system (Siekei, *et al.,* 2013). Unfortunately, Eresia-Eke & Raath ,2013) argued that owners of small business normally lack oversight and have limited competence in managing their business financial aspects. Cooley and Pullen (1979) also argue that the management of a firm's cash flows is largely not efficient in small businesses. Furthermore Berman & Knight (2013) found out that individuals in management positions could not differentiate an income statement and a balance sheet. The majority of business owners who are financially illiterate can experience a lot of difficulties for the continued existence and possible growth of the business. It is against this background that interests in financial skills are growing in businesses.

Lack of financial skills could possibly be a constraint to proper financial management and consequently, loan repayment. A study done by Mungai, (2012) revealed that financial literacy among the youth influences loan repayment of the finances obtained from the youth enterprise fund. However, there is a steady increase in the default rates and a slowdown in the loan repayment by SMEs (Equity Bank Group report 2013). These findings make the investigation of the issue of financial literacy among business owners necessary. This study therefore seeks to evaluate the effect of financial literacy on loan repayment by Micro and Small Enterprises. Thus, hypothesised;

$H_{O1:}$ *There is no significance effect of financing skills on loan repayment by Micro and Small Enterprises*

$H_{O2:}$ *There is no significance effect of budgeting skills on loan repayment by Micro and Small Enterprises*

LITERATURE REVIEW

A study by the OECD (2005) involving businesses in twelve countries including the USA, UK, Australia and Japan, found out that financial skill is very low in those nations. Kotzè &Smith (2008) revealed that the ratio of household debt to disposable income in South Africa fluctuated between 50.6% and 71.8% between 1996 and 2006. Associated with this, is the savings rate that has declined sharply from 8% in the 1980s to about -0.5% of personal disposable income in 2006 (Kane-Berman & Tempest, 2007). Mounting personal debt triggered insufficient savings among South Africans (Grawitzky, 2003). All of these could be due to lack of financial skills on the part of many South Africans. This situation is problematic as it could affect the individual and economic growth in the country (Kotzè & Smith, 2008).

Bruhn & Zia (2011) investigated the impact of business and financial literacy program on firm outcomes of young entrepreneurs. The results indicated that entrepreneurs with higher levels of financial literacy show better business performance and sales. Andoh & Nunoo (2011) found that the financial literacy of owners of SMEs is a very important factor in explaining utilization of financial services by SMEs. Low levels of financial literacy can prevent SMEs from understanding and assessing financial products from financial institutions.

The Association of Chartered Certified Accountants (2014) pointed out that one of the challenges facing financial institutions is the generally low level of financial awareness among small business owners. Wise (2013) found that increases in financial literacy leads to more frequent production of financial statements. An entrepreneur that produces financial statements more frequently has a higher probability of loan repayment and a lower probability to voluntarily close his/her business.

According to Kotzè & Smit (2008), lack of personal financial literacy impacts negatively on the financial management of new ventures and can lead to possible failures of SMEs. Sucuahi (2013) points out that the significant role of the micro enterprises can be well harnessed and sustained through a fine and precise financial management of the entrepreneurs themselves. A good financial foundation of the entrepreneurs is a significant barometer of the success and growth of the enterprises.

Bruhn and Zia (2011) in their study on the Impact of Business and Financial Literacy for Young Entrepreneurs in Bosnia and Herzegovina found that business outcomes and practices is the difference in effects of the training on individuals with below and above median financial literacy at baseline. They also found that both financial literacy changed some of their business practices, such as separating personal accounts from business, and making investments in their business; increased in productivity and sales of a business and impacted on access and payment of loans. According to Wise 2013, financial literacy can improve access to finance by new ventures. It improves the chance of no loan default (Kotzè & Smit 2008) and improves sales and business performance (Bruhn and Zia 2011).

Oseifuah (2010) in his study on the impact of financial literacy on youth entrepreneurship indicated that the level of financial literacy among youth entrepreneurs is above average while study by Fatoki (2014) suggests a low level of financial literacy by the owners of new microenterprises. The study done by Eresia-Eke and Raath (2013) investigated the relationship between SME owners' financial literacy and business growth did not find a statistically significant relationship between the SME owners' financial literacy and business growth.

Financing Skills

The financing skills refer to the ability to obtain capital from outside sources with minimal cost and payoff obligation. Interestingly, Assibey (2010) found out that most micro entrepreneurs are illiterate with respect to business financing. Without knowing that their obligation is getting bigger because of interest and high debts will lead to business reversal (Sucuahi, 2013). Abanis *et al.,* (2013) found that only a few SMEs that have cash surplus, do invest in marketable securities in order to generate more income. This practice hinders their growth and eventually leads to their failure. Most of the respondents know that if they need credit, they can approach commercial banks, micro finance. Most of them are not aware of business angels and venture capitalists. The results indicate that the awareness of government agencies that provide financial and non-financial assistance to SMMEs is limited. This can further perpetuate inaccessibility to external finance by micro enterprises. Blumberg & Letterie (2008) suggested that lack of venture capital funds makes many new SMEs dependent on bank loans, overdrafts and suppliers credit for early-stage financing.

Budgeting Skills

Budgeting refers to the expenditure planning and cash flow analysis (Uddin *et al.,* 2009) which is very important to the success of the business operation and processes (Bragg and Burton, 2006). However, Sucuahi, 2013) found that small business owners are not concerned about budgeting; their concern is more of the cash flow. Studies done indicate that SMEs beneficiaries tend to acquire budgeting skills related to business planning for profit, financing and cash flow. The moderately low level of budgeting skills imply that, although the skills are emphasized during the training, the content may not be sufficient in handling the planning aspects in SMEs, or the focus was more on personal budgeting rather than business. Budgeting skills play a key role in enhancing the performance of SMEs. The budgeting skills acquired assist the entrepreneurs to increase their sales, and business profitability by providing a basis of establishing performance targets. Furthermore, x the budgeting skills contribute towards ensuring smooth running of the business (Siekei, *et al.,* 2013).

Loan Repayment

Repayment performance is the ability of a borrower to service his loan effectively as to and when loan instalments fall due. Imbuga (2014) posits that repayment performance refers to the total loans paid on time as stated in the loan agreement contract and repayment performance measures are based on the degree of arrears. Mukono, 2015). pointed out that repayment performance is usually measured in term of binary variable based on an arbitrary definition of what constitutes repaying on time. Borrowers are typically required to repay their loans in regular instalments, soon after loan disbursements (Sigei, 2017). A delayed in instalment is said to be delinquent and a repayment that has not been made is said to be in default. Default on borrowed funds could arise from unfavourable circumstances that may affect the ability of the borrower to repay (Stigliz and Weiss, 1981). The willingness to repay in the financial market is crucial to the existence of a healthy financial system. Since repayments are not third party enforceable, many borrowers default and lenders cannot profitably offer credit contracts (Martin 2004).

METHODOLOGY

Descriptive survey design was used for this study. The population for this study was all the 280 SMEs licensed by Elgeyo Marakwet County in 2015. For this study, random stratified sampling method was used to obtain a representative sample. The study selected 30% of the respondents from the target population. This gave a total of 84 respondents which is deemed to be a good representation of the population. Questionnaire was used as a research instrument. Pilot testing was done to access the reliability of the questionnaire

Sampling

The study employed random stratified sampling method to obtain a representative sample. MSEs were stratified into 4 stratus. Proportionate stratification that is based on the stratums share of the total population was used to come up with a sample in each stratum. This gave a total of Eighty Four (84) respondents which was deemed to be a good representation of the population.

The sample size of the study was 84 MSEs operating within Elgeyo Marakwet County. The sample size was computed as shown by the Nassiuma (2000) formula.

$$n = \frac{Nc^2}{c^2 + (N-1)e^2}$$

$$n = \frac{130}{0.25 + (519)0.0025} = \frac{130}{1.5475}$$

$$n = 84$$

Where, n=Sample size, N=Population, c=covariance (0.5), e= standard error (0.05). Using this formula a sample of 84 MSEs were selected

Table 1 Sample Distribution

Category	**MSEs**
Hardware business men	10
Clothes dealers	23
General retail traders	27
Others	24
Total	84

Pilot Study

A pilot test was carried out to check the validity and reliability of the questionnaire in gathering the required data for the purposes of this study. The pilot test used 10 respondents who were not part of the study and this constituted 10% of the study sample. In order to ascertain validity and reliability of the research instruments, the study pilots the instruments by distributing ten (10) questionnaires to other MSEs in Iten town In Kenya which is the headquarters of Elgeiyo Marakwet County, the results of the piloted questionnaires enabled the study to determine the consistency of responses to be made by respondents and adjust the items accordingly by revising the document.

Data Analysis

Descriptive statistics were applied to establish patterns, trends and relationships and to make it easier to understand and interpret the implications of the study. Data collected was then be organized, coded, and entered in the computer for analysis using SPSS software. Correlation coefficient and regression analysis was used to explain the relationship between the independent and dependent variables.

FINDINGS

Entrepreneur characteristics

Based on the findings 74.7% (56) of the respondents noted that their business is in the formal sector while 25.3% (19) of the respondents ascertained that their business is in the informal sector. In terms of the highest level of education, 42.7% (32) of the respondents have form four as their highest level of education, 34.7% (26) of them have no certificate, 12% (9) have a degree and 10.7% (8) have a diploma. This implies that most of the MSE managers in the study area totaling to 88.1% had less than College education. The results on how long the respondents have been in business revealed that 61.3% (46) of the respondents have been in business for 7 to 10 years, 21.4% (16) for 0 to 5 years and 17.3% (13) for over 10 years. On the whole, most of the business has been in operation for more than 7 years hence the MSE owners are able to provide responses based on a wider knowledge base of the Micro and Small Enterprises' operations.

Total amount borrowed

The study intended to determine the total amount borrowed. The findings showed that 41.3% (31) of the managers borrowed between Ksh11000 to Ksh20000,30.7% (23) of them borrowed between Ksh21000 to Ksh30000,14.7% (11) of them borrowed between Ksh1000 to Ksh10000 and 13.3% (10) of the managers borrowed Ksh31000 and over.

Financing skills

Financing skills summed up to a mean of 2.8619 and standard deviation of 0.73496 meaning that the owners of the MSEs were not entirely in agreement with the items on financing skills. In a nutshell, most of the MSE owners make use of microfinance to finance their business. MSE owners' awareness of business angels, venture capitalist and Stokvel is limited thereby limiting their access to credit. Consistently, Demirguc-Kunt *et al.,* (2006), posit that external equity in the form of venture capital or the stock exchange is usually not available for SMEs. Similarly, the MSEs are unaware of government agencies that offer credit. The results suggest that there is lack of knowledge on financing among the MSE. The finding also corroborates that of Assibey (2010) eluding that most micro entrepreneurs are illiterate with respect to business financing.

Table 2 Financing skills

	Mean	Std. Deviation
I have a personal bank account	3.07	1.735
I have a business account	2.93	1.359
I regularly bank my takings on a daily basis	2.36	1.608
I invest the cash balance in my account	3.15	1.583
I have skills on why i should choose Micro finance	3.04	1.299
I have skills on why i should choose Stokvel	2.37	1.6
I have skills on why i should choose Business angels	2.91	1.561
I have skills on why i should choose venture capitalist	3.15	1.617
Am aware of the requirements of commercial banks in lending money to businesses	3	1.801
I always checked the websites of commercial banks for me to see the credit products and their requirements?	3.01	1.4
Am aware of some government agencies that can provide financial and non-financial assistance to you	2.88	1.619
Financing skills	2.8619	0.73496

Budgeting skills

Budgeting skills summed up to a mean of 2.4 and standard deviation of 0.624 meaning that the budgeting skills for the Micro and Small enterprises were generally poorly. This is supported by the fact that the MSE owners are unable to prepare a written budget of income and expenditure as well as carry out a self-internal audit to track budget implementation. In line with the study findings, Torres (2008) found that small business owners are not concerned about budgeting; their concern is more of the cash flow.

Table 3 Budgeting skills

	Mean	Std. Deviation
I have a written financial objectives of what you want to achieve in a year for your business	3.15	1.872
I prepare a written budget of income and expenditure	2.33	1.766
I compare your financial objective to your performance	3.28	1.79
I carry out a self internal audit to track budget implementation enabled you to track financial leakages?	1.43	1.029
Budgeting skills	2.40	0.624

Loan Repayment

The following items were used to measure loan repayment; time in paying loan, delay in paying loan, and honoring terms and conditions of the loan. Table 4 shows loan repayment status, delay of loan repayment among low income household (borrowers) was ranked first, respondents agreed that they delay in paying their loan (mean 4.45 with standard deviation of 0.677), lack of honoring terms and conditions for the loan when repaying the loan among borrowers was ranked second as shown by mean of 3.91 and standard deviation of 0.582), paying loan with lot of pressure was ranked third, respondents agreed that they pay their loan with loan with lot of pressure (mean = 3.89 and standard deviation of 0.506). Respondent further, agreed that they pay their loan through loan from another Micro finance institution (mean = 3.85 and standard deviation of 0.557). Interestingly, paying loan in time was ranked last implying that respondents were neutral on whether they pay their loan in time or not (mean of 3.75 and standard deviation of 0.742).

Table 4 Loan Repayment

	Mean	**Std. Deviation**
I pay my loan in time	3.75	0.742
I delay in paying my loan	4.45	0.677
I do not honor terms and conditions for the loan when repaying my loan	3.91	0.582
I pay my loan with a lot of pressure	3.89	0.506
I pay my loan through loan from another Micro finance institution	3.85	0.557
loan repayments	3.87	0.344

Table 5 Correlation Results

		Loan repayments	Financing skills	Bookkeeping skills	Budgeting skills
loan repayments	Pearson Correlation	1			
	Sig. (2-tailed)	1			
Financing skills	Pearson Correlation	.295*	1		
	Sig. (2-tailed)	0.01			
Budgeting skills	Pearson Correlation	.642**	0.076	-.285*	1
	Sig. (2-tailed)	0.000	0.519	0.013	

*Correlation is significant at the 0.05 level (2-tailed) **Correlation is significant at the 0.01 level (2-tailed)

Correlation coefficients are the statistical method utilized to explore the three variables: financing skills, bookkeeping skills and budgeting skills. The results of the correlation analysis are presented in table 5. The correlation between financing skills and loan repayment was significant, $r = 0.295$, $P < 0.05$. The correlation between budgeting skills and loan repayment was also significant, $r = 0.642$, $P < 0.01$. Therefore, financing skills and budgeting skills are expected to influence loan repayment.

Table 6 Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients			Correlations	Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Zero-order	Tolerance	VIF
(Constant)	0.979	0.281		3.48	0.001			
Financing Skills	0.231	0.054	0.361	4.256	0.000	0.295	0.916	1.092
Budgeting Skills	0.515	0.064	0.685	7.997	0.00	0.642	0.896	1.116

a Dependent Variable: Loan repayments

The regression results in table 6 show that each of the predicted parameters in relation to the independent factors were significant; β_1= 0.361 (p-value = 0.000 which is less than α = 0.05) which implies that we reject the null hypothesis stating that there is no positive effect of financing skills on loan repayment. This indicates that for each unit increase in the positive effect of financing skills, there is 0.361 units increase in loan repayment. Furthermore, the effect of financing skills was stated by the t-test value = 4.256 which implies that the standard error associated with the parameter is less than the effect of the parameter.

The value of β_2 = 0.685 (p-value = 0.000 which is less than α = 0.05) which implies that we reject the null hypothesis stating that there is no positive effect of budgeting skills on loan repayment. This indicates that for each unit increase in budgeting skills, there is up to 0.685 units increase in loan repayment. The effect of budgeting skills is stated by the t-test value = 7.997 which indicates that the effect of budgeting skills is over7 times that of the error associated with it.

The rule of thumb was applied in the interpretation of the variance inflation factor. From table 6, the VIF for all the estimated parameters was found to be less than 4 which indicate the absence of multi-collinearity among the independent factors. This implies that the variation contributed by each of the independent factors was significant independently and all the factors should be included in the prediction model.

CONCLUSION

In conclusion, financing skills by MSE owners contributes to loan repayment by the Medium and Small Enterprises. In the event that MSE owners have acumen on business financing, they will be aware of their financial obligation upon taking loans and thereby repay the loan before the MSE accrues high interest and high debts. The implication is that growth of the MSE is not hampered. The challenge however is that the targeted Medium and Small Enterprises are unaware of the requirements of commercial banks in lending money and have limited knowledge on the sources of financing. The result is that the Medium and Small Enterprises have limited access to credit and are unlikely to meet their financial obligations.

Additionally, financing skills are important in the running of Micro and Small Enterprises. The challenge is that the MSE owners have limited financing skills. Precisely, MSE owners lack the knowledge on balancing the ledgers & trial balance and preparing financial statements at the end of the year. Lack of these book keeping skills are detrimental to the performance of the business. The implication is that the MSE owners are unable to make management decisions to enhance their overall performance. In light of the foregoing, the study established that financing skills have a positive significant effect on loan repayment by the Micro and Small Enterprises.

Finally, the study has established that budgeting skills have an influence on loan repayment by Micro and Small Enterprises. Budgeting skills make it possible for the MSE owners to handle the planning aspects of the business adequately. Through the budgeting skills, owners of Micro and Small Enterprises make use of financing by using their set of skills to drive sales upwards and business performance by establishing performance targets. Besides, well written budget of income and expenditure makes accounting for business operations easier hence the MSEs are able to meet their financial obligations.

RECOMMENDATIONS

The study has established that financing skills have a positive and significant effect on loan repayment. It is therefore utmost necessary for MSE owners to undergo training on business financing so that they can enhance their knowledge on the sources of finance and how they can effectively access credit. Also, they can gain knowledge on how to prepare a business plan to guide them on their business operation. For the MSE owners, it is recommended for them to bank their takings on a daily basis and invest the cash balance in their bank account. Furthermore, other than depending only on microfinance and commercial banks, MSE owners can source credit from business angels and venture capitalists.

Finally, since budgeting skills has a positive and significant effect on loan repayment by Micro and Small Enterprises, it is paramount for MSE owners to have well written financial objectives of what they want to achieve in a year for their business. As well, it is important for them to prepare a written budget of income and expenditure and compare their financial objective to their performance. Additionally, it is essential for the Micro and Small Enterprises to have self-internal audit to track budget implementation.

SCOPE FOR FURTHER STUDIES

This study expands our knowledge on the effect of financial skills on loan repayment by Micro and Small Enterprises. Though this study has fulfilled its aim and objectives, there are a number of areas for additional studies given the limitations of the research. On a geographical dimension, this study was primarily limited to Micro and Small Enterprises in Elgeyo Marakwet. Therefore, it may not be appropriate to generalize to the whole population of Micro and Small Enterprises in Kenya. For this reason, further empirical investigations in different Counties are needed. There is thus need for further studies to establish if the study findings hold. Also, the factors that influence loan repayment by Micro and Small Enterprises were only limited to budgeting skills and financing skills. There is need for further studies to establish other factors that influence loan repayment by Micro and Small Enterprises

REFERENCES

Abanis T, Sunday A, Burani A, Eliabu B (2013). Financial management practices in small and medium enterprises in selected districts in Western Uganda. Res J of Fin and Acc, 4(2): 29-42.

Andoh. & Nunoo (2011).Sustaining Small and Medium Enterprises through Financial Service Utilization: Does Financial Literacy Matter?

Association of Chartered Certified Accountants 2014. Financial Education for Entrepreneurs: What Next? From <http://www.accaglobal.com/content/dam/acca/ global/PDF-technical/small-business/pol-tp-fefe.pdf> (Retrieved on 27 March 2015).

Berman, K., & Knight, J. (2013). Financial intelligence, revised edition: A manager's guide to knowing what the numbers really mean. Harvard Business Review Press.

Blumberg BF, Letterie W.A. (2008). Business starters and credit rationing in small business. Small Bus Eco, 3(1): 187-200.

Brush, C.G and Chaganti, R. (1999). Businesses without glamour? An analysis of resource on performance by size and age in small service and retain firms. Journal of Business Venturing, 14(3), 233-257

Cole S, Fernando N 2008. Assessing the Importance of Financial Literacy. Asian Development Bank. From <http://www.adb.org/Documents/Periodicals/Microfinance/ finance-200803.pdf> (Retrieved on 27 March 2015).

Drexler A, Fischer G, Schoar A 2010. Keeping it Simple: Financial Literacy and Rules of Thumb. From 158 OLAWALE FATOKI <http://www.mit.edu/~aschoar/KIS-DFS-March 2015.pdf> (Retrieved on 15 March 2015).

Eniola, A. A., & Entebang, H. (2016). Financial literacy and SME firm performance. Int. J. Res. Stud. Manag, 5(1), 31-43.

Equity Bank (2013). Equity Bank Steps Up Its 1 Billion Bid To Boost Financial Literacy. Retrieved from http://equitygroupfoundation.com on 13th February 2014

Eresia-Eke, C. E., & Raath, C. A. T. H. E. R. I. N. E. (2013). SMME owners' financial literacy and business growth. Mediterranean Journal of Social Sciences, 4(13), 397.

Eresia-Eke, CE., & Raath, C. (2013). SMME Owners' Financial Literacy and Business Growth. Mediterranean Journal of Social Sciences, 4(13): 397-406

Fatoki, O. (2014). The financial literacy of micro entrepreneurs in South Africa. Journal of Social Sciences, 40(2), 151-158.

Glaser M, Walther T (2013). Run, Walk, or Buy? Financial Literacy, Dual-Process Theory, and Investment Behavior From <http://www.busman.qmul.ac.uk/newsandevents/events/eventdownloads/bfwgconference2013acceptedpapers/114912.pdf> (Retrieved on 18 March 2015).

Greenspan, A. (2002). Financial Literacy: A Tool for Economic Progress. The Futurist, 36, (4) : 37-41.

Hilgert, M., J. Hogarth & S. Beverly (2003).=Household Financial Management: The Connection between Knowledge and Behavior', Federal Reserve Bulletin, 309–32.

Huston S.J (2010). Measuring Financial Literacy. J of Consumer Affairs, 44(2): 296-316.

IMBUGA, B. M. (2014). An Assessment Of The Effect Of Inflation On Loan Repayment Among Commercial Banks In Kenya.

Kempf A, Merkle C, Niessen-Ruenzi A (2013) Low Risk and High Return-Affective Attitudes and Stock Market Expectations. European Financial Management, forthcoming.

Kotzè, L., &Smit, A. (2008). Personal financial literacy and personal debt management: the potential relationships with new venture creation. South African Journal of Entrepreneurship and Small Business Management, 1(1), 35–50

Lyons, A., Chang, Y., & Scherpf, E. (2006). Translating financial education into behavior change for low-income populations.

Martin, S. L. (2004). The Litigation Financing Industry: The Wild West of Finance Should Be Tamed Not Outlawed. Fordham J. Corp. & Fin. L., 10, 55.

Mukono, A. (2015). Determinants of loan repayment by small and medium enterprises in Nairobi Country, kenya.

MUNGAI, M. J. (2012). Influence Of Youth Enterprise Development Fund On The Growth Of Youth Group Projects In Kenya; A Case Of Gatundu North District.

Nassiuma, D. K. (2000). Survey sampling. Theory and methods.

Organisation for Economic Co-operation and Development (2005). Improving Financial Literacy: Analysis of Issues and Policies From <http://titania.sourceoecd.org/vl=4607980/cl=25/nw=1/rpsv/ij/oecdthemes/9998007x/v2005n30/s1/p1l.> (Retrieved on 20 February 2015).

Oseifuah EK (2010). Financial literacy and youth entrepreneurship in South Africa. African J of Eco and Man Stu, 1(2): 164–182.

Remund, D. L. (2010). Financial literacy explicated: The case for a clearer definition in an increasingly complex economy. Journal of Consumer Affairs, 44(2), 276–295. http://dx.doi.org/10.1111/j.1745-6606.2010.01169.x

Siekei, J. (2013). An Assessment of the role of financial literacy on Performance of Small and Micro Enterprises. Case of Equity Group Foundation Training Program on SMES in Njoro district, Kenya

Sigei, K. (2017). Factors Influencing Youth Enterprise Development Fund Loan Repayment Among Youth In Kenya: A Case Study Of Konoin Constituency Bomet County(Doctoral dissertation).

Sucuahi, W. T. (2013). Determinants of financial literacy of micro entrepreneurs in Davao City. International Journal of Accounting Research, 1(1), 44-51.

Van Rooij MCJ, Lusardi A, Alessie RJM (2011a) Financial Literacy and Stock Market Participation. Journal of Financial Economics 101(2): 449-472.

Wise S (2013). The impact of financial literacy on new venture survival. Int J of Bus and Man, 8(23): 30-39.

