DIGITALES ARCHIV

Idewele, I.

Article

Accounting records and the performance of small and medium scale industries : a case of Karu L.G.A. of Nasawara State

Provided in Cooperation with:
University of Benin, Benin City, Nigeria

Reference: Idewele, I. (2019). Accounting records and the performance of small and medium scale industries : a case of Karu L.G.A. of Nasawara State. In: Accounting and taxation review 3 (2), S. 85 - 96.

This Version is available at:
http://hdl.handle.net/11159/4431

Mitglied der

Leibniz-Gemeinschaft

ZBW Leibniz-Informationszentrum Wirtschaft
Leibniz Information Centre for Economics

Original Research Article

Accounting Records and the Performance of Small and Medium Scale Industries (A Case of Karu L.G.A. of Nasarawa State)

I. Idewele

Department of Business Administration, Veritas University, Abuja.

*For correspondence, email: idewelei@gmail.com

Abstract
This study evaluates the impact of accounting records on the performance of Small and Medium Scale Industries in Karu LGA of Nasarawa State. The research design is survey method comprising of opinions, impressions and perceptions of the respondents. The sampling technique was simple random sampling and proportionate stratified random sampling. The findings show that most of SMEs do not keep accounting records. Some of the reasons as to why they do not keep accounting records were: time consuming, lack of knowledge and skills, poor documentation, ignorance and poor support from the workers responsible with records in the organizations. The study recommend that the owners of SMEs to participate in different business matters, like seminars, international meetings, conferences where they can get different information, business skills on how to manage the business. Public and private organizations should increase effort on SME sector, especially in educating members how to improve their business in case of performance which requires good accounting records. Each SME owner, trader, supervisor should make sure that he or she is aware of the importance of accounting records towards the business growth.

JEL Classification Codes: M410, M490

INTRODUCTION

Small Scale Businesses Enterprise has outnumbered other forms of business and could be found almost everywhere across the country. In spite of their numbers, and significance, recent studies show that 60% of the SSBs fail within the first five years of operation (Boachie- Mensah & Marfo-Yiadom, 2005). Studies also show that it is hard for the SMEs to access finances from the financial institutions since they lack proper financial records as a requirement (William, 2008). To become successful and be able to contribute meaningfully to the Nigerian economy, SMEs must attract and secure finance themselves. (Amoako, 2013).Smaller companies may be able to maintain closer client relation and better customer relation than the larger ones. This difference in operation technique may influence error in accounting method employed in generating financial information, (Abdulrasheed, Khadijat & Oyebola, 2012). Among the different principles that firm may employ are different inventory techniques, depreciation method, method of accounting for income taxes and revenue recognition procedures. Pacioli (1494) described the approach developed by Italian merchant to account for their activities as owners and managers of business as the basic accounting model that is used up to these days. It is often stated that business decisions need to be supported by good and quality financial information which needs to be relevant, user friendly and available in a timely manner, (Abdulrasheed, Khadijat and Oyebola, 2012).There is no requirement that records be kept in any particular way. Depending on the size of the business and amount of sales, one can create his own ledgers and reports, or rely on accounting (Williams, Haka, Bettner; Carcello, 2008). Income and expense accounts are considered temporary accounts, since they represent only the inflows and outflows absorbed in the financial-position elements on completion of the time period (Williams, Haka, Bettner, and Carcello, 2008). The impact of accounting is a function of the benefit that are derived by the members of the society who had bind themselves into the social organization of their survival and want satisfaction quest (Anyigbo 1999) The place of sound accounting and internal control systems in any business, irrespective of its scale, cannot be overemphasized. Because of the importance of appropriate accounting information for owners and managers of one man businesses and their different stakeholders, it is therefore important for this study to assess the impact of accounting records applied in small scale businesses in Nigeria. According to Morries (2007), Small businesses have some inherent disadvantageous characteristics that will require that they be provided with public supports. According to Oladejo (2008), the achievement of the firm's objectives is greatly influenced by the application of accounting records. Mensah (2007) states that a significant number of enterprises in their survey kept no records pertaining to operations, finance, audited accounts, tax returns, and so on. Aryeetey (1994) claims the existence of practical problems in deriving records and figures that make up the statements. Owners of SMEs do not keep proper records and thus, they are not able to provide data about their entities. This study seeks to examine the impact of accounting records on SMEs performance, using Karu Metropolis as a case study. Hence it will assist in giving answer to the key research question, like; what is the impact of accounting records on SMEs performance in Karu Metropolis?,

Statement of Hypotheses

H_0: Accounting records does not have impact on SMEs performance in Karu Metropolis

H_1: Accounting records have impact on SMEs performance in Karu Metropolis

2. Literature Review

2.1 Conceptual Framework

Mugenda and Mugenda (2003) say a conceptual framework is a graphical or

diagrammatic representation of the relationship between independent and dependent variable in a study. Abanis et.al (2013) carried out a study to determine the extent of accounting records practices in Small and Medium Enterprises (SMEs). The theory of pecking order (Myers 1984) states that management has a preference to choose internal financing before external financing was proved in this study in the aspects of SMEs using internally generated funds as compared to borrowed funds. Lakew and Rao (2013) investigated that the impact of accounting records practices, financial characteristics of business, the efficiency of financial management can bring about higher profitability. Daskalaki S.W.S.B (2013) have investigated the level of access to various sources of finance of the small enterprises in Greece. Equity financing, Debt financing and grant financing were used in the evaluation. Fatoki (2012) has conducted a study on accounting record practices of new micro enterprises. From the study it was concluded that, financial management practices of Micro Enterprises are very weak in the areas of financial planning, analysis and control and investment decisions. Ramswamy (2012) studied the accounting record practices of Micro Handloom enterprises predominantly run by women in a remote tribal area. Okafor (2012), analyzed the accounting record practices of small firms in Nigeria, impacted on their profitability, growth and survival. Karunananda and Jayamaha (2011) studied the accounting records among SMEs and the impact of accounting records upon business performance. The study revealed that there is no similarity among the financial practices followed by the SMEs understudy.

2.2 Theoretical Framework

Tanwongsval and Pinvanichkul (2008) comment on the reasons why SMEs prepare financial statements, and argue that SMEs rank assessing profitability second to the purpose of tax returns. According to Cooley and Edwards (1983), owners of SMEs consider profit maximization as the most importantly, financial objective. This has led to the argument that SME owners pay attention to profitability and measurement of net profit when evaluating their firm's performance. Holmes and Nicholls (1998) concludes that the extent of accounting practices in SMEs depend on a number of factors such as age of business, size of the business, and the nature of the industry. According to Ismail and King (2007), the development of a sound accounting system in SMEs hinge on owners level of accounting knowledge and skills. Some authors have argued that small businesses use professional accounting firms for preparation of annual reports and for other accounting needs (Keasy & Short, 1990; Bohman & Boter, 1984). Lalin and Sabir (2010), reports that the main drivers why SMEs prepare financial statements is pressure from regulatory authorities. Hussein (1983) notes that, a good accounting system is not only judged by how well records are kept but by how well it is able to meet the information needed of both internal and external decision-makers. Clute and Gitman (1980) uphold that it is common for qualified accountants to do a good job of keeping records up to date but they fail to provide information needed by decision-makers. Zhou (2010) has proposed the use of accounting software to improve accounting practices, albeit he laments the unavailability of medium-sized software for SMEs. Fitzgerald*L.,* 2006 argues further that business enterprises must improve production if they are to effectively compete in this era of rapid economic and technical change. Bititei et al (2001) asserts that performance is a result of workers because they provide the strongest linkage to strategic goals of the business enterprise. According to Ikechukwu (1993), keeping records is crucial for the successful performance of a business. Accounting procedure is programmatic, more numeral than principle and more susceptible to change, they often represent alternative way of applying the same principle (Zoubi & Al-

Khazali 2011). (Olatunji, 2000; Aremu & Adeyemi, 2011) Other considerations include organizational manpower, limit on capital investment, annual turnover, management structure, as well as the assessment of size of particular enterprises.

2.3. Challenges and suggested Solutions to SME Development

Most SMEs start business with little knowledge on how to manage the business and as a result, they always encounter challenges which generally cause a problem for the business. Despite the enormous potential the private sector has in steering the development of the national economy, the full potential of SME sector has yet to be tapped due to the existence of a number of constraints, such as the lack of demand for product or service; poor management or administrative skills of the owner/manager etc, hampering its development (Brooks, Collings & Gonzales 1990.

3. Methodology

Descriptive research survey design will be used in the study, primary and secondary data sourced from Nasarawa State economy statistical bulletin will be adopted. A sample size of 80 SME's was used. The major research instrument used was the questionnaires.

The researcher used pilot study to evaluate the effectiveness of the instrument used in measuring objects it intends to measure before using them in the main study. About 60 questionnaires were distributed to specific SMEs and organizations but only 50 were returned.

Data Analysis

The simple percentage method is believed to be straight forward and easy to interpret and understand. The researcher therefore chooses the simple percentage as the method used. The formula for percentage is shown as.

% = f/N x 100/1

Where f = frequency of respondents response

N = Total Number of response of the sample

100 = Consistency in the percentage of respondents for each item contained in questions.

The hypothesis will be tested using the chi-square statistical tool

$$X^2 = \frac{\sum i (of - ef)^2}{ef}$$

Where, of = Observed frequencies

Σi = Summation of all item in I term

Ef = Expected frequency

X^2 = Chi – square

The research hypothesis was tested at five percent (5%) level of significance i.e. (x = 0.05)

Degree of freedom (DF) is given by df = (r-1) (c-1)

i.e (row-1) (column – 1).

The critical value is given by X^2 as to the point in the chi-square table where DF with the level of significance x = 0.05. The critical value is given by X^2 as to the point in the chi-square table where DF interest with the level of significance x = 0.05.

Decision Rule

The decision rule states that if calculated chi-square is greater than (>) the critical value (α_1), we reject the null hypothesis (H_o) and accept the null hypothesis (H_1). But if calculated chi-square (X^2) is less than (<) the critical value (α_1), we reject H_1 and accept H_o.

4.0 ESTIMATION RESULTS AND DISCUSSION OF FINDINGS

All the data used in this analysis were extracted from the opinion of the respondents as depicted in their response to the statements in the questionnaire.

From the forgoing, an analysis of our data is presented in a form highlighting the opinions of our respondents who are all

operators of SMEs in Abuja Municipal Area Council. Structurally, the questionnaire comprises two sections labeled Section A and Section B. Section, A pools question on the personal data of the respondents to throw light on some demographic data of the respondents while section B constitutes the technical questions and issues investigated in the study.

4.1. Data Presentation and Analysis
The data collected from the respondents were analyzed in tabular form with simple percentage for easy understanding.

A total of 60(sixty) questionnaires were distributed and 50 (fifty) questionnaires were returned.

Section A- Bio Data
The section A of the questionnaire deals with personal data and demographic distribution of the respondents. The data is presented in tabular form as follows.

Table 1: Ages of Respondents

Age	Frequency	Percentage
18 – 25 years	6	12
26 – 35 years	18	36
36 – 45 years	12	24
46 – 55 years	10	20
56 -60 years	4	8
Total	**50**	**100**

Source: Field Work, 2018.

From Table 4.1 above, it can be deduced that majority of the respondents were above 25 years of age. A further breakdown shows that 28% of the respondents were above 45 years of age but below 56 years. Thus, the respondents on the average can be said to be mature enough to understand the issues addressed in this study.

Table 2: Sexes of Respondents

Sex	Frequency	Percentage
Male	28	56
Female	22	44
Total	**50**	**100**

Source: Field Work, 2018.

Response to question 2 of section A of the questionnaire, out of 50 valid responses recovered, 28 respondents representing 56% are male while 22 respondents representing 44% are female. These indicated that the population of male operators of SMEs are more in number than female operators of SMEs in Karu Metropolis.

Table 3: Academic Qualification of Respondents

Level of Education	Frequency	Percentage
GCE/NECO/WAEC	4	8
OND/ND/HND	15	30
B.Sc./Masters	13	26
PhD	8	16
Professional	10	20
Total	**50**	**100**

Source: Field Work, 2018.

From the Table above, it can be seen that from a total of 50 respondents, O'level school certificate holders are 4 representing 8% of total sample; 15 or 30% are OND,ND or HND holders, 13 or 26% are B.Sc. or Master's degree holders, 8 or 16% are PhD holders, while the remainder 10 or 20% are professional certificate holders. Majority of the respondents are OND/ND/HND holders.

Table 4: Marital Statusof Respondents

Marital status	Frequency	Percentage
Single	23	46
Married	17	34
Divorced	6	12
Widowed	4	8
Total	**50**	**100**

Source: Field Work, 2018.

Table 4 above showed that single people constitute the bulk of the respondents included in this study. Single people represent 46% of the respondents used for this study, while those who are married represents 34%of the respondents used for this study.

Those who claimed to be divorced represent 12% of the respondents, while widowed

represent 8%. Therefore, this analysis shows that single people are more in the SMEs; it is not surprising that those who are single constitute the bulk of the respondents used for this study.

Table 5:Position (Grade) in the business:

Responds opinions	Frequency	Percentage
Chairman	3	6
Chief Executive Officer	13	26
Manager	20	40
Employee	14	28
Total	**50**	**100**

Source: Field Work, 2018.

Table 5 above shows that, from a total of 50 respondents, chairman are 3 representing 6% of total sample; 13 or 26% are Chief Executive Officer, 20 or 40% are managers, while the remaining 14 or 28% are employees. Majority of the respondents are managers which constitutes the operators of SMEs in Abuja Municipal Area Council.

Table 6:Working experience (in the business):

Responds opinions	Frequency	Percentage
1 – 10 years	10	20
11 – 20 years	16	32
21 – 30 years	13	26
Above 31 years	11	22
Total	**50**	**100**

Source: Field Work, 2018.

From table 6 above, we can deduce that only 10 or 20% of the respondents were 1-10 years in SMEs, while 16 or 32% have spent 11-20 years in the business and constituted highest frequency and percentage. 13 of the respondents who have spent 21-30 years represented 26% of respondents and 11 or 22% have spent 31years and above.

QUESTIONNAIRE
SECTION B: This section seeks to enquire from the respondents their opinions on variables bothering on the impact of accounting records in Small and Medium Scale Industries.

Table 7: Do you normally Record all Transactions in business?

Variable	Frequency	Percentage %
Strongly agreed	11	22
Agreed	8	16
Strongly disagreed	18	36
Disagreed	13	26
Total	**50**	**100**

Source: field survey, 2018

Table 7 above showed that, 11 (22%) respondents strongly agreed, 8 (16%) agreed, 18 (36%) respondents strongly disagreed, while 13 (26%) respondents disagreed that the training programme cover every section/department within the organization.

Table 8: Do you have any Educational Background in Record Keeping?

Variable	Frequency	Percentage %
Strongly agreed	10	20
Agreed	6	12
Strongly disagreed	20	40
Disagreed	14	28
Total	**50**	**100**

Source: field survey, 2018

Table 8 showed that 10 respondents representing 20% strongly agreed, 6 respondents representing 12% of the sample agreed, 20 respondents representing 40% of the sample strongly agreed while another 14 respondents representing 28% of the sample disagreed with the statement. Thus, a majority of the respondent strongly disagreed with the statement.

Table 9: Do you keep Accounting Records by yourself or you Hire Professionals (Accountants)?

Variable	Frequency	Percen-tage %
Strongly agreed	10	20
Agreed	6	12
Strongly disagreed	15	30
Disagreed	19	38
Total	50	100

Source: field survey, 2018

Table 9 showed that 10 respondents representing 20% of the sample strongly agreed, 6 respondents representing 12% agreed, 15 respondents representing 30% of the sample size strongly disagreed while 19 respondents representing 38% of the sample disagreed with the statement. Thus, majority of the respondent disagreed with the statement.

Table 10: Are all Cash Receipts recorded in the Books of Accounts?

Variable	Frequency	Percen-tage %
Strongly agreed	16	32
Agreed	13	27
Strongly disagreed	10	20
Disagreed	11	22
Total	50	100

 Source: field survey, 2018

Table 10 showed that 16 respondents representing 32% of the sample strongly agreed, 13 respondents representing 27% agreed, 10 respondents representing 20% of the sample size strongly disagreed while 11 respondents representing 22% of the sample disagreed with the statement. Thus, majority of the respondents strongly agreed with the statement which says that all Cash Receipts were recorded in the Books of Accounts.

Table 11: Are Dates, Descriptions and Amounts recorded on Cash Sales Receipts?

Variable	Frequency	Percen-tage %
Strongly agreed	19	38
Agreed	15	30
Strongly disagreed	9	18
Disagreed	7	14
Total	50	100

Source: field survey 2018

Table 11 showed that 19 respondents representing 38% of the sample strongly agreed, 15 respondents representing 30% agreed, 9 respondents representing 18% of the sample size strongly disagreed while 7 respondents representing 14% of the sample disagreed with the statement. Thus, majority of the respondents strongly agreed with the statement.

Table 12: Are Bank Deposit Slips filed for Proper Management of Financials?

Variable	Frequency	Percen-tage %
Strongly agreed	16	36
Agreed	20	40
Strongly disagreed	5	10
Disagreed	9	18
Total	50	100

Source: field survey, 2018

Table12 showed that 16 respondents representing 36% of the sample strongly agreed, 20 respondents representing 40% agreed, 5 respondents representing 10% of the sample strongly disagreed while 9 respondents representing 18% of the sample strongly disagreed with the statement. Thus, a majority of the respondents agreed with the statement.

Table 13: Do all Payments get recorded into the Books of Accounts?

Variable	Frequency	Percen-tage %
Strongly agreed	18	36
Agreed	17	34
Strongly disagreed	9	18
Disagreed	6	12
Total	50	100

Source: field survey, 2018

Table 13 showed that 18 respondents representing 36% of the sample strongly agreed, 17 respondents representing 34%

agreed, 9 respondents representing 18% of the sample size strongly disagreed while 6 respondents representing 12% of the sample disagreed with the statement. Thus, majority of the respondent strongly agreed with the statement.

Table 14: Have you attended a current entrepreneurship seminar?

Variable	Frequency	Percentage %
Strongly agreed	9	18
Agreed	5	10
Strongly disagreed	17	34
Disagreed	19	38
Total	50	100

Source: Field survey, 2018

Table 14 showed that 9 respondents representing 18% of the sample strongly agreed, 5 respondents representing 10% agreed, 17 respondents representing 34% of the sample size strongly disagreed while 19 respondents representing 38% of the sample disagreed that they have attended a current entrepreneurship seminar.

Table 15:Do the Seminars explain or elaborate how to keep records effectively?

Variable	Frequency	Percentage %
Strongly agreed	9	18
Agreed	5	10
Strongly disagreed	17	34
Disagreed	19	38
Total	50	100

Source: field survey, 2018

Table 15 showed that 9 respondents representing 18% of the sample strongly agreed, 5 respondents representing 10% agreed, 17 respondents representing 34% of the sample size strongly disagreed while 19 respondents representing 38% of the sample disagreed with the statement.

Table 16: Do Private Organizations assess SMEs into the use of Accounting and Financial Procedures promoting the Business?

Variable	Frequency	Percentage %
Strongly agreed	15	32
Agreed	20	38
Strongly disagreed	8	18
Disagreed	7	12
Total	50	100

Source: field survey, 2018

Table 16 shows that 15 respondents representing 30% of the sample strongly agreed, 20 respondents representing 40% agreed, 8 respondents representing 16% of the sample size strongly disagreed while 7 respondents representing 14% of the sample disagreed that they benefited from the organization derive well-planned manpower development programme.

Table 17: Do the Government play role on influencing the use of accounting records?

Variable	Frequency	Percentage %
Strongly agreed	14	28
Agreed	16	32
Strongly disagreed	9	18
Disagreed	11	22
Total	50	100

Source: field survey, 2018

Table 17 above shows that, 14 (28%) respondents strongly agreed, 16 (28%) agreed, 9 (18%) respondents strongly disagreed, while 11 (22%) respondents disagreed that Government play role on influencing the use of accounting records.

Table 18: Does accounting records have impact on SMEs performance in Karu Metropolis?

Variable	Frequency	Percentage %
I agree	30	60
I strongly agree	11	22
I disagree	5	10
I strongly disagree	4	8
Total	**50**	**100**

Source: field survey, 2018

The table above indicates that 30 respondents or 60% agree and 11 respondents or 22% also strongly agree that credit access to SMEs enhances their growth and expansion, while 5 or 10% of respondents disagree and 4 or 8% of the total respondents strongly disagree with the above fact.

Table 19: Do you experience Problems/Challenges in Keeping Accounting Records?

Variable	Frequency	Percentage %
Strongly agreed	18	36
Agreed	22	44
Strongly disagreed	4	8
Disagreed	6	12
Total	**50**	**100**

Source: field survey, 2018

Table 19 shows that 18 respondents representing 360% of the sample strongly agreed, 22 respondents representing 44% agreed, 4 respondents representing 8% of the sample size strongly disagreed while 6

respondents representing 12% of the sample disagreed with the statement. Thus, majority of the respondent agreed with the statement.

4.1 Findings of the Study
The findings revealed thatthere is impact of accounting records as stated in table 18, the development of accounting records is now widely accepted as a strategic tool for socio-economic development, particularly in promoting industrialization and technological upgrading.The findings reported in this study suggest that accounting records have a great impact on the performance of Small and Medium Scale Industries. The study found that most SMEs start business with no or little knowledge on how to manage the business and as a result, they always encounter challenges which generally cause a problem for the business such as lack of demand for their product or service, the poor management and/or administrative skills of the owner/manager, lack of experience in the particular industry, and Poor record-keeping etc.

4.2 Test of Hypothesis
The hypothesis is tested using the chi-square statistical tool; the operational hypothesis is hereby restated
H_0: Accounting records does not have impact on SMEs performance in Karu Metropolis
H_1: Accounting records have impact on SMEs performance in Karu Metropolis

QUESTION: Does accounting records have impact on SMEs performance in Karu Metropolis?
Table 18

Fo	Fe	(fo-fe)	(fo-fe)^2	$\dfrac{\text{fo-fe}^2}{\text{fe}}$
30	12.5	17.5	306.25	24.5
11	12.5	-1.5	2.25	0.18
5	12.5	-7.5	56.25	4.5
4	12.5	-8.5	72.25	5.78
50				**26.32**

By the researcher, 2018

Chi-square formula $= X^2 = \frac{\sum i(of - ef)^2}{ef}$

To determine the expected frequency

$ef = \frac{30+11+5+4}{4} = \frac{50}{4} = 12.5$

Therefore

$X^2 = \frac{(30-12.5)^2}{12.5} + \frac{(11-12.5)^2}{12.5} + \frac{(5-12.5)^2}{12.5} + \frac{(4-12.5)^2}{12.5}$

$X^2 = 24.5 + 0.18 + 4.5 + 5.78 = 34.96$

$X^2_{cal} = 34.96$

$X^2_{tab} = 7.81$

The degree of freedom (DF) = (r-1) (c-1)

(4-1) (2-1) = 3 x 1 = 3

The level of significance = 0.5

Hence, the critical value on X^2 table figure at degree of freedom

(1) Intersect level of significance (0.05) is 7.81.

Decision rule:

Since $X^2_{cal} = 34.96$ is greater than $X^2_{tab} = 7.81$ we therefore reject the null hypothesis and accept the alternative hypothesis that accounting records have impact on small and medium scale industries in Karu Metropolis.

4.2 Discussion of the Findings

Education is one of the factors that impact positively on the growth of businesses (King, 2000). Those entrepreneurs with large stocks of human capital, in terms of education and (or) vocational training, are better placed to adapt their enterprises to constantly changing business environment. On the other hand, SMEs lacked proper education on how to keep accounting records. SMEs lack proper education on record keeping which becomes one of the major reasons why they do not keep accounting records in the first place and hence poor performance in the business operations.A few SMEs respondents hired professionals such as certified accountants to balance their books of accounts because some bookkeeping functions are best relegated to an accountant.

Conclusion and Recommendation

5.0 Summary of Findings

The prime objective of this reward is to raise SMEs' awareness to the importance of record keeping towards better performance of the industry.Proper accounting records and the use of accounting information to produce timely and accurate reports for various purposes such as fund raising, and to observe the best practices of corporate governance and business ethics. It also aims to introduce the best practice of accounting management to SMEs and recognize those SMEs which have successfully implemented proper accounting systems and appreciated the use of financial information.

5.1 Conclusion& Recommendation

According to the findings presented and discussed, this study concluded that accounting records are used to assess the profitability of alternative courses of action, measure performance, and evaluate the position of enterprises in term of profitability, liquidity, activity and leverage. It can be used to improve SME performance, especially financial decisions. Different capital structures cause different degrees of financial risk. Different alternative financial plans affect SMEs performance differently. SME owners are not aware of the procedures of keeping accounting records and most of them prefer

to keep accounting records themselves rather than hiring a professional which is expensive but more efficient because professional accountants are well aware of every procedure involved in keeping accounting records. Private and public sectors assist SME on various issues relating their growth such as providing seminars on entrepreneurship, trading activities. In Karu Metropolis, it has been discovered that only a few SMEs do keep accounting records. Accounting systems should bear relevance to the size and needs of small and medium scale enterprises. Accountants involved in the audit of small and medium scale enterprises should adopt methodologies that adequately capture the accounting and reporting needs of the enterprises and comment on their peculiarities, Also, institutions of higher learning such a universities, polytechnics and technical colleges should encourage collaborative studies to unravel the specialty of products to fit into small and medium scale enterprises constraints. The training of accountants by these institution and the various professional institutes should focus more on practical means of solving accountancy and reporting needs of small and medium scale enterprises.

REFERENCES

Abanis et al (2013) Business Failure, Managerial Competence and MacroeconomicVariables, in American Journal of Small Business, Vol 2, pp 4-1

Abdulrasheed A., Khadijat A.,& Oyebola F. E, (2012).Accounting Principles of Small Enterprises inIlorin Metropolis of Kwara State, Nigeria.*Research Journal of Finance and Accounting 3 (2)*,12-22.

Agyei H. (2011). Small Scale Industries and Economic Development in Ghana: Business and Strategies in Informal sector Economics, Germany. Verlag Breitenbech and SaarbruckhPublishing Co.

Amoako G. K. (2013) Accounting Practices of SMEs: A Case Study of Kumasi Metropolis in Ghana.*International Journal of Business and Management; 8*(24),50-61

AnyigboC.I. (1999) Cost and managerial accounting decision emphasis.Enugu:Itugo2PublicationLimited.

Aremu, M. A. and Adeyemi, S. L (2011). Small and Medium Scale Enterprises as A Survival Strategyfor Employment Generation in Nigeria.Lokoja,KogiState:KH Publishing Co.

Aryeetey, E., Baah-Nuakoh, A., Duggleby, T., Hettige, H., & Steel, W. F. (1994).Supply and Demand for Finance of Small-Scale Enterprises in Ghana. WorldBank Discussion Paper.Retrieved from:Bititei, U.S., Suwignjo, P. and Came, A.S. (2001).

Strategy Management Through Quantitative Modeling of Performance Measurement Systems. International Journal of production Economics. 69(5), 15-22.

Bohman, H., &Boter, H. (1984).Planning in small and medium-sized firms–The challenges and premises of the strategic planning.Department ofBusinessAdministration and Economics, Umea University Sweden.

Cooley R. C.,&Edward G. B. (1983).A Factor analytic study of the causes of small businessfailure.*Journal of Small Business Management, 30*(2), 120-135.

Daskalakis, S.W.S.B (2013) Small and medium scale enterprises in informal Sector in Pakistanand Sri Lanka. *International Journal of Small Business Management, 10*(5),56-75.

Fatoki M.L. (2012). Record Keeping.Essential to Risk Management NCIS. Washington DC,USA. Oxford University Press.

Fitzgerald, L., Johnson, R., Brignall, S., Silverstro, R & Voss, C. (2006).Essential to Risk ManagementNCIS.Winechester, Hampshire : D.P Publications.

Holmes, S., & Nicholls, D. (1998).An Analysis of the Use of Accounting

Information by AustralianSmall Business.*Journal of Small Business Management, 26*(2), 57–68.

Ikechukwu C. (1993). Success Key Point Book Keeping and Accounts. Onitsha: Hybrid Publisher Limited.

Ismail, N. A., & King, M. (2007).Factors influencing the alignment of accountinginformation in smalland medium sized Malaysian firms*. Journal of Information System and Small BusinessManagement.7*(4),33-44.

Maseko L. &Manyani F. (2011) Financial performance measurement of South Africa's top companies: an exploratory investigation. Doctorof Commerce thesis, University of South Africa. Pretoria.

Mensah T. (2007) Financial performance measurement of manufacturing small to medium enterprises in Pretoria: a multiple exploratory study, An unpublished MBA dissertation for the University of South Africa.

MorriesH. (2007) Constraints and Challenges of SMEs in Swaziland: A case analysis, P/B4 Kwaluseni, Swaziland, Southern Africa

Mugenda M. (2003) The Role of Small Businesses in Poverty Alleviation: The case of Dar es Salaam Tanzania. Research Report 08.2. Dar es Salaam, REPOA

Okafo M. I. (2012); Small business enterprises (How to start and succeed); Social Science Series Benin City Nigeria.*International Journal of Business and Management Cases 1*(2) 1-12.

Okwena K. D.,Okioma T. & Erick N. O. (2011), An assessment of the effect of proper book keeping practices on the financial performance perspectives from small and medium scale business enterprises in Kisii municipality, Kisii

University College Journal, Kisii.Kenya.9(3), 420-530

Oladejo M. (2008) The Business Entrepreneur, Academy Publication, Kaduna, Nigeria.

OnaolapoB. &Adegbite I. (2014) A Cross Section Analysis of Small Business Failure in *American Journal of Small Business, 1*(1), pp 7-17

Pacioli J. (1494) financial information and the management of small private companies, *Journal of Small Business and Enterprise Development, 9*(2), pp.100 – 110, MCB UP Ltd

Prihatni Z.&Niviarini D. (2012) Why SMEs Ignore Formal AccountingSystems? – Entity Concept Explanation, International Conference on Applied and Management Sciences (IAMS'2012) June 16-17, 2012, Bangkok.

RamswamyH. K (2012). Small Scale Industries and Economic Development in Ghana: Business and Strategies in Informal sector Economics, Germany. VerlagBreitenbech and Saarbruckh Publishing Co.

William F. (2008) Accounting for Small Business: A Single Entry Approach, VCTA Publishing, andCollingwood.

Williams H. B. &Carcelllo (2008) An assessment of The Effect of Proper Book Keeping Practices on the Financial Performance Perspective from Small and Medium Scale Business Enterprises in Kisii Municipality, KiisiUniversityCollege

Wood K. (1979) Beyond Baldrige. What is the first Institution of higher education to Receive the MaclcolmBaldrige National Quality Award has learned in the Five Years since? University Business, 9, 45- 48

Wood M. & Sangster C. (2005) Handbook of research design and socialmeasurement. 4th ed. London: Longman.