



## IMPACT OF ACCOUNTING SKILLS ON ENTREPRENEURS FOR SELF-RELIANCE AND SUSTAINABLE DEVELOPMENT: A STUDY OF SOME SELECTED SMALL AND MEDIUM SCALE ENTERPRISES IN CENTRAL AND SOUTHERN GEOPOLITICAL ZONES OF TARABA STATE, NIGERIA.

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### ABSTRACT

This paper therefore, examines the effect of accounting practices on Sustainable Entrepreneurial Development for Self-Reliance in Nigeria. The study will specifically examine the influence of book-keeping and accounting knowledge on the growth of Small and Medium scale Enterprises (SMEs) as well as the effect of financial management practices on the growth of MSEs in Nigeria. The study will adopt a cross sectional survey research design. Small and Medium scale Enterprises (SMEs) in central and Southern geopolitical zones of Taraba state formed the population of the study. Primary source of data was employed in this study. Questionnaires were used as the instrument for data collection. A sample size of 284 staff was picked using Bill Godden sample size formula. The study uses Proportional stratified random sampling technique to distribute this 284 to MSEs. The data was tested using percentages, mean, and standard deviation, while the hypotheses were tested using the chi-square techniques. Based on the analysis, the finding from the study reveals that, Book-keeping and accounting knowledge as well as financial management practices have a significant effect on SMEs growth in Nigeria. In line with the findings the study concluded that, SMEs will experience continuous growth if they can acquire accounting knowledge and apply such knowledge in financial management practices in their business operations. In line with the findings arrived at and the conclusion drawn above, the study recommended that Taraba State government and SMEs owners/managers should focus greater attention on the acquisition of book-keeping and accounting knowledge and financial management practices that can constantly lead to SMEs growth.

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**Keywords:** *SMEs, Sustainable, Entrepreneurial Development, Self-Reliance, Growth.*

## INTRODUCTION

Entrepreneurship started to gain ground in Nigeria as a result of the prevalence of unemployment of our youths after leaving the school. Many of our youths who could not embark on higher education after secondary school could not be absorbed into paid employment by both the public and private sectors. Similarly, most graduates from the universities and Polytechnics, after their one-year compulsory National Youth Services start searching for unavailable jobs. It is obvious that the government cannot employ all the graduate job seekers and the only way to tackle this problem is for individuals to seek alternative means by being self-reliance and be an employer of labor rather than be a job seeker through entrepreneurship, (Okoye and Emmanuel, 2017). Okafor, (2018) posited that, the value of small and medium enterprises (SMEs) in any economy cannot be overstated. In Nigeria and other countries, micro and small scale enterprises (MSEs) play vital roles in employment and revenue generation. It also leads to the process of industrialization, sustainable economic growth and development, encourages entrepreneurship and employment generation, reduces poverty and contributes to the country's gross domestic product (GDP), introduces innovation and entrepreneurship skills, Small businesses may not have as big resources as larger companies, yet survival is just as critical to economic development. However, there are tremendous increases in small and micro-scale businesses in Nigeria such as supermarkets, poultry farming, fish farming, animal feed production, kiosks, computer services, carpentry works, barbing and hairdressing salons, sachet water production, productions of soap, powder, pomade, and detergents, restaurants, drug shops, car wash, and the host of others. One common feature of SMEs is the daily provision of business operations for a long period of time. Most of them usually close work at late times of the day, (Taiwo, & Yusuf, 2020)

However, Akande (2011) posit that, the ability of SMEs operators/managers to acquire the essential bookkeeping and accounting knowledge may have a significant influence on the growth of the SMEs; and the ability to assess the level of growth made in the business operations. In Nigeria for instance, the Central Bank of Nigeria (CBN) in collaboration with Federal and State Governments through the Bank of Industry, Microfinance banks, Centers for entrepreneurship developments, etc established different training centers for those already in existing businesses as well as those starting up new businesses. Some of

the areas mapped out for training are record keeping, financial management, book-keeping and accounting skills, preparation of financial reports, feasibility study, etc as such SMEs owners/managers must acquire appropriate book-keeping and accounting knowledge or skills to enable growth in their businesses. In a related development, financial management is the management of working capital, assets and other resources of the organization in such a way to achieve the enterprise' objectives. Financial management, according to Kilonzo and Ouma (2020) 'includes working capital management, investment, finance, accounting information systems, financial reporting, and analyses. Also, Meredith, (2016) maintains that financial management is concerned with all aspects of management that involve finance, including not only the resources and uses of finance in the enterprise, but also the financial implications of investment, production, marketing, or personal decisions, as well as the enterprise's overall performance. Poor management of finance can result to financial loss and, in the worst-case scenario, business failure. Therefore it is based on the above background that this study intends to examine the impact of accounting skills on sustainable entrepreneurial development for self-reliance with special reference to some selected small and medium scale enterprises in central and southern geopolitical zones of Taraba state.

#### **Problem Statement/Justification:**

In Taraba State as a whole, most of the jobs, especially those in non-urban areas are provided by small and medium scale enterprises. However, SMEs in Taraba State struggle to gain access to fundamental accounting skills that they need in a timely manner for improved productivity, profitability, customer satisfaction and improved cycle time. However, despite the advantages of small and medium scale enterprises in some developing countries like Nigeria, there are challenges to their growth such as lack of accounting knowledge as justified by the study of (Amoako and Gammada, 2013); lack of managerial accounting skills, technical skills, and improper decision making, careless or poor financial management.

However, despite a recent effort by many scholars on this subject matter, there are limited empirical studies in Nigeria that have examined the examine the impact of accounting skills on sustainable entrepreneurial development for self-reliance with special reference to some selected small and medium scale enterprises in central and southern geopolitical

zones of Taraba State . A number of the studies were focused on Digital Accounting and Entrepreneurship For example, studies of (Uche and Peter, 2013; Nwaigburu and Eneogwe, (2019); Bassey, Effiok and Eton (2013) and Okafor (2018) all examined the impact of Accounting Skills on Entrepreneurship Education. However most of the empirical evidence in Nigeria was studies from south-south state of Nigeria. Hence to the best of my knowledge non or only few studies on this specific subject matter were carried out in the North-Eastern states particularly the small and medium scale enterprises in Taraba State, this therefore establishes an important gap in the literature making the research of this type significant with a view of answering questions as to whether accounting skills have any significant impact on sustainable entrepreneurial development for self-reliance.

#### **Objective(s) of the Study:**

The broad objective of this study is to examine the impact of Impact of Accounting Skills on Entrepreneurial development for Sustainability and Self-Reliance with specific reference to Small and medium scale enterprises in Nigeria. However, the study seeks to achieve the following specific objectives;

1. To determine the impact of book-keeping and accounting knowledge on the growth of Small and medium scale enterprises (SMEs) in central and southern geopolitical zones of Taraba state.
2. To examine the effects of financial management practices on the growth of Small and medium scale enterprises (SMEs) in central and southern geopolitical zones of Taraba state.

#### **Research Questions:**

In an attempt to achieve the above research objectives, this study intends to find answers to the following research questions

1. What is the impact of book-keeping and accounting knowledge on the growth of Small and medium scale enterprises (SMEs) in central and southern geopolitical zones of Taraba state?
2. Does financial management practices have any effects of on the growth of Small and medium scale enterprises (SMEs) in central and southern geopolitical zones of Taraba state.

### **Research Hypothesis:**

In line with the above research questions, three null hypotheses were formulated to provide a presumable answer to the above research questions so as to guide the study.

**Ho1:** Book-keeping and accounting knowledge has no any significant impact on the growth of Small and medium scale enterprises (SMEs) in central and southern geopolitical zones of Taraba state

**Ho2:** Financial management practices does not have any significant effects on the growth of Small and medium scale enterprises (SMEs) in central and southern geopolitical zones of Taraba state

### **REVIEW OF RELATED LITERATURE: CONCEPTUAL FRAMEWORK**

#### **The Concept of Accounting Practice/Skills**

Kilonzo, & Ouma, (2021) Accounting practices are the adoption of all financial and non-financial methods for gathering and recording a business entity's day-to-day financial activities. Thus, SMSE accounting practices is defined as the method by which the whole financial activities relating to the enterprise are recorded and the rules and regulations observed. Examples of good accounting practices are:

- a) Maintenance of revenue and expenditure records,
- b) Keeping records of sales day books,
- c) Keeping records of purchases daybooks,
- d) Issuing bills to customers immediately goods are supplied to them,
- e) Keeping records of all classes of assets,
- f) Applying one method of depreciation on the assets,
- g) Paying suppliers invoices on the due dates, and
- h) Preparation of financial statements at the end of its accounting year etc.

However, according to Ohuche, & Adenuga, (2014) Accounting Skills involve the methods established by the management to record, classify, analyze and interpret financial transactions of an organization and with the objectives to achieve the firm's target. One of the advantages of accounting practices is to maintain efficiency in every business activities and to know if the business is growing or not. In Nigeria, the government through the policy of MSMEs 2014 revised made it compulsory for all business enterprises seeking financial assistance from any financial institutions in the country to undergo skills acquisition training where accounting practices such as financial management practices, investment portfolios, decision making etc are taught. Similarly, individuals who see

the importance of accounting practices to their business growth undergo training based on the private arrangement with the trainer

### **The concept of Small and Medium Scale Enterprises (SMES)**

There are no generally accepted definitions of micro and small scale enterprises worldwide. Each country has its definition due to the peculiar nature of MSEs in their respective environments. In Nigeria, the National Policy on Micro Small and Medium Enterprises MSMEs, (Kamyabi, & Devi, 2014). Akande, (2011) gave definition according to size, employees and asset base. He defined micro-enterprises as enterprises operated by financially deprived entrepreneurs with limited or no capacity for credits; less than N1.5 million asset base; and less than Ten (10) employees. It also defined small businesses as an enterprise with asset value less than N50 million but above N1.5 million; and employees between ten (10) and forty-nine(49). Furthermore, the United Kingdom (UK) see micro-enterprises as one with a maximum of nine (9) employees while small business as one with employees between ten and forty-nine (10-49). Micro-enterprises are defined in the United States as small businesses with nine (9) employees or fewer that were established with \$50,000 or less in start-up capital and do not have access to standard commercial financing. It defined a small business as those with fewer than 50 employees but more than nine (9) (Kilonzo, & Ouma 2013),

Furthermore, the United Nations Conference on Trade and Development (UNCTAD) (2020) classified micro-enterprise as a business enterprise employing one to five people, and small business as a company employing six to fifty people. The European Union has announced that the idea of micro and small enterprises would be standardized. Companies with less than 10 workers are classified as "Micro," whereas those with fewer than 50 employees are classified as "Small", (Mbogo, 2013).

According to Pavtar, (2013) the typical micro-enterprises are operated by family members and occasionally school dropouts. Some of the owners employ staffs who assist them in running the business on their behalf. They raise capital through family savings, borrowings, thrift and cooperatives, and the government through granting of free collateral low-interest loans. Most MSE operators operate for a longer period of time daily. Some undertake after-sales services and also adopt credit sales not



only to retain their existing customers but also to capture larger market shares which lead to increase in revenue and ultimately growth.

### **Accounting and Entrepreneurs**

Appiah (2014), Posites that, Although the MSMEs' entrepreneurs can manage their business efficiently, still, there are less knowledgeable about managing accounting and recording transactions of their daily business activities. According to Davis, Dunn, and Boswell (2019), it was found that small businesses do not realize the benefits and advantages of recording and managing their financial statements and prefer not to record their daily transactions. Among the benefits of recording daily transactions and operations are that it will enable them to make better management and financial-related decisions, assist in preparing annual tax payments, and prepare the next planning for the business. Basic knowledge of bookkeeping is essential for small business owners and entrepreneurs to sustain their businesses. From the preparation of the financial statement, the entrepreneur can find out all the financial profits and losses in a business. Some entrepreneurs do not know whether their business is profitable or profitable if they choose not to record their daily transactions and only can estimate the profit or loss of the business. Furthermore, according to Noor Azizi, Shamsul Nahar, and Mahamad (2013) entrepreneurs can make use of the non-accounting information from the financial statement in supporting financial information to make better decisions.

Results from Ahmad Zukni (2012) found that some MSMEs' entrepreneurs do record their daily transactions manually. Manual accounting is a paper-based accounting system, in which journals and registers of books, vouchers, and books of account are used to store, classify and analyze the financial transactions of an organization to maintain records of business transactions due to its lower cost. In a country that is moving towards an era of globalization and technology, MSMEs need to make changes to face significant competition in the future. These changes involve the use of good technology in their businesses. Duschinsky and Dunn (2012) revealed that 80% of the 800 successful MSME entrepreneurs in British are those who use computerized accounting systems. The findings were supported by Noor Azizi, et al (2013), where the use of a computerized accounting system determines the sustainability of the business among MSMEs. The implementation of a computerized accounting system by combining

physical and digital documents will save time and money for the company (Nuckles, 2014).

Haleem (2016) in his study describes six factors that hinder to use of computerized accounting systems in government institutions. Those factors are cost, management support, human resources, user views, infrastructure, and internal control systems. Nakyobe, Nambi, Aguti, and Ssewankambo (2016) found that lacking effective staff training on the computerized accounting system can affect the implementation of the system in an organization. According to Amanamah, Morrison, and Aseidu (2016), and Nyang'au, Okibo, and Nyanga'u, (2015), the level of staff education is a factor that will influence the effectiveness of the implementation of accounting systems among MSMEs. Ifinedo (2011) highlights that technological information knowledge is seen as one of the internal factors that have an impact on the success of the implementation of computerized accounting information systems. Other than that, full supports from the top management are important for the MSMEs to use the system effectively (MohdFazli, Hoshino, and MdNorHayati, 2012). This is because the top management has a significant influence to determine and motivate the employees to use the system.

Today, with the advent of the Covid-19 pandemic that has greatly affected businesses, accounting data is becoming increasingly important to enable entrepreneurs to see the ability of their businesses to continue operations. Knowing the financial health of the business helps the entrepreneur in deciding what should be done through the crisis.

### **Book-keeping and Accounting Knowledge of Operators and Growth of MSEs**

Kilonzo & Ouma, (2013) in their study justified that, Micro and small enterprises (MSEs) play vital roles not only in the generation of employment opportunities but also in stimulating economic growth as well as industrial diversification in the economy. For the MSEs to achieve the above objectives, proper book-keeping and accounting knowledge, accounting controls, etc must be in place. The ability of the operators of MSEs to gain the necessary bookkeeping and accounting knowledge contribute greatly to the growth of the MSEs; able to compete very favorably with both local and foreign competitors. Experts believed that one of the major reasons MSEs fail in their first five years of operation was due to lack of book-keeping and accounting knowledge[12,19,24].



The idea of book-keeping and accounting by the operators of MSEs enables the MSEs to obtain some advantages such as:

1. Ability to keep proper records of their accounting transactions,
2. Know whether the business is growing or not and if growing, the rate of growth,
3. Enables the operators to manage cash and inventory very well,
4. Know the time to hire professionals,
5. Be able to prepare the necessary financial reports,
6. Know the time for expansion and hiring of workers,
7. Enables efficient business management, and proper decisions making, etc.

According to Sibanda and Manda (2013), a study conducted by South Africa National Research reveals that among the 80 percent of small businesses that fail every year, inexperienced business management, inability to manage costs, non-anticipation of rising costs, and a poorly designed business model are among the financial factors that contributed to their failure. As it is easy to enter MSEs businesses, many people who invest in such MSEs businesses did not have book-keeping and accounting knowledge and, most MSEs operators do not engage themselves in book-keeping and accounting training before venturing into the business.

Broccardo, (2014) confirmed that three out of every five firms fail within the first three years of operations, as shown in research carried by the Kenya National Bureau of Statistics. The author stated that some of these causes of business failures are:

1. Lack of managerial accounting skills for decision making;
2. Lack of technical skills;
3. Lack of access to credit, among others.

### **Efficient Financial Management practices and Growth of Micro and Small Enterprise**

Pavtar, (2018) posit that acquisition, allocation, and control of financial resources are all parts of MSE financial management processes. It is used to guarantee that the organization's working capital, finances, debtors and creditors, assets, and depreciation are all managed efficiently. It might be viewed as effective working capital management in the organization, ensuring that no private cash is drawn upon business capital. In some cases, MSE owners source their capital from short-term loans or

borrowings, etc. However, financial management is the backbone in ensuring the growth of small businesses. Once the finance has been sourced, it requires the involvement of technical skills or the involvement of well-trained/professional accountants which MSEs lack the resources to employ.

According to Okafor, (2018) financial management techniques include fixed asset management, accounting and financial reporting, working capital management, capital structure management, accounting information systems, and others, according to Careless financial management may lead to business failures. The failure of MSEs to successfully perform broad financial management responsibilities including working capital management (WCM), budgeting, and so on has played a significant role in the global financial crisis [27]. Furthermore, poor or inadequate financial management procedures have been identified as one of the reasons for small business failure (McMahon & Holmes), 2011)

### **Accounting Skills for Sustainable Development**

Accounting is the language of business. It tells the owners/managers and other stakeholders of the business what is happening in the business. Accounting provides information to a wide range of interest groups and ultimately shows how a business has been managed for a period-whether successfully managed or otherwise. It also provides information regarding the financial position of the firm. According to Osuala (2019) the knowledge of fundamental accounting skills are very imperative for sustainable business. The non-possession of these fundamental accounting skills by SMEs, therefore, constitutes a problem such that, the chances of survival of the business are slim and the probability of imminent failure/collapse become high. Hence every small and medium scale enterprises should strive to acquire and possess these fundamental skills.

Furthermore, according to Onoh (2011) fundamental accounting skills are those competencies in basic accounting required by a person to function competently, confidently, and successfully in the process of carrying out one's function of recording daily business transactions. They include skills in book-keeping, purchasing and supply, bargaining, determining labour costs, simple budgeting, keeping of accurate receipts, sales records skills in keeping reliable records, sourcing for market

outlets, work in progress records, credit purchases, invoices, cheque payments, keeping customers' records and goods inventory. Others are skills in good credit facility practices, operating the cash payment receipts, cash sales, prudent financial and working capital management. The knowledge of fundamental accounting skills by SME will promote in them good financial management, which is aimed at ensuring that there is adequate cash on hand to meet the necessary current and capital expenditures as well as to assist in maximizing growth and profits. It requires knowledge of liquidity management. Management of money demands that the SME owner/ manager must need to plan for all his future need for funds, plan for the most economical way of acquiring funds from different sources and be able to also plan for the most efficient way of putting to use acquired money from friends, family members, banks and other sources. The capacity and competencies required to prepare the accounting records are the basic accounting skills being studied in his paper.

Oyesode (1998) in Nwokike (2015) reveals that no business activity could be successfully operated without the assistance of the accounting skills. This is because procurement and spending of money are involved. Accounting education according to Nwokike (2010) is the type of education that provides individuals with skills and knowledge in accounting, computing and data processing occupations for gainful employment in private and public enterprises for self-employment. Nwoha (2016) stated that accounting provides managers with the information needed for decision making and exposes them to the various users of accounting information and the interest of the users of such information.

### **Link between Entrepreneurship and Self Reliance**

According to Medayese (2019), a self-reliant person is one who is self-employed, because self-employment is one of the keys to work out of poverty. The benefit of being self-reliant through entrepreneurship can never be over-emphasized because entrepreneurship is the backbone of many great and developed nations today, such as China, United states of America, Japan etc. Consequently, self-reliance cannot be achieved in an atmosphere where entrepreneurial activities are lacking; hence entrepreneurship is a strong acquisition programme that will help people of a country like Nigeria become better and greater.

Entrepreneurship which involves recognizing a business opportunity, mobilizing resources and persisting to exploit that opportunity is a necessary ingredient for self-employment. Employment creation and the boosting of income – opportunity are some of Nigeria's top challenges today. The Federal Government Policies and strategies are now being geared to encourage and support the private sectors in generating growth in self-employment through the introduction of entrepreneurship development. What it simply means is that if these government policies and strategies are properly implemented, our educational system will now produce graduates who will be job creators, rather than job seekers. Entrepreneurship prepares people to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers and contribute to economic development and sustainable communities, and thus become self-Reliant.

### **Theoretical Consideration**

However, in an attempt to understand the subject matter of this study, the study were anchored on Efficiency theory which will be employed to provide a theoretical base for the study.

### **Efficiency theory**

Efficiency theory was propounded by Banton (2020) who aqeu that, a micro and small business owner is someone who starts and runs a business enterprise to achieve personal goals, and sees the enterprise as an extension of their own wants, goals, and personalities. In most cases, the overall objective is to make a steady profit to enable the business to grow. The growth of any business is normally achieved when the managers of such businesses are efficient in their performances. Efficiency, according to Banton is a level of business activity that uses the fewest inputs to provide the most output. To accomplish a given result, it requires using less resources, such as human time and energy to produce a given quantity or quality of output. It is a measurable concept that is calculated by dividing total usable output by total input. It saves resources such as physical materials, energy, and time while attaining the desired result. In general, anything is efficient if no resources (such as materials, energy, or time) are wasted and all processes are optimized. Frederick Winslow Taylor, who investigated how labour was conducted and how it influenced worker productivity in 1909, was the proponent of efficiency theory. Following his research, he argued that increasing productivity might be achieved by optimizing and simplifying occupations. This theory

is significant to this research because if resources are not wasted, it will lead to revenue improvement which in turn leads to business growth.

### **Empirical Review**

This section of the literature review critically examine the extant literature abounds with empirical studies on book keeping and accounting knowledge and financial management practices on the growth of micro and small businesses with findings either mixed or inconclusive so as to find the existing research gap and direct the study.

Okoye, Uniamikogbo and Adeusi(2017), carried out a study on accounting skills for sustainable entrepreneurial development in Nigeria. Findings indicated that accounting skills have significant benefits for sustainable performance and development.

Mbogo, M. (2016) looked into the impact of managerial skills on SMEs on the success and growth of small and medium businesses in Kenya. Findings demonstrated that business owner's or manager's level of training and accounting skills have strong, positive, and significant impact on decision making, and are thus critical for the success, growth, and survival of a small business.

Ilemona (2011), evaluated record keeping and accounting as a tool for small business growth in Nigeria. The findings revealed a strong link between effective financial transaction record-keeping and an enterprise's development potential. This indicates that proper record keeping and accounts can be properly kept if the book-keeper has some book-keeping and accounting knowledge.

Ademola, James and Olore(2012), revealed that the majority of the respondents (i.e. MSEs) do not keep business records and therefore do not even know whether their businesses are growing or not. Also, Boame, Solace and Issaka(2014) studied the adoption of accounting practices and their effect on small scale enterprises. The result indicated that lack of accounting knowledge was one of the causes making it often difficult, if not impossible, for MSE operators to separate personal expenses from the business expenditure. On the other hand, Dawuda, &Azeko, (2018) studied micro, small, and medium-sized business accounting knowledge, practices, and controls. Majority of MSEs are either extremely educated or familiar with accounting principles and concepts, according to the results.

Okafor, (2012) carried out a research on financial management practices on Nigerian small firms. Findings indicated that the efficiency with which small businesses conducts their accounting and financial management duties have favorable and significant impact on their overall performance. Yohanes & Shibru (2018) demonstrated that excellent financial management practices provide a backbone to small scale companies' profitability, success, and expansion, while they suggested that financial management practices affect SMEs' growth.

Pavtar, (2017), examined the accounting practices of SMEs as well as challenges faced by MSEs. The result showed that SMEs keep some accounting records while the challenges have a significant effect on their operations, their further findings indicated that SMEs frequently fail to follow basic accounting standards, limiting company information that is critical for decision-making.

### **Research Gap in Literature**

It is evident from the above empirical reviews that a strong gap exists, this is because most of the highlighted studies in the literature review do not explicitly address the impact of Accounting skills on entrepreneurs for sustainability and self-reliance. Hence, a scarcity of literature in the area of this study exists, particularly in the developing country like Nigeria. However, the few relevant studies that have been conducted on this research area by the developed Nations have eluded criticism in the criteria, title, scope and methodology used hence a research gaps is identify in terms of literature. To fill this gap, this study reviews relevant literatures that are pertinent to the research objectives and highlights a number of theories in relation to the study variables (independent and dependent) and the conceptual framework of the variables by analyzing the relationships between them.

### **METHODOLOGY**

This section practically details out the specific methodology adopted for this research study. It was more or less a framework for the conduct of the study. The methodology was to show-case the technique and procedures used in the study and this consists of: research design to be use, population of the study, the sample size and sampling technique, sources and method of data collection, the technique of data analysis as well as the measurement of variable instrument.



## **Research Design**

This study adopted a survey research design using a cross-sectional research method.

## **Description of Study Area:**

The area for this research was southern and central senatorial district of Taraba State of North-east zone of Nigeria. The Southern Senatorial district consist of six (6) local Government areas which includes Wukarri, Ibi, Takum, Ussa, Kurmi and Donga while the Central Senatorial District comprises of four (4) local Government areas which includes Bali, Gashaka, Gassol, and Sardauna LGA of Taraba State.

## **Population of the study**

The population of the study were all registered and non-registered Small and Medium scale enterprises SMSEs in the Southern and Northern geopolitical regions of Taraba State cutting across all the (6) Six local Government from the southern region and the (4) four LGA in the central zone of Taraba State.

## **Sampling Technique and Sample Size of the Study**

However, since the population cut across different LGA this study employed a proportional stratified random sampling technique to pick the require sample in form of a stratum. Thereafter a sample size of 284 staff was pick using Bill Godden sample size formula.

## **Sources and Method of Data Collection**

In this study, primary source of data was use through the administration of questionnaire as the major instrument for data collection.

## **Technique of Data Analyses**

After collecting and presenting the required Data. The hypotheses previously formulated were tested using chi-square techniques.

## **Test of Research Instrument Validity**

In testing the instrument's validity, the initial draft of the questionnaire was given to twenty (10) Academic Doctors within the study area, including some senior lecturers from the department of Accountancy federal polytechnic Bali. Based on their inputs, improvements were made. The improved copies were administered to another ten (10) persons from the study group who also make positive inputs. Their inputs together with the

researchers' experience on the instrument validation were incorporated in the final copy which was use in carrying out this study. However, the owners and employees together with various managers were the people given the questionnaire to answer because they are the ones expected to give reliable information about their business operations. .

### **DATA PRESENTATION AND DATA ANALYSIS**

In this research study, a total number of two hundred and fifty (250) questionnaires were prepared and administered to the respondents in the case study. In the course of the distribution and retrieval of the 250 questionnaires (that represents 100% of the total responses) from the sample respondents, a total number of 25 questionnaires that consisted of 10% of the total responses were returned wrongly filled, while 15 questionnaires that consisted 6 % of the total responses were not returned to the researcher, however it was the remaining 210 Copies of questionnaires representing 84% of the respondents responses that were successfully filed and retrieved by the researcher. Therefore, this 210 successfully filled and retrieved questionnaires were the adequate questionnaire that was used in this study for the purpose of analysis, generalizations as well as conclusions. Hence the questionnaire distribution and retrieval analysis can be shown in the below table as follows:

**Table 4.1 Response Rates Statistics Table**

<b>Details</b>	<b>Number</b>	<b>Percentage%</b>
Copies retrieved and filed	210	84
Copies wrongly filed	25	10
Copies not returned.	15	6
<b>TOTAL Copies Sent Out</b>	<b>250</b>	<b>100</b>

**Source: Field Survey 2023**

### **Test of Hypothesis**

The test of the hypothesis in this section shall be done using chi-square technique as stated in the methodology. However, it is important to note that the test of the hypothesis was done based on the research questions data generated from the field survey on this study.

### Test of Hypothesis One

**Ho1:** Book-keeping and accounting knowledge has no any significant impact on the growth of Small and medium scale enterprises (SMEs) in central zone of Taraba state

**Table 4.2 Chi-Square Observed Table Values for Hypothesis One**

Questions	Strongly Agree	Agree	Undecided	Disagree	Total
A1	83	64	14	49	210
A2	71	55	43	41	210
A3	61	111	17	21	210
A4	71	90	20	29	210
TOTAL	286	320	94	140	840

**Source: Researcher Computation March, 2023**

**NOTE:** To get expected value:  $\frac{(\text{Column total}) \text{ Row total}}{\text{Grand total}}$

$$SA = 286 \times 210 / 840 = 71.5$$

$$A = 320 \times 210 / 840 = 80$$

$$UD = 94 \times 210 / 840 = 23.5$$

$$D = 140 \times 210 / 840 = 35$$

**TABLE 4.3: Chi -Square Contingency Table for Hypothesis One**

	FO	FE	FO - FE	(FO - FE) <sup>2</sup>	(FO - FE) <sup>2</sup> /FE
Q1	83	71.5	0.25	0.0625	0.0071
	64	80	-0.5	0.25	0.0625
	14	23.5	0.25	0.0625	0.0108
	49	35	0.25	0.0625	0.0108
Q2	71	8.75	4.25	18.0625	2.0642
	55	8.75	- 1.75	3.0625	0.35
	43	5.75	0.25	0.0625	0.0108
	41	5.75	2.75	7.5625	0.0108
Q3	61	8.75	-2.75	7.5625	0.8642
	111	8.75	2.25	5.0625	0.5785
	17	5.75	-0.75	0.5625	0.0978
	21	5.75	1.25	1.5625	0.2717

Q4	71	8.75	-1.75	3.0625	0.35
	90	8.75	0.25	0.0625	0.0071
	20	5.75	0.25	0.0625	0.0108
	29	5.75	1.25	1.1625	0.2717
TOTAL				Calculated value	<b>4.9785</b>

**Source: Researcher Computation March, 2023**

Chi – square critical table value at 4 under 9 using the  $X^2$  Table= **1.064**

**Decision Rule:**

Since the Chi square-calculated value (4.9785) is greater than the chi square-critical table value(1.064) at an infinite degree of freedom and 0.05 percent level of significance, therefore we reject the null hypothesis **H<sub>0</sub>** which state that Book-keeping and accounting knowledge has no any significant impact on the growth of Small and medium scale enterprises (SMEs) in central zone of Taraba state and accept the alternative hypothesis **H<sub>1</sub>** to conclude that Book-keeping and accounting knowledge has any significant impact on the growth of Small and medium scale enterprises (SMEs) in central zone of Taraba state.

**Test of Hypothesis Two**

**Ho<sub>2</sub>:** Financial management practices does not have any significant effects on the growth of Small and medium scale enterprises (SMEs) in central zone of Taraba state.

**Table 4.4: Chi – Square Observed Value Table for Hypothesis Two**

Question	Strongly Agree	Agree	Undecided	Decided	Total
B1	72	60	45	33	210
B2	81	50	40	39	210
B3	71	46	50	45	210
B4	62	46	50	52	210
Grand Total	<b>286</b>	<b>202</b>	<b>185</b>	<b>167</b>	<b>840</b>

**Source: Researcher Computation March, 2023**

**NOTE:** To get expected value:  $\frac{(\text{Column total}) \text{ Row total}}{\text{Grand total}}$

SA =  $286 \times 210 / 840 = 71.5$

$$A = 202 \times 210 / 840 = 50.5$$

$$UD = 185 \times 210 / 840 = 46.25$$

$$D = 167 \times 210 / 840 = 41.75$$

**TABLE 4.5: Chi –Square Contingency Table for Hypothesis Two**

Q	FO	FE	FO-FE	(FO-FE) <sup>2</sup>	<u>(FO-FE) FE</u>
5	72	71.5	0.75	0.5625	0.0548
	60	50.5	-2.75	7.5625	0.9758
	45	46.25	0.75	0.5625	0.1071
	33	41.75	1.25	1.5625	0.2717
6	81	10.25	-2.25	5.0625	0.4939
	50	7.75	4.25	18.0625	2.3306
	40	5.25	-0.75	1.5625	0.2976
	39	5.75	-3.25	0.5625	0.00978
7	71	10.25	3.25	10.5625	1.0304
	46	7.75	3.75	10.5625	1.3529
	50	5.25	3.75	14.0625	2.6785
	52	5.75	-0.75	0.5625	0.0978
8	62	10.25	4.75	22.5625	2.2012
	46	7.75	-4.75	22.5625	2.91129
	50	5.25	-0.25	0.0625	0.01190
	52	5.75	0.25	0.0625	0.0108
			<b>Calculated Value</b>		<b>14.93</b>

**Source: Researcher Computation March, 2023**

**Calculated Value= 14.93**

Critical table value at 14 under 9 using the X<sup>2</sup> Table value= **7.790**

### **Decision Rule**

Since the Chi square-calculated value (**14.93**) is greater than the chi square-critical table value(**7.790**) at an infinite degree of freedom and 0.05 percent level of significance, therefore we reject the Null hypothesis **H<sub>0</sub>** which state that, “Financial management practices does not have any significant effects on the growth of Small and medium scale enterprises (SMEs) in central zone of Taraba state” and accept the Alternative hypothesis **H<sub>1</sub>** to conclude that Financial management practices has significant effects on the growth of Small and medium scale enterprises (SMEs) in central zone of Taraba state.

## **DISCUSSION OF FINDINGS**

From the analysis carried out based on data generated from the field survey together with the test result of the two hypotheses, the findings based on the objectives clearly indicate as follows;

- i. Book-keeping and accounting knowledge has significant impact on the growth of Small and medium scale enterprises (SMEs) in central and southern geopolitical zones of Taraba state.
- ii. There was a significant effect of financial management practices on the growth of Small and medium scale enterprises (SMEs) in central and southern geopolitical zones of Taraba state.

However, the findings of this study is consistent with the work of Okoye, and Adeusi (2017), who found a significant relationship between Book-keeping and accounting knowledge and the growth of Small and medium scale enterprises (SMEs) in Nigerian but contradicts the study result of (John and Wachira, 2013) whose studies found otherwise.

## **CONCLUSION**

This study has been an attempt to examine the effect of accounting practices on Sustainable Entrepreneurial Development for Self-Reliance in Nigeria. Having gone through the whole length of data analysis, hypothesis testing and the summary of test result. Based on the findings this study concluded that;

- i. Book-keeping and accounting knowledge has significant impact on the growth of Small and medium scale enterprises (SMEs) in central and southern geopolitical zones of Taraba state.
- ii. Financial management practices have a significant effect of on the growth of Small and medium scale enterprises (SMEs) in central and southern geopolitical zones of Taraba state.

## **RECOMMENDATIONS**

Therefore, based on the findings arrived at from the data Analyses of this study and the conclusion drawn above, the following recommendations were proffered:

1. Arguably for any Small and Medium scale Enterprises (SMEs) to be successful, owners of such businesses must possess appropriate skills and abilities to run the business.
2. Equally to succeed in today's competitive market as an entrepreneur one needs a broad array of entrepreneurial skills.



3. Taraba State government and SMEs owners/managers should focus greater attention on the acquisition of book-keeping and accounting knowledge and financial management practices that can constantly lead to SMEs growth

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