

ACCESSIBILITY OF FINANCE OPTIONS AND THE LEVEL OF
SATISFACTION: A STUDY OF SOME SELECTED BUSINESS IN THE
SUNYANI MUNICIPALITY

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BY

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DECLARATION

I hereby declare that this submission is my own work towards the Master of Science (Accounting and Finance) and that to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the university, except where due acknowledgement has been made in the text.

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ABSTRACT

The role played by entrepreneurs in the economic development of countries cannot be overemphasized. Finance is an important component needed by an entrepreneur in setting up, and or maintaining a business. The objective of the study was to examine the finance options available to the Ghanaian entrepreneur, and evaluate the satisfaction the entrepreneur derives from the various options and come up with the best option by comparing the significant levels. The study was quantitative, and used a sample of 50 entrepreneurs from the population of entrepreneurs in Sunyani Municipality. Random sampling was used to select respondents. SPSS was used in coding, entry and analysis of the data, using descriptive statistics and ANOVA. The study revealed that, the finance options or sources of finance mostly used by entrepreneurs are personal credit union, banks, micro finance, and Moneylenders. The study showed that, the entrepreneurs were satisfied with the various finance options with regards to service rendered and impact on business performance and it was also revealed that firm's age have effect of finance option available to entrepreneurs. It was recommended that financial institutions create products that will motivate savings among entrepreneurs as well as the entrepreneurs should try to save by using it as a finance option. When this is done, the entrepreneurs will have to assess interest-free funds for their businesses.

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LIST OF ACRONYMS

SME	Small and Medium Size Enterprise
GEM	Global Entrepreneurship Monitor
OECD	Organization for Economic Co-operation and Development
SPSS	Statistical Package for Social Science



CHAPTER ONE

INTRODUCTION

1.0 Background of the Study

An entrepreneur is someone who starts a new business or arranges business deals in order to make money, often in a way that involves financial risk. Entrepreneurs have been recognized to play an important role in the economic development of many countries. Entrepreneurship brings about economic growth and development through innovations.

The key constraints that face entrepreneurs include the cost of starting a business and minimum capital requirement, with women entrepreneurs facing additional hurdles (World Bank. 2007). Women have to balance their working life with that of their family life and also, women are not taken seriously in a society dominated by males. There is evidence of the role played by entrepreneurs and small and medium enterprises (SME) in the development of most economies. These SMEs are set up by entrepreneurs and most of the big businesses in the world today were started by entrepreneurs who had a vision.

The Ghana Banking Survey (2013) revealed that the bulk of the Small and Medium Enterprises in Ghana were within the service industry which formed 49% of the GDP of the Ghanaian economy in 2012. The World Bank Enterprise Survey (2009), revealed that out of the many obstacles that hinder the growth of SMEs, 45.6 % of SMEs recounted limited access to finance as their main.

Entrepreneurship is one of the most effective ways of ending or if not reducing unemployment in developing countries. Every year, a good number of students graduate from the various tertiary institutions and join the already existing number of

unemployed people in the country. Government alone cannot employ all the numbers hence, the need for other sectors to help in the reduction of unemployment. In Ghana today, there is an embargo on employment in the public sector, making it difficult for the government to meet the employment demands of the growing young population (Osei-Boateng & Ampratwun, 2011).

Creating one's own enterprise is the only way to reduce or eliminate unemployment. In terms of age, Table 1 below depicts the unemployment rate of persons 15 years and older by sex, age, and locality. It shows that the employment rate is highest among the 15-24 age group (10-96) and lowest among those aged 65 years and older (5.5%); this is true for both males and females. The unemployment rate is very high for the youth (15-24) years in urban areas (16.3%) compared to the other age groups.

Table 1.1: An unemployment rate of persons 15 years and above

Age group	Total			Urban			Rural		
	M	F	Total	M	F	Total	M	F	Total
15-24	10.2	11.7	10.9	15.8	16.7	16.3	6.6	7.7	7.1
25-44	3.3	4.1	3.8	4.1	5	4.6	2.3	3.1	2.8
45-64	2.8	3.2	3	3.2	3.8	3.5	2.3	2.6	2.5
65+	2.6	2.5	2.5	1.9	2.5	2.3	2.9	2.5	2.7
All	4.8	5.5	5.2	6.1	6.9	6.5	3.6	4.1	3.9

Note: F = Female, M = Male

Source: GLSS 6 Labour force Report 2014.

Flowing from the above table, there is a high unemployment rate among the youth who are people who have just left school. Entrepreneurship is the way forward to reducing unemployment. Governments have developed policies and programs which are aimed at facilitating entrepreneurship. However, such interventions must be

informed by a solid understanding based on reliable data that accurately describes young people's aspirations, their challenges, and how they can overcome the obstacles inherent in establishing and running a viable enterprise (Kew, 2015).

All universities and polytechnics offer a course in entrepreneurship, this is to help equip graduates with the knowledge to enable them to create jobs for themselves after graduation. There are vocational and technical schools that also train students in skill acquisition. Some polytechnics have now acquired technical university status and they are expected to train students in skill acquisition. Equipped with all this knowledge, graduates still have challenges when it comes to setting up their own enterprises. Even though they have good business plans, having access to funds for setting-up or for expanding and sustaining these businesses is a problem.

Loan finance from banks is the commonest form of funding for small and medium enterprises (OECD, 2015). Most entrepreneurs tend to rely on this form of financing to meet the startup, operational, and investment expansion needs of their businesses. However, these financing option comes with their own challenges to both new entrants and existing entrepreneurs with a high risk-return profile (OECD, 2015). There seem to be many financing options available to the Ghanaian entrepreneur, yet finance is one of the major challenges faced by entrepreneurs in Ghana and the world (Abor & Biekpe, 2006).

Most entrepreneurs have good business plans but how to get money to make their dreams come true is a problem. Financial institutions are not ready to grant loans to entrepreneurs to start up their businesses for fear that these businesses might not survive and get their money back will be a problem (Gbandi & Amissah, 20014). Entrepreneurs must be helped to overcome this problem, by having banks come out

with policies that would favour the entrepreneur and guide them on how to access loans and service those loans.

1.1 Problem Statement

Entrepreneurs in Ghana have problems in accessing the right finance option for sustaining the growth of their businesses. Each finance option has its own merits and demerits, and most entrepreneurs have no knowledge in this area. Limited awareness and understanding of alternative funding sources for start-ups and SMEs have slowed down the development of entrepreneurs.

Finding financing in any economic climate can be challenging, whether you are looking for start-up funds, capital to expand, or money to hold on through the tough times. According to Adisa et al (2014), the lack of financing or working capital is the main explanation why small companies struggle. In most situations, the company owner is intimately aware of how much funding is required to keep businesses going on a day-to-day basis, including payroll financing; to cover fixed and varied overheads, such as rent and utilities; and to ensure that outside contractors are charged on schedule.

However, the owners of struggling businesses are less in tune with the volume of revenue generated from sales of goods or services. This disconnect leads to shortfalls in financing that can easily bring a small company out of business only when there are funds available. The availability of funds to an entrepreneur can be challenging. Not only this but also the process of securing funds and the charges involved can also be a challenge to an entrepreneur.

Most studies have been taken to examining the impact of finances on entrepreneur (Marshall & Samal, 2006: Salman & Jamil, 2017 and Somoye, 2013) but not much

have been done to assess the level of satisfaction and the available funding to entrepreneurs, especially in Ghana. In line with this, the study intends to evaluate the various finance options available to entrepreneurs in the Sunyani Municipality and to assess how these finance options satisfy entrepreneurs.

1.2 Objective of The Study

The main purpose of the study is to identify the finance options available to the entrepreneur and to evaluate their satisfaction level to the Ghanaian entrepreneur. The study seeks to:

1. To evaluate the finance options available to entrepreneurs in some selected businesses in Sunyani Municipality.
2. To evaluate the satisfaction received by entrepreneurs using the options available.
3. To examine the effect of gender and firm's age on Finance Options available.

1.3 Research Questions

1. What are the various finance options available to the entrepreneur in some selected businesses in Sunyani Municipality?
2. What is the level of satisfaction of the finance options to the entrepreneur?
3. What is the effect of gender and firm's age on Finances Options available?

1.4 Significance of the Study

The tenacity of the research is to of the study is to identify the finance options available to the entrepreneur and to evaluate their satisfaction level to the Ghanaian entrepreneur, in entrepreneurs' quest to grow their business. The study will help establish a sound basis to support the need to strengthen the efforts of policymakers to make a decision that will make entrepreneurs have access to necessary funds for

their institutions. In other terms, it will enable regulators in business to assess the risks Ghanaian entrepreneurs when they are unable to obtain funds for their businesses and the class of funds that can help them grow their business.

The study will also act as a reference for many individuals, international bodies, other nations, and educational research agencies who plan to undertake related research to link it to existing literature. It will also facilitate and enable evaluative research and ensure that there has been no transition or progress, or decline in the success of entrepreneurs concerning the management and funding process.

Also, the results of this study would consequently serve as the basis for policymakers to devise appropriate strategic policies to ensure an effective and efficient way to provide funds to entrepreneurs. Most entrepreneurs because they are desperately in need of money for capital or funds for expansion are in a hurry to accept any source of funding that comes their way. This study will aid entrepreneurs in taking a decision on financing options that will have a positive impact on their businesses.

1.5 Scope and Limitation of Study

The study would cover entrepreneurs in the Sunyani Municipality of the Bono Region of Ghana. The variables would be finance options available, services rendered and received, convenience and accessibility, and its impact on business. Conducting research, in general, comes with its own challenges. It is anticipated that some challenges might be encountered in administering questionnaires in the field. In the administration of the questionnaires, the reluctance of respondents to collect and fill the questionnaire may be due to their busy schedules is anticipated.

In this case, meetings with respondents will be held at their convenience. It is also envisaged that some respondents may fail to return the questionnaire. In such cases,

the researcher would ask the questions and record the responses to ensure that the majority of questionnaires are retrieved.

It is also anticipated that some respondents may be unwilling to disclose information relating to their finances. In such a case, the researcher will re-emphasize the confidentiality of responses as a way to reassure respondents of minimal risk in providing such information.

1.6 Research Methodology

To be able to carry out this study successfully, the researcher intends to discuss the approach and the methods available for the study. This, as dealt with in a complete chapter on its own in this study, would cover how the study would be designed with regards to rules of collecting and analysing of data, the population, that is to say, the collection of objects that forms the main focus of the study and as to how these objects will be reduced or sampled to achieve the main objective of the study.

The process of selecting a sample has an important implication on the extent to which the sample represents the population it forms part of. The means by which data would be collected also has an impact on the study. As the study is of a quantitative nature, the researcher intends to use questionnaires as its main data collection instrument. In all of these, there are a lot of activities which will be carried out such as reliability test, data collection procedure, data analysis and a lot more in a bit to achieve the utmost objective of the study.

1.7 Organization of the Study

This study would be in five chapters, chapter one is the introduction which covers the background of the study, statement of the problem, the purpose of the study, research objectives, research questions, significance of the study, scope and limitation of the

study, the definition of terms and organization of the study. Chapter 2, the literature review looks at another theoretical framework empirical and conceptual review of the study. Chapter 3 is the research methodology, which comprises the research design, population, sampling procedure data collection instruments, data collection procedures, and data processing and analysis. Chapter 4 looks at the data analysis, presentation, and discussion of the findings of the study. Lastly, chapter 5 takes care of the summary, conclusion, and recommendation.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter would focus on the publication of literature and a theory on entrepreneurial finance. The chapter would make effort on reviewing some literature on entrepreneurial finance and some finance options available to entrepreneurs. This would also, help establish the satisfaction level of customers (entrepreneurs) with the various finance options. Entrepreneurs play an important role in the development of most economics in the world both economically and socially. There is rich existing knowledge in the area of entrepreneurial finance, which would help in building and the advancement of this research.

The literature review would be in three parts, that is theoretical review, empirical review, and conceptual review. The theoretical review would be on entrepreneurial finance, the application of pecking order theory on entrepreneurial finance, and how it would apply to entrepreneurs. An empirical review would be reviewing some studies carried out by other researchers in entrepreneurial finance. Lastly, the conceptual framework would focus on the satisfaction level of customers (entrepreneurs).

2.1 Theoretical review

As every research is developed based on a theory, the review would be examining one of the finance theories which is the pecking order theory, and its application to entrepreneurial businesses. The selected theory would examine the financing hierarchy and choices by businesses.

2.1.1 Pecking Order theory

Pecking order theory describe how business managers or owners select and make use of the different sources of funds to finance their operations (Chen & Chen, 2011). It involves a financing hierarchy where firms exhaust their internal funds before going in for external finance. This theory was proposed in 1984 by Myers and Majlif and it tries to explain companies' preference of one finance option to another. It predicts firms preferring internal finance to external finance and would go in for less risky external finance first if the need arises (Narmandakh, 2014).

This makes it a useful theory for entrepreneurs and this theory predicts businesses making financed choices based on the cash available to them and the degree of difficulty that would be incurred in going in for external finance (Chen & Chen, 2011). An entrepreneur needs to always assess its liquidity position and the degree of constraints of external finance before making a financial decision.

According to Holmes & Kent (1991) SMEs had limited access to the capital market and there is a huge financial gap. Their financing is reduced to retain earning and bank loans (Sanchez-Vidal & Martain-Ugedo, 2015). This was attributed to a financial gap that existed, this financial gap is divided into two; supply gap and knowledge gap (Sanchez-Vidal & Martain-Ugedo 2015). The supply gap deals with the limited availability of funds or the high cost of those funds that are available. This knowledge gap deals with limited knowledge of external finance and lack of knowledge of the advantages and disadvantages of debts (Sanchez-Vidal & Martain-Ugedo 2015). This is the reason some entrepreneurs contract some debts which they pay a huge interest rate that end up having a negative impact on their businesses. Most firms should take into consideration the cost element of the various finance options when going in for a source of finance and try to seek knowledge on the various options available.

This financing gap is gradually reducing recently as most governments around the world are very active in various SMEs, and have financing programs aimed at helping them (OECD, 2006). But this is not enough as there should be some policies that would reduce the stress that entrepreneurs go through in accessing finance. Also, we have microfinance institutions that provide debt finance to entrepreneurs and SMEs.

A study by Šarlija & Harc (2016) supported pecking order theory, SMEs in Croatia were primarily financed from internal finance. More profitable firms are less likely to use debt as a finance option, as they would prefer financing from its internally generated funds. There is a negative relationship between profitability and debt.

The positive impact of SME growth to leverage is confirmed by Adair & Adskon (2015), Degryse et al. (2012) and Daeri & Deari, (2009). Entrepreneurs who wish to expand their businesses need to go in for debts (loans) as internal funds would not be sufficient to finance additional investment. According to Ogujuiba et al. (2004), there is empirical evidence that shows that 25 % of finance contributes to the success of every Small or Medium Enterprise.

2.1.2 Economic Theory of Entrepreneurship

According to Parker (2018), the economic theories of entrepreneurship draw on three branches of economic theory: (i) labour economics theories of occupational choice; (ii) microeconomic theories of innovation; and (iii) macroeconomic theories of innovation, economic growth, and business cycles.

Of these, with much more broad scale and breadth are the first group of occupational choices theories. These ideas deal with who becomes an entrepreneur and why on economic grounds. This issue is of concern to politicians who aim to encourage entrepreneurship. The second group of scientists agrees that such agents who

incorporate inventions represent a particularly significant market community or sub-group. Innovation microeconomic theories tend to understand how inventions entrepreneurs should succeed in deeper incumbents; when entrepreneurs are vulnerable to industry transformative innovations; and how entrepreneurs strategically engage with incumbent (often R&D-intensive) businesses (Parker, 2018).

Cantillon (1755) emphasized the value of the contractor as an arbitration agent or speculator who performs all trades and runs the risk of buying at such prices and selling at unsafe prices as one of his earliest contributions to economic entrepreneurship thinking.

The risk philosophy of profit: whoever earns an unstable income is simply a businessman. The fact that the entrepreneur who more reliably measures potential commodity values than others acquire any and all factors of output at prices that, from the standpoint of the future state of the economy, are too poor, is what creates profit and this disparity is company benefit (Foss & Klein, 2010).

According to Parker (2005), modern models of work split the population between people who do best to become entrepreneurs and others who do best by settling for an alternate career typically considered as secure investment or paying jobs. Due to heterogeneous preferences or skills, diverse individuals make different choices. Tastes generally refer to attitudes of risk in this literature, whereas skills refer to efficient potential in the generation of consumer products.

Modern economic progress and growth theories, especially transformative entrepreneurial innovation, owe Schumpeter a significant intellectual debt and continue to derive encouragement from his writings. The main insights into economic theory are extracted from modelling how rewards and restrictions of different forms

impact job choices and the participation of innovation. The economic theory has a simple central identity, which is based on optimization in terms of theoretically imperfect and asymmetrical knowledge and subject to clearly defined competitive and institutional limitations.

Economic theory provides rich insights into a number of market facets. The discipline's scope, which encompasses economic effects instead of merely individual effects, makes it best suited for public policy research. Although some of these policy concerns are discussed in the present paper, the space restrictions prohibit a more in-depth review. For a systematic and up-to-date analysis of public policy economy in relation to entrepreneurship, readers are referred to chapters 18-21 of Parker (2008).

Other fields of the undeveloped theory include entrepreneurship in series and portfolio, where the theory was strikingly constrained. According to Parker (2008) surprisingly rare are also ideas on market conversion another major but often ignored path to business for many people. Again, economic theories of incomplete and asymmetric knowledge and compatibility are expected to be sufficient for illuminating problems.

Santos (2012) the growing interest in entrepreneurship in conditions of scarcity motivates the implementation of economic theory in deprived areas to model and better understand entrepreneurship. The undertakings will obviously have a significant role to play in coping with issues of underdevelopment. The science of restricted choices is economics, and its application to these issues tends to be acceptable.

Traditionally, purely economic constraints have been examined in the economics of entrepreneurship, such as those related to restricted financial resources and incapacity

to borrow; but it will need to extend its field of study to include human, social, and physical constraints as well. This effort requires constant and continuing study.

2.2 Conceptual Review

This section presents and discusses key concepts and phenomenon that relates to Financing and its relevance to Entrepreneur in managing of their businesses.

2.2.1 Entrepreneur Financing

Finance, generally, refers to any trade involving currency or money-related means of exchange and monetary calculation (Kiyotaki & Wright, 1989). More generally, finance can be seen as the art and science of money handling and resource management. Its importance lies in the understanding of how money functions in society, and how it applies to economic and legal processes, given the laws and regulations of society, and the nature of its financial institutions.

The overall objective of finance is to achieve the greatest efficiency in the way funds are used, regardless of the purpose and path of the use of capital. In this way, as in the corporate sector, financial management will be the responsibility of the company to prepare, procure and maintain resources in order to operate and develop the business successfully and to further invest in its profits.

Finance is critical in the smooth take-off, functioning/working capital requirements, and continued existence of any business enterprise. Financing entrepreneurial business has been a challenge. This problem has made it impossible for people with ambitious ideas to put them into reality (Bemaa & Daniyan, 2017). According to Kew (2015), new entrepreneurs find it difficult to access bank finance as they lack any track record of creditworthiness which is one of the major requirements of banks advancing credit

to entrepreneurs and which makes them rely on raising funds from personal savings, family, and friends to cater for their business operations.

According to Light (2006), entrepreneurs almost often need starting capital to bring their innovations forward to the point that they can launch their business. Determining how much money is currently required is tricky since the demand will change as plants grow. Such obstacles include actually securing the amount you want and providing it where it is needed. If an entrepreneur is unable to secure the necessary sum or cannot receive financing as appropriate, new proposals must be made.

From an entrepreneur's point of view, the expense of loan funding is the interest they spend to use the funds they borrow (Pittman & Fortin, 2004). From an investor's point of view, their gain, or return on loan funding, is the interest they receive in comparison to the return of the money they lent to an entrepreneur or other creditor.

Any new idea needs capital, and thus, developers need to determine where to get funding from, how to spend, and how much to borrow. Bornstein (2007) indicated that indeed, one of the biggest challenges for developers is when and from to get financing to kick start their projects and hit the ground running.

External funding of financing is the most common for entrepreneurs, and this term covers all the forms of financing alluded to thereafter. As opposed to bootstrapping where an individual raises funds either from internal sources or by providing equity in exchange for jobs, external funding also includes sourcing capital from external sources that are real and quickly monetized ways of financing (Ariyanti, & Mnatsakanyan, 2020). Apart from the forms of external funding mentioned below, private equity or equity for major partners in exchange for financing is also the standard for entrepreneurs.

Many companies are off with a great deal of hope. The designer is brilliant and has a vision, the original team is hard-working and creative, and the idea behind the company is sound. According to Denis (2004) unfortunately, many ambitious small companies struggle, often in the first year or two, due to financial difficulties typically encountered by entrepreneurs. As an entrepreneur or small business owner, it is important that you are aware of the financial pitfalls that many entrepreneurs face as they fail to thrive.

The collapse in many new companies can be closely related to the initial undercapitalization. Having a brilliant idea is not enough to make sure the business succeeds. In some cases, companies are unable to open because the founders are running short of money. Any new businesses rely on business credit cards and, in some cases, on the personal credit lines of their founders. If the corporation cannot completely pay off the credit card debt, the interest on the card balances would rise. This will have a significant effect on the company at a time when it should be rising.

Financial stress does not only concern start-up workers. Financial management issues can apply to owners and their families. It is not uncommon for owners to devote at least some of their personal assets to create a new company. Owners also struggle to make ends meet when attempting to develop a company.

According to Van Auken & Werbel (2006), financial challenges may have an effect on any area of a company owner's life, including marital and family relationships. In certain situations, entrepreneurs may ultimately plan to close down their companies due to financial and personal pressures or may feel compelled to make investment choices on the basis of short-term gains rather than long-term – and maybe more

profitable – prospects. One of the choices you should consider when it comes to finding funding for your company is a working capital loan.

According to Pissarides (1999), working capital loans offer financing to your company on terms that are more appropriate to you and the way you do business. One of the choices you should consider when it comes to finding funding for your company is a working capital loan. Working capital loans offer financing to your company on terms that are more appropriate to you and the way you do business.

2.3 Finance Options Available to Entrepreneurs

Some of the finance options which are available to entrepreneurs and SMEs are personal saving, trade credit, advance payment by customers, bank overdraft, governmental support schemes, bank loan, business alliances, and microfinance.

2.3.1 Personal Savings

This kind of finance option consists of the personal savings of the owner. Owner equity is an important source of funding in the early stage of the business (Mitter & Kraus, 2011). This source of funding facilitates the working capacity of the set-up enterprise; also, it serves as an indicator of commitment and seriousness displayed by the entrepreneur (Bemaa & Daniyan, 2017). In the early stages of the business, the capital need of the business is usually small (Mitter & Kraus, 2011). In the long run, more capital would be needed for the survival of the business. The longer the entrepreneur's capability of surviving on his or her own capital; the better his or her chances of looking for finances from other sources, as he would not incur a cost in accessing other finance options. According to Marfo-Yiadom (2009) entrepreneurs will avoid pressure from financiers to pay back and this gives the owner more independence in managing the business.

2.3.2 Trade Credit

Trade credit is another option of financing business and is useful to the new entrepreneur as well as the existing ones. Suppliers are an important source of financing businesses, they supply goods to businesses, and payments are delayed on a short-term basis Akinola (2013) to enable start-ups or already established businesses to trade for some time before payment usually a bit higher than normal. This is a practice of buying goods and paying for them at a future date (Enikanselu, 2008), with a price that is different from the amount to be paid for the items instantly.

This is a cheaper form of financing as it does not attract a lot of conditionality, all it needs is for the supplier reposing confidence in the debtor (Akinola, 2013). The problem with trade credit is that there is always a limit of trade credit one can be offered and a maximum period (time frame) within which the buyer is expected to make payment. Beyond this period the creditor charges more interest or trades goods at different prices on the amount to be paid.

2.3.3 Advance Payment by Customers

Customers could pay for goods pending production and supply of goods, this is another form of finance (Akinola, 2013). Payments for goods are made in advance to the entrepreneurs for them to deliver the goods at a future day. With this source of finance, the entrepreneur should also deliver as promised.

In no circumstances should the business fail to supply the goods to the customer on the due day in order to gain the trust and confidence of the customer. It is a cheap form of finance that would help entrepreneurs meet their working capital needs. According to Morabito (2017) advance payments are a crucial and effortless means of obtaining

needed funds for funding business as it helps the business to survive in the early stages pending the business's ability to obtain finance from the bank.

2.3.4 Bank Overdraft

It is a special arrangement made by an entrepreneur and their bankers for the entrepreneur to overdraw from their current account when there is no money in the account. It is an easy way to obtain cost-friendly loans/finance by the entrepreneur as interest is payable only on the actual amount with which the account is overdrawn and for the very number of days at which the account stands overdrawn. As good as this, yet all tenets of lending will be observed before the drawdown by the entrepreneur (Akinola, 2013).

2.3.5 Governmental Support Schemes

There is some government organization that also have funds for SMEs which entrepreneurs' access. These organizations are set up by the government to help support entrepreneurs and SMEs by providing them funding and business support services. These organizations include National Board for Small-Scale Industries (NBSSI), Business Assistance Fund, Ghana Investment Fund, GRATIS Foundation, Rural Enterprise Project (REP), and Microfinance and Small Loans Centre (MASLOC) (Quaye & Sarbah, 2014). However, meeting up with the requirements for accessing these funds has not been an easy task and this accounted for the reasons why most owners of new businesses turn to shy away from accessing such facilities (Ernest & Young, 2014).

2.3.6 Bank Loan

This is the most common form of finance but difficult to access by entrepreneurs and SMEs in Ghana (Quaye & Sarbah, 2014). A bank loan is the term used to refer to a

credit facility granted to an entrepreneur by his or her bankers to finance their business but with a definite repayment program that can run from months to years (Akinola, 2013).

The amount granted is repaid with the principal amount and interest. This form of financing comes with its challenges, the longer the repayment period, the higher the interest to be paid. The principle of the time value of money is applied; a dollar today is worth more than a dollar tomorrow.

2.3.7 Business Alliances

Entrepreneurs may have the option of subscribing to forming cooperatives in order to procure funding, improve their cash flow and minimize financial cost (Dyer & Singh, 2001). There are a lot of benefits associated with the formation of business alliances some of which include easy access to existing new emerging markets, the effective use of sales personnel, and distribution channels to access to the customer (Akinola, 2013). Individual entrepreneurs lack the capital to perform all these tasks independently but by coming together, these tasks could be performed easily.

Business alliance members are creative and committed to looking out for more compatible and complementary members with industry experience, professional associations, industry networks, and contacts, lawyers, trade fairs, accountants, bankers, friends, investments fora, to form an alliance with (Akinola, 2013). With functional business alliances, a new business is able to operate more effectively than it would have been done alone.

However, alliances become unfashionable immediately after the firm has grown and accumulated competent human resources and has attained self-sufficiency.

2.3.8 Microfinance

Microfinance is recognized as an important tool for poverty alleviation through empowering micro and small entrepreneurs (Olaitan, 2006). Microfinance is made up of micro-credit, micro-savings, micro-insurance, and money which is within the reach of the poor (Stewart et al., 2010), who are not catered for by traditional banks. Microcredit, a part of microfinance, is the practice of delivering small, collateral-free loans to mostly unsalaried borrowers or members of cooperatives who otherwise cannot get access to credit (Hossain, 2002). Microfinance is one of the mechanisms used in financing entrepreneurial and small businesses. It is another way of helping customers to mobilize capital.

2.4 Challenges for Entrepreneurs

According to Alrawadieh et al. (2019), entrepreneurship comes up with a host of challenges. Rewarding challenges, but difficult challenges nonetheless. Experienced companies have to contend with this no matter how long they've been in business trying to build up a brand, adapt to balance, or surpass the competition and make your business successful is a struggle no matter how many years you've been in business.

It is extremely hard to build a team if you have never managed a team before. But, even if you have management experience, it is stressful and challenging that you find the best team for a start-up. Buser et al. (2004) It's not enough to select people who play those positions you must also take into account their company expenses, their community, and how they function as part of the whole team. These considerations are incredibly complicated because you have to occupy those vacancies as fast as you can.

For any business, good cash flow management is essential. Magora (2016) denoted that it's critical for a rising organization liquidity shortages can be the greatest force restricting growth and overtrading can be deadly. A crucial factor of strategic strategy and evaluating future prospects should be to make the most use of the resources. With restricted finances, if following them would entail robbing your core company of vital funds, you could need to give up attractive opportunities.

To optimize your free cash flow, any aspect of working capital should be carefully regulated. It is important to provide good credit management and tight regulation of unpaid debts. Turner (2017) an organization's leadership will want to consider increasing borrowing against trade debts as well. When industries expand, strong stock control and efficient supplier management seem to become increasingly relevant. Obsolete stock holdings can become an issue that involves periodic clearing up. To shorten shipping times, you might choose to partner with vendors, or turn to suppliers and platforms that can manage just-in-time delivery (Magora, 2016).

2.5 Empirical Review

Empirical review form entails an exploration of current evidence pertinent to a clearly defined research problem that uses pre-specified and validated identity methods and critically reviews relevant research and collects, publishes, and analyses data from the studies involved in the analysis. It is based on experience and observation rather than on systematic logic.

2.5.1 Finance Options Available to Entrepreneurs

The article by Markova & Perkovska-Mircevska (2009) offers an overview of the investment opportunities for start-up projects with a specific focus on company angels

and venture capital. Entrepreneurial start-ups build opportunities that support the expansion of the economy.

To ensure sustainable development, knowing the funding choices at various stages of the life cycle of the enterprise is important. Entrepreneurs can differentiate financially between categories of buyers, not only take the first bid but the most suitable one for the firm.

The risk and loss rates associated with start-up businesses, on the other hand, are exceedingly high and investors are expecting a commensurate return. Market economies have the ability, through business angel syndication and venture funds, to build a forum of structured vehicles for financing start-up companies that facilitate comprehensive due diligence, as well as provide post-investment capital. The secret is the presence of successful exit scenarios as founders and the founding team is willing to understand their investment returns.

A study by Azende (2012), critically looked at the financing options available to Small and Medium Scale Enterprises (SMEs) in Nigeria using Benue and Nasarawa States as a case study. Primary data were analysed using mean scores and standard deviation.

The result of the study showed that SMEs are significantly financed by informal sources of finance than the formal sources of finance. That Small and Medium Scale Enterprises Equity Investment Scheme (SMEEIS) which was established by the government as a major provider of formal financing option had not made any significant impact on SMEs growth in Nigeria.

In the work of Addah & Omogbiya (2016), it examines the available sources of funds to entrepreneurs for sustainable growth and development of small-scale business in

Nigeria. The objective of the study was to analyse the available sources of funding to entrepreneurs. It revealed that the success of every entrepreneur depended on the availability of funds. Entrepreneurs can only survive if they have funds to operate. The study concluded that entrepreneurs should make adequate plans for sourcing funds and acquire a reasonable amount of money before commencing any business. It is recommended that entrepreneurs should not borrow high-interest-rated funds when the need arises.

Čalopa et al. (2014), in their paper on analysis of financing sources for start-up companies, showed that Croatian start-up companies preferred the traditional and informal sources of finance with an emphasis on private financing and financial assistance from friends and family.

After surviving the experimental stage, the entrepreneurs gain enough courage to seek financial support from other funding sources, such as business angels and seed investments. Entrepreneur's satisfaction is derived from the usage of borrowing from friends and families or better still from private financing.

2.5.2 Entrepreneurs Satisfaction Using the Finance Options Available

De Bettignies & Brander (2007) explores the option between bank financing and venture capital by the entrepreneur. The founder retains direct ownership of the business with bank finance and has powerful motivation to expend effort. There is a two-sided moral risk question with venture capital financing since both the developer and the venture capitalist (VC) have unverifiable effort.

The entrepreneur profits from the managerial input of the VC but must forfeit the venture's partial control, thereby diluting the opportunity of the entrepreneur to

provide initiative. When VC productivity is high and entrepreneurial productivity is marginal, venture capital continues to be preferred to bank funding.

Winton & Yerramilli (2008) studied how entrepreneurial companies chose between two financing institutions: banks who trackless intensively and face liquidity demands from their own customers, and venture capitalists that, because of the liquidity restrictions they place on their own investors, will monitor more intensively but face a higher capital expense.

Since the management of the organization chooses to continue the company over liquidating it and vigorous (risky) continuation strategies over cautious (safe) continuation strategies, the entity must track the company and exert some influence over its choices. The type of debt is bank finance, while venture capital finance also resembles convertible debt.

Only when the aggressive continuation strategy is not too lucrative, ex-ante, is risk capital financing optimal; the volatility associated with the volatile continuation strategy (strategic uncertainty) is high; and the cash flow allocation of the business is highly unstable and favourably biased, with a weak likelihood of profitability, low liquidation value, and, if successful, high returns. A decrease in the cost of capital for venture capitalists allows businesses to move from stable strategies and bank financing to riskier strategy and venture capital finance, raising the economy's overall risk for firms.

5.2.3 Effect of Gender and Years of Operation on Finances Options

The effect of gender on financial decision-making was measured by Walczak & Pieńkowska-Kamieniecka (2018) on the basis of a representative 'Social Diagnosis 2015' survey conducted on a population of over 34,000 Polish people. A logistic

regression model was introduced after realizing the study goal, both with and without interaction results.

The study found that the economic activities of males and females vary greatly. Men use the goods and services offered on the financial market more often, such as debit cards or investing funds in shares or bonds, for example. They're more likely to take chances as well. As was seen in the report, however, gender is not the only relevant variable affecting financial decisions. Gender, social and professional status, schooling, or place of residence are just as significant. This suggests that it might not be sufficient to evaluate financial market behaviour based solely on one aspect.

The research work of Jalbert et al. (2013) was an exploratory analysis investigating the association between the sex of CEOs and the success and management of publicly listed corporations. They use a broad dataset of Forbes CEO annual data, together with data from Compustat, spanning the period from 1997 to 2006. Their findings suggest that the gender of the CEO is linked to a variety of factors, including funding assessing and asset returns.

The aim of the Rossi et al. (2015) paper was to research the effect of corporate characteristics on SMEs' financial decisions, with a special emphasis on agro-food micro-businesses. Entry to finance is important for the start-up, creation, and growth of small and medium-sized businesses, all with very different demands and with different financial difficulties relative to large enterprises.

The lack of resources invested in small companies makes them more focused on other external outlets (e.g., bank loans, overdraft, factoring, and leasing). The paper's shortcomings are the product of its essence: it is a mostly philosophical paper. To

verify and confirm the inherently provisional structure, analytical testing is therefore required.

The research paper Singh & Kumar (2016) analysed the effects of the company's characteristics and the financial model adopted by the company on SSI's entrepreneurial growth in Uttarakhand. A significant factor for small-scale entrepreneurship performance in Uttarakhand is found to be the company's growth & financial assistance.

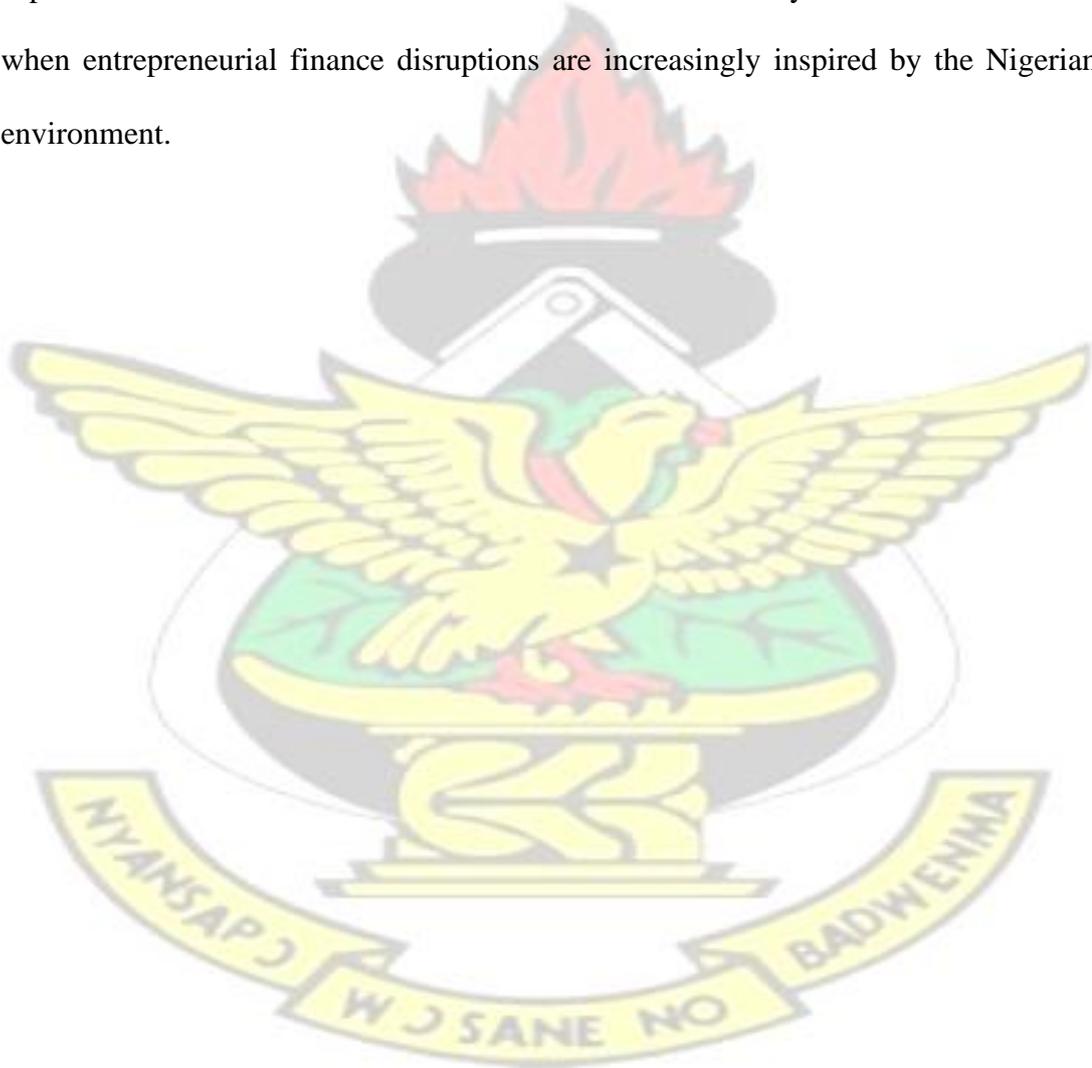
Based on the form of company and ingenuity involved, entrepreneurial practices vary considerably. Entrepreneurship varies in scope from solo ventures to massive undertakings that produce multiple work opportunities, even only part-time projects. The 'Driver of growth' for emerging economies has also been called the SSI market. Finance has a huge effect on the sector's development and access finance has a substantial positive impact on the SSI's growth.

The research by Kira & He (2012) explores the effect of firm characteristics on Tanzanian SMEs' access to debt financing. Access to finance was defined as a dependent variable in the equation, while firm features were defined as an independent variable. In a survey of 163 Tanzanian businesses, data collection was performed through a self-administered questionnaire.

In order to determine the relationship between the dependent and independent variables, the statistical study of data included Pearson correlation and logistic regression. The findings show that the location, market, scale, business details, age, incorporation, and collateral of the group impact access to debt financing.

The purpose of the Eniola (2017) research was to explore the influence of entrepreneur-company characteristics on Nigeria's Small and Medium Enterprise (SME) funding streams. To review the impact of entrepreneurial characteristics on the finance of debt and equity decisions. In addition, the summary will expand the recognition and acumen of managers of entrepreneurial companies.

They will have an influence on them by useful knowledge to help them understand the capital framework of their business venture in their chosen way in the middle of a time when entrepreneurial finance disruptions are increasingly inspired by the Nigerian environment.



CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

The methodology is a formal, analytical review of the processes employed in the area of research. It consists of a systematic study of the body of approaches and concepts identified with the information section. Normally, it includes concepts such as pattern, theoretical ideal, phase, and quantitative or qualitative systems.

3.1 Study Design

Tuli (2010) the design of the research is the framework of the study methods and methods selected by the researcher. The design helps researchers to depend on trying methods that are appropriate for the theme and to set up their experiments to be effective.

The study will use a descriptive research design. Descriptive research was appropriate since respondents required to address the research problem were selected from a cross-section of units. In descriptive research design, the researcher was only interested in defining the condition and the case in the research. It was a method of design based on the theory which is generated by collecting, analysing, and presenting the data collected.

This made the researcher offer insight into why and how research is conducted. Descriptive design assists others well understand the need for research and the study was quantitative.

3.2 Population

The population is a collection of individuals or objects that is the main focus of a study. These individuals or objects have a common characteristic or trait. The population as a full set of elements may include individuals, groups, organizations, humans, products, and events from which a sample can be drawn to generalize results for the entire population (Welman & Kruger 2001). The population of the study is the entrepreneurs in the Sunyani Municipality, which includes males and females who are aged 18 years and above.

3.3 Sample Size and Technique

According to Onwuegbuzie & Leech (2005) 'sampling is the process of selecting a group of subjects for a study in such a way that the individuals represent the larger group from which they were selected'. The process of selecting a sample has important implications on the extent to which the sample represents the population it forms part. Owing to the large size of the population, the researcher cannot involve every individual in the study as it would be expensive and time-consuming. The reason why researchers rely on taking a sample of the population for research work (Sitoula, 2015). In this study, a random sampling technique was used to select the entrepreneurs for the study.

Sampling is a method that enables researchers, without examining each person, to obtain information on a population-based on the results from a subgroup of the people. It gave equal chance for any entrepreneur in Sunyani Municipality to be selected. Due to COVID 19 protocols, the entrepreneurs were selected from the business area in the Sunyani market. According to the GSS (2014), there are 106 Self-employed with employee(s) in the Sunyani Market.

According to Nwana (1981) when a population is in few tens 50% or more can be used as the sample. There the study made use of 50% of the population of 106. Hence the sample size was 50 as calculated below.

$$\frac{50}{100} \times 106 = 53$$

Fifty- three (53) entrepreneurs were randomly selected from the Self-employed with employee(s) in the Sunyani Market. Here the selection of items completely depends on chance or by probability and therefore this sampling technique is also sometimes known as a method of chances. A simple random sample is a fair sampling technique.

3.4 Data Research Collection Instruments

Data collection is the methodical procedure in which detailed information is gathered and evaluated to provide answers to related problems and review the findings. It focuses on finding out anything important to a specific subject. Data are obtained for further hypothesis testing to describe a phenomenon. For data gatherers, there are several findings for which the data are obtained. But the main aim of gathering data is to position a researcher to forecast the opportunities and developments of the future.

The primary source of a date was collected in this study. The primary data was used because its obtained evidence from first-hand accounts by a researcher, using techniques such as surveys, interviews, or experiments. Bearing in mind the analysis mission, information was obtained directly from primary sources. Historical and legal records, eyewitness reports, experiment outcomes, mathematical evidence, creative writing pieces, audio and video recordings, speeches, and works of art are primary sources.

A formal questionnaire was the key data collection tool used for the study. To meet the specified research objectives, the questionnaire was developed. Questions covering the demographic data of respondents and financial options with satisfaction were included in the questionnaire. Data have been addressed and thoroughly answered the answers to all the questions.

3.5 Validity of the Research Instrument

Reliability and validity are significant characteristics of the selection of the survey instrument. Reliability means that the instrument performs in many trials in the same way and Validity denotes the degree to which the instrument measures what it was intended to measure. In research, there are three approaches to validity, including content validity, construct validity, and criterion-related validity.

The questionnaire was created from the review of the literature. The information collected was checked against other secondary sources, to boost the validity of queries to ensure accuracy and precision. The questionnaire is first reviewed to correct orthography and grammatical errors with colleagues and friends.

The questionnaires were first reviewed and pre-tested along with fellow students and friends for the correction of the wording and grammar errors and the removal of ambiguities. Again, two participants were the people from whom data were obtained.

The questionnaire was made up of four sections in all. Section A deals with demographic information of entrepreneur which include age, gender, and educational level. Section D also made up of questions on their business operation which also include questions on the firm's age, nature of the business, and Number of employees.

Section C also has questions on Finance Option placed on four Likert scales where 1=Strongly Disagree; 2=Disagree; 3= Agree and 4 =Strongly Agree. There was seven financing option presented on the questionnaires.

The final section which is Section D deals with the Satisfaction Level to the finance options available. It was also placed on four Likert scales of 1 to 4, where 1- None, 2- Low, 3 Moderate, 4- High. In each finance option, respondents are supposed to rate base on its Service rendered to you, convenience and accessibility, and the impact on your business.

3.6 Data Analysis

To identify useful information for the decision-making of business, data analytics are described as processes of cleaning and transforming, and mocking data. The purpose of the data analysis is to collect useful data and to decide upon the data analysis. Statistical analysis demonstrates "What is happening?" in the form of dashboards by using past data. The statistical analysis includes data collection, study, interpretation, application, and modelling. A dataset or collection of data is analysed.

There are two types-Descriptive analysis and inferential analysis-of this form of analysis. Description Analysis analyses complete data or a summary number data sample. This shows mean and variance for continuous data, and for categorical data, this shows percent and frequency. Sample analysis from complete results is inferential analysis. In this form of analysis, by selecting different samples, you can draw different conclusions from the same results.

To enable analysis, the collection of data will be sorted, categorized, and tabulated. The researcher will use a statistical package, called the Social Sciences Statistical Package (SPSS), to help generate data analysis based on research questions and

objectives. Qualitative knowledge will be organized into homogeneous categories and arranged. Data analysis particularly involved descriptive statistics, frequencies, ratios, mean and standard deviations included.

The research also used T-Test analysis and one-way analysis of variance (ANOVA) for the study. T-Test analysis was used to test the hypothesis of the study. A t-test is a type of inferential statistic that was used to assess if there is a meaningful difference between the two-group means that can be attributed to such characteristics. It was used where the data sets follow a regular distribution and may have unexplained variants.

As a hypothesis testing instrument, a t-test is used, which facilitates testing of an inference specific to a population. The ANOVA is used to determine whether there are any statistically significant differences between the means of three or more independent (unrelated) groups.

3.7 Ethical Consideration

Business research ethics includes the code of conduct governing the conduct of the researcher's activities. The researcher took several steps to ensure that acceptable ethical behaviour is observed in the report. The researcher understood the causes and traditions of research ethics before beginning the research work. The researcher, therefore, sought to follow the practices and procedures that led to the protection of human and non-human subjects.

Firstly, the researcher ensured that consent and voluntary engagement were notified. The respondents who provided the correct information were sought confirmation. A letter was forwarded to ask for a research authorization

Secondly, the researcher ensured that respondents were respectful of their privacy, confidentiality, and anonymity. All respondents have been told that the information they have received is kept confidential and used for academic purposes only. The findings of the study have been secretly reported and thus no researcher or school can be found in this report. At the end of the day, the researcher tried as much as possible to remain honest, respectful, and sympathetic towards all participants.



CHAPTER FOUR

DATA PRESENTATION, ANALYSIS, AND DISCUSSION OF RESULTS

4.0 Introduction

In this section, the finding and outcomes found in the questionnaire are discussed. It reported the results of the investigation obtained from respondents in the Sunyani Municipal in the Bono Region of Ghana. Because of the COVID 19 pandemic, most of the respondents were not at the post when the researcher visited. The phone number of those not present were given to the researcher to call. Some agreed to have the questionnaires answered on the phone after a copy has been sent through WhatsApp messenger.

In all 60 questionnaires were sent to the respondents but only 53 were returned but 3 were not answered properly and were rejected. All 50 answered questionnaires were used for the study. The rest will represent 83 % and was used for the analysis, with 83% of the questionnaires returned, the analysis can be carried out.

4.1 Demographic Information

This section discusses primarily questionnaire research, which in effect covers the respondents' demographic profiles to provide a summary of the participants.

To carry out the analysis of the information gathered to answer the questions of the study, a quantitative review on the demographic characteristics of the examinations was carried out to assist in the analysis since these characteristics were considered to influence the results of the debate and the importance of generalizing the findings of the study.

4.1.1 Age of Respondents

Table 4.1 shows the age distribution of respondents. Out of the 50 respondents, 19 representing 38 % were between the ages of 18 and 30 years, 28 representing 56 % were between the ages of 31 and 50 years while 3 representing 6 % were 51 years and above.

This gives an indication that the majority of entrepreneurs are between the ages of 31 and 50 years; the productive years of their lives. The results of this study collaborate with the work of Yeboah (2015) which revealed that most of the entrepreneurs in Sunyani Municipality are between the ages of 50 years and below.

4.1.2 Gender of Respondents

Also, Table 4.1 displays the gender of the respondents. It shows that the male and female population of respondents were equal. It represented equal gender distribution. Gender equality is intrinsically linked to sustainable development and is vital to the realization of human rights for all.

4.1.3 Educational Background of Respondents

Table 4.1 also shows the educational background of the respondents. Nine respondents making 18 % had basic education as their highest level of education; 17, being 34 % had secondary education, while 23 representing 46 % has tertiary education and one being 2 % had post-graduate education.

The educational background of respondents was captured to help us to know their knowledge, skills, beliefs, and moral habits. Having an education in an area helps people think, feel and behave in a way that contributes to their success and improves not only their personal satisfaction but also their community. In addition, education

develops a human personality, thoughts, dealing with others, and prepares people for life experiences.

Table 4.1: Demographic Information

Variable		Frequency	Percent
Age	18-30	19	38%
	31-40	28	56%
	51+	3	60%
Gender	Males	25	50%
	Female	25	50%
Educational Background	Basic Education	9	18%
	Secondary	17	34%
	Tertiary	23	46%
	Others	1	2%

Source: Field Survey, (2020)

4.2 Business Characteristics

This section also deals with the firm characteristics, three characteristics were examined and discussed below. The results are also presented in Table 4.2, the characteristics include, the Age of the business, the nature of the business, and the number of employees.

4.2.1 Firm's Age

The respondents were asked to indicate how many years they have operated their business. The results showed that twenty (20) respondents making 40 % of the sample population had been in operation for 1-5 years, 17 respondents, representing thirty-

four percent (34 %) had been in operation from 6-10 years and eight (8), representing 16% had been in operation for 11-20 years and businesses above 20 years were 5 also representing 10%

There is an indication that the majority of respondents had been in operation between 1-5 years and this means most of the entrepreneurs had their businesses in the early stages. Most of the businesses are still at the teething stage.

4.2.2 Nature Business

As Presented in Table 4.2; six percent (6%) of the respondents were into manufacturing, 18 % were into wholesale, 36 % were into retail, while 40 % were into the service and hospitality industry. A new generation of entrepreneurs who have full-time jobs and were also into entrepreneurship on a part-time basis was encountered. Their businesses ranged from beauticians, event and wedding planning, retailing in clothing, shoes, kitchenware, etc. Most of them do not have an office; they operate from their homes and all that one needs is just a phone call and service is delivered.

4.2.3 Number of Employees

The respondents were also asked to indicate the number of people employed in their businesses. The result is also presented in Table 4.2, this includes those persons who work for the firm and who have a contract of employment and receive compensation in the form of wages, salaries, fees, gratuities, piecework pay, or remuneration in kind. Firms with an employee from 1 to 5 were 22 representing 44% of the respondents. Those from 6 to 10 were also 18 which also represents 36%. In the case of businesses with 11 to 20 employees, were 6 businesses which are also 12% and finally firms with employee above 20 was 4 which also represents 8%.

This implies that the majority of the entrepreneurs have an employee from 1 to 5 working at their firms. The result is presented in Table 4.2.

Table 4.2: Business Characteristics

Variable		Frequency	Percent
Firm Age	1-5 years	20	40%
	6-10 years	17	34%
	11-20 years	8	16%
	20years and above	5	10%
Nature of Business	Manufacturing	3	6%
	Wholesale	9	18%
	Retail	18	36%
	Service	20	40%
Number of Employees	1 - 5	22	44%
	6 - 10	18	36%
	11- 20	6	12%
	21+	4	8%

Source: Field Survey (2020)

4.3 Finance Options Available to Entrepreneurs

The first objective of the study was to evaluate the finance options available to entrepreneurs in some selected businesses in Sunyani Municipality. Seven finance options were presented to the respondent to select how it was easy suturing funds from those avenues. The result is presented in Table 4.3, it was ranked based on their mean and standard deviation.

The result revealed that the most common sources of funds to the entrepreneurs was a loan from Credit Union with a mean of 3.44 and a standard deviation of 1.00. Assessing loans from Micro-Finance Company was the next option available to the

entrepreneur recording a mean of 3.36 and Standard Deviation of 0.97. This confirms the assertion of Olaitan (2006) that microfinance is recognized as an important tool for poverty alleviation through empowering micro and small entrepreneurs. Hossain (2002) argues that microfinance is one of the mechanisms used in financing entrepreneurial and small businesses.

Table 4.3: Descriptive Statistics of Finance Options

Rank	Finance Option	N	Min	Max	Mean	SD
1	Credit Union	50	1	4	3.44	1.00
2	Micro-Finance Company	50	2	4	3.36	0.97
3	Bank finance	50	1	4	3.16	0.97
4	Moneylenders	50	1	4	2.80	1.00
5	Personal saving	50	1	4	2.34	0.96
6	Friends and Family	50	1	4	2.10	1.01
7	Government Agencies	50	1	4	1.94	0.98

Source: Field Survey (2020)

Also, the respondents agreed that Banks serve as a source of finances for their business with a mean of 3.16 and a Standard Deviation of 0.97. Quaye & Sarbah (2014) does argue that Banks are the most common form of finance but difficult to access by entrepreneurs and SMEs in Ghana. In the case of money lenders, a mean of 2.80 and a standard deviation of 1.00 implying the respondents agreed that accessing funds for your business from money lenders was easy.

The respondents also disagreed that Personal saving was a finance option in financing their business activities, a mean of 2.34 and the lowest standard deviation of 0.96 were recorded. Marfo-Yiadom (2009) indicated that when entrepreneurs assess funds from

personal savings, they will avoid pressure from financiers to pay back and this gives the owner more independence in managing the business but it looks difficult to entrepreneurs in Sunyani municipal.

But the respondents rejected that it was easy securing funds from Friends and Family, a mean of 2.10 and a Standard Deviation of 1.01. The respondents disagreed that securing funds from a government agency like venture capital was easy. Government Agency recorded a mean of 1.94 and a Standard Deviation of 0.98. Government Agency saves as a cheaper form of financing as it does not attract a lot of conditionality (Akinola, 2013). Also, Azende (2012) found the same in Nigeria, indicated that the Small and Medium Scale Enterprises Equity Investment Scheme (SMEEIS) which was established by the government as a major provider of formal financing options had not made any significant impact on SMEs growth in Nigeria.

4.4 Entrepreneur's Satisfaction to the Finance Options

The second objective of the study was to evaluate the satisfaction received by entrepreneurs using the options available. Four finance options that required processing to acquire were presented on four Likert scales and to be assessed base on their service rendering, how convenient and accessibility sourcing the fund was and the impact of the finances option on their businesses.

The result is presented in Table 4.4, the finance options were ranked based on their means and standard deviation. Three of the options were accepted by the respondents to be satisfactory and one was rejected.

As shown in Table 4.4, the most satisfying option is Microfinance which recorded a mean of 3.11 and a standard deviation of 0.81. In terms of the service provision of Microfinance, a mean of 3.50 and standard deviation of 0.91 were recorded.

Microfinance being convenience and accessibility was high recording a mean of 3.80 and a standard deviation of 0.82. But its impacts on the business were Low with a mean of 2.02 and a standard deviation of 0.70.

The entrepreneurs were not having the impact of microfinance funds on their business due to the interest rate. As indicated by Pittman & Fortin (2004) that from an entrepreneur's point of view, the expense of loan funding is the interest they spend to use the funds they borrow, and high-rate cripple businesses. Microfinance has been found to be charging high interest.

Table 4.4: Satisfaction to the Finance Options

Rank	Variable	Mean	SD
1	Micro Finance	3.11	0.81
	Service rendered to you	3.50	0.91
	Convenience and Accessibility	3.80	0.82
	Impact on your business	2.02	0.70
2	Money Lenders	2.79	0.91
	Service rendered to you	3.10	0.81
	Convenience and Accessibility	3.22	0.90
	Impact on your business	2.04	1.02
3	Bank Finance	2.43	0.94
	Service rendered to you	2.54	1.03
	Convenience and Accessibility	2.12	0.98
	Impact on your business	2.62	0.81
4	Government Agencies	2.20	0.95
	Service rendered to you	1.54	1.10
	Convenience and Accessibility	2.02	0.82
	Impact on your business	3.04	0.92

Source: Field Survey (2020)

The respondents were also satisfied with Money Lenders, which also recorded a mean of 2.79 and a standard deviation of 0.91. Money Lenders service rendered to businesses was moderate with a mean of 3.10 and standard deviation of 0.81.

The Convenience and accessibility from money lenders were also moderate, recording a mean and standard deviation of 3.22 and 0.90 respectively. But the impact on businesses was Low (Mean =2.04, SD= 1.02).

Bank Finance followed up with a moderate satisfaction level, recording a mean of 2.43 and a standard deviation of 0.94. The best satisfaction from Bank finance to the entrepreneurs was their fund impact on their business (Mean= 2.62, SD =0.81).

The bank service rendered to the entrepreneurs was high, a mean of 2.54, and a standard deviation of 1.03 was recorded. Recording the lowest mean of 2.12 convenience and accessibility with a standard deviation of 0.98. Just as indicated by Kew (2015), especially new entrepreneurs find it difficult to access bank finance as they lack any track record of creditworthiness which is one of the major requirements of banks advancing credit to entrepreneurs and which makes them rely on raising funds from personal savings, family, and friends to cater for their business operations.

Recording the highest impact on business was government agencies with a mean of 3.04 and standard deviation of 0.92. But the entrepreneurs indicated that the government agencies' service rendering was low (Mean =1.54, SD=1.10), also the convenience and accessibility of government agencies were low recorded a mean of 2.02 and standard deviation of 0.82. in all the respondents were not satisfied with government agencies (Mean = 2.20, SD =0.95).

Although governments have developed policies and programs which are aimed at facilitating entrepreneurship this is not at the scarification level to the entrepreneurs. The reason explained by Kew (2015) that such interventions must be informed by a solid understanding based on reliable data that accurately describes young people's aspirations, their challenges, and how they can overcome the obstacles inherent in establishing and running a viable enterprise.

4.5 The Effect of Gender and Firm's Age on Finances Options

The final objective was to examine the impact of gender and firm's age on Finances Options available. In order to carry out this objective, the researcher used the finance options as a dependent's variable and Firm Age and Gender of Respondents as independent variables. The results are presented in Table 4.5

Table 4.5: One-Way ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Firm Age	Between Groups	0.320	1	0.320	0.323	0.026
	Within Groups	47.600	48	0.992		
	Total	47.920	49			
Gender of Respondent	Between Groups	0.003	1	0.003	0.526	0.472
	Within Groups	0.236	48	0.005		
	Total	0.239	49			

Source: Field Survey (2020)

Showing in Table 4.7 is the One-Way ANOVA analysis. Firm age recorded a p-value of 0.026 which was below the significant level of 0.05. The result means that the firm's age has an effect on the finance option available to the entrepreneurs. In effect, the years of being in operation as a business have an effect on acquiring finance.

As it has been argued by Kew (2015) that new entrepreneurs find it difficult to access bank finance as they lack any track record of creditworthiness which is one of the major requirements of banks advancing credit to entrepreneurs and which makes them rely on raising funds from personal savings, family, and friends to cater for their business operations.

Ernest & Young (2014) also made the same assertion that meeting up with the requirements for accessing these funds has not been an easy task and this accounted for the reasons why most owners of new businesses turn to shy away from accessing such facilities. According to Akinola (2013) with functional business alliances, a new business is able to operate more effectively than it would have been done alone.

Gender of Respondent recorded a p-value of 0.472 which is above the theoretical level of 0.05, this implies gender has no significance on the finance option available. That means the sources of the fund can be assessed by either a male or a female entrepreneur.

Although Walczak & Pieńkowska-Kamieniecka (2018) has found that the economic activities of males and females vary greatly, the same finance option is available for them when they are in need of finances.

4.6 Discussion of Results

The main purpose of the study is to identify the finance options available to the entrepreneur and to evaluate their satisfaction level to the Ghanaian entrepreneur. To also answer the research questions a T-Test was done.

According to Fay & Proschan (2010) a T-Test is when a t-distribution ties the test results, and you want to check statistically if the null hypothesis is valid. The one-

sample t-test is used to evaluate the null hypothesis that the population mean is equal to a given value. The Test Valve used for the T-Test analysis was 2.5 ($\{1+2+3+4\} \div 4$) which is the average mean of the study, this is presented in table 4.6

Table 4.6 One-Sample Test

	Test Value = 2.5			
	T	df	Sig. (2-tailed)	Mean Difference
Finance option	10.303	49	0.000	0.234
Satisfaction	9.417	49	0.000	0.163

Source: Field Survey (2020)

The first research was to answer the question what are the various finance options available to the entrepreneur in some selected businesses in Sunyani Municipality. The p-value which is 0.000 recorded from the t-test is less than the theoretical significance level of 5%. The mean within-subject difference between Test Valve and the actual mean was 0.234. Meaning the mean of the respondents is above the Test Valve.

From the result in Table 4.6, it is accepted that there exist financial options for the entrepreneurs. The various forms of options include Credit Union, Micro-Finance Company, Bank finance, and Moneylenders. This result is similar to the Markova & Perkovska-Mircevska (2009) study which offered an overview of the investment opportunities for start-up projects with a specific focus on company angels and venture capital. They found that Market economies have the ability, through business angel syndication and venture funds, to build a forum of structured vehicles for financing start-up companies that facilitate comprehensive due diligence, as well as provide post-investment capital.

The result is also in contradiction to Azende's (2012) study that critically looked at the financing options available to Small and Medium Scale Enterprises (SMEs) in

Nigeria. The result of the study showed that SMEs are significantly financed by informal sources of finance than the formal sources of finance.

The second objective of the research was to examine is the level of satisfaction of the finance options to the entrepreneur. As indicated by Čalopa et al. (2014) that entrepreneur's satisfaction is derived from the usage of borrowing from friends and families or better still from private financing.

From the T-Test in Table 4.6, the p-value was 0.000 at 95% Confidence Interval of the Difference and a mean difference of 0.163 means the entrepreneurs' level of satisfaction is Moderate. De Bettignies & Brander (2007) found that when venture capital productivity is high and entrepreneurial productivity is marginal, venture capital continues to be preferred to bank funding.

The stratification of this option is linked to the unavailability of venture capital sources of funding for these entrepreneurs as found by Winton & Yerramilli (2008). They found that a decrease in the cost of capital for venture capitalists allows businesses to move from stable strategies and bank financing to riskier strategy and venture capital finance, raising the economy's overall risk for firms.

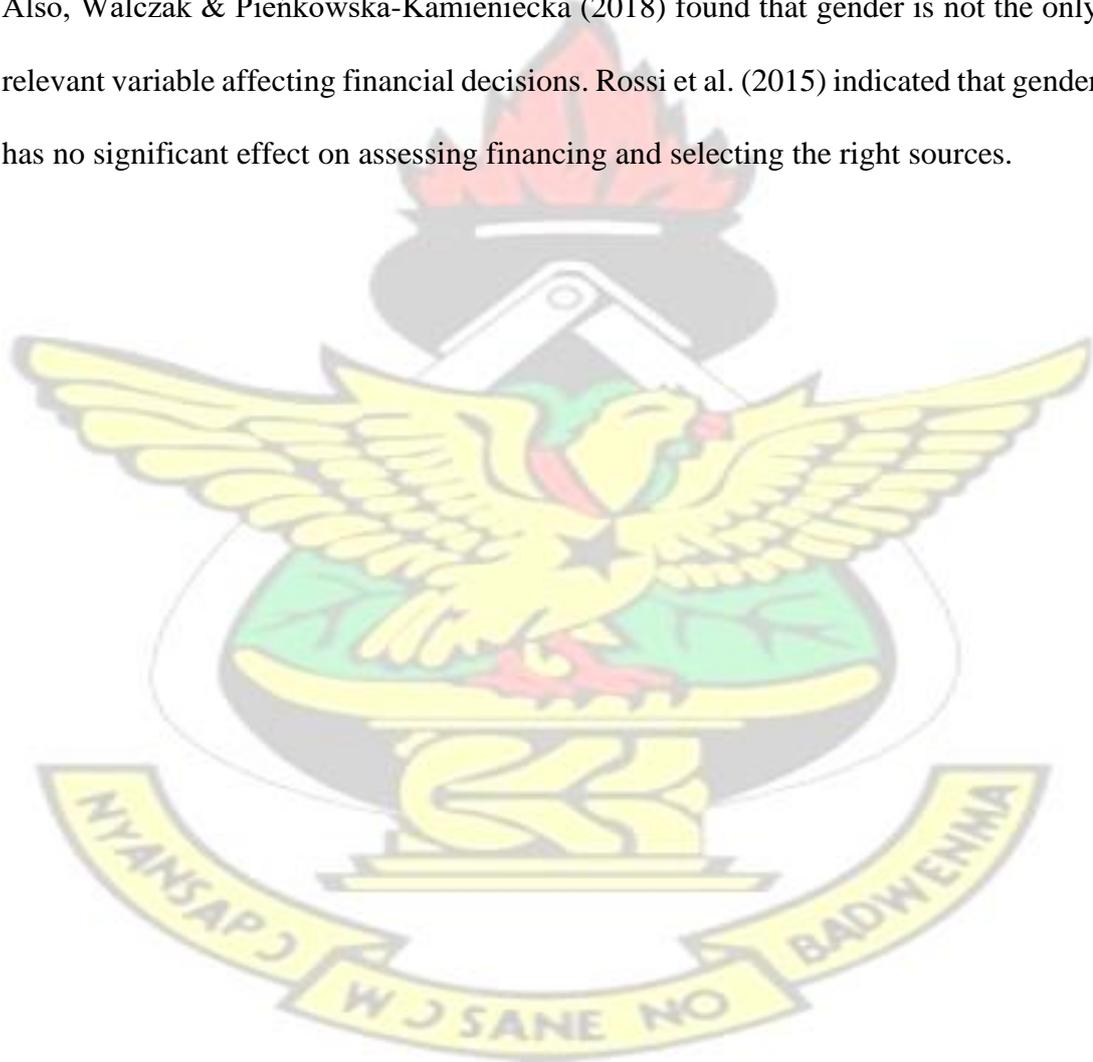
The final objective was to examine the effect of gender and firm's age on Finance Options available. The One-Way ANOVA test shows the firm's age. One can measure firm age as the time between the initial creation of a firm and the present time (in years).

This is similar to the finding of Kira & He (2012) and Eniola (2017). Kira & He (2012) findings show that the location, market, scale, business details, firm's age,

incorporation, and collateral of the group impact access to debt financing. Eniola (2017) also found the age of business to have an effect on securing finances.

Also, the result from the One-Way ANOVA test shows that gender had no significant effect on the finance option available. The result is in contradiction to Jalbert et al. (2013) their findings suggest that the gender of the CEO is linked to a variety of factors, including funding assessment and asset returns.

Also, Walczak & Pieńkowska-Kamieniecka (2018) found that gender is not the only relevant variable affecting financial decisions. Rossi et al. (2015) indicated that gender has no significant effect on assessing financing and selecting the right sources.



CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.0 Introduction

This part instigates by summarising the key outcomes of the collected data. The section also provides conclusions and recommendations in line with research purposes. It also highlights study limitations and finally provides proposals for future research studies.

5.1 Summary of Findings

The main purpose of the study is to identify the finance options available to the entrepreneur and to evaluate their satisfaction level to the Ghanaian entrepreneur. To do so three objectives were set: to evaluate the finance options available to entrepreneurs in some selected businesses in Sunyani Municipality, to evaluate the satisfaction received by entrepreneurs using the options available, and finally to examine the effect of gender and firm's age on Finance Options available.

In finding the answer to the question what are the various finance options available to the entrepreneur in some selected businesses in Sunyani Municipality, seven finance options were presented to the respondent to indicate how easy it is to acquire finance from that sources.

It was revealed that the most common source of revenue for the entrepreneurs was a credit union. Credit unions offer higher savings rates and lower interest rates on loans. Since they're not focused on making profits but on covering their operating costs instead, credit unions can offer better interest rates to their members and that has made it the common and easiest finance options available among entrepreneurs.

The other common financing option was from Micro-Finance Company, Banks, and moneylenders. Most microfinance Companies focus on offering credit in the form of small working capital loans just like Banks having small interest rates on their loans.

The study did reveal the least source of finance to their business were government agencies. These agencies were established to support entrepreneurship but have failed in their duties. Personal savings, as well as funds from Friends and Family, were found not to be a financial option for the entrepreneurs.

The second was what is the level of satisfaction of the finance options to the entrepreneurs. The level of satisfaction was assessed based on three variables which include the service the finance option rendered to the entrepreneurs, how convenient and accessibility is the finances to the entrepreneurs, and the funds' impact on their businesses.

The study revealed that in terms of Service rendering Micro Finance companies were the best followed by Money Lenders, Bank Finance, and Government Agencies respectively. Bank Finances was also found to have the greatest impact on their businesses. Micro Finance companies' finances were the most convenient and accessible to the entrepreneurs.

It was revealed that Government Agencies services rendering was low and the convenience and accessibility of funds were moderate while microfinance service rendering was high and their convenience and accessibility of the funds was also high but the impact on their businesses was low.

It was revealed that moneylenders were at a moderate level in terms of their services and impact on businesses. Bank Finance service was moderate and convenient and the Accessibility of funds was low.

The findings show that the entrepreneurs were satisfied with Micro Finance, Money Lenders, and Bank Finance but were dissatisfied with government agencies although they believe it has a good impact on their business.

The final question the research sought to answer was what was the effect of gender and firm's age on Finances Options available to the selected entrepreneurs. It was revealed in the study that a firm's age affects the finance option available to access. A credit union which is the common source of finance to these entrepreneurs requires them to be a member for a certain period before assessing a loan just like microfinance companies.

Most financing firms wish to grant loans or finance to business based on how it has existed. As it has revealed that new business finds it difficult access finance to their businesses. But it also revealed that the gender of the entrepreneurs does not affect the finance option available. Meaning either sex can access finance from these corporations. The study has also revealed in the study that none of the finance options required an entrepreneur to be a certain gender to assess finance

5.2 Conclusion

The main purpose of the study is to identify the finance options available to the entrepreneur and to evaluate their satisfaction level to the Ghanaian entrepreneur. The result revealed that there is four finance option available to entrepreneurs in Sunyani municipal. And there were satisfied with their performances.

The study found that there exist financial options for the entrepreneurs. The four common finance options included Credit Union, Micro-Finance Company, Bank finance, and Moneylenders. The entrepreneurs' level of satisfaction was fairly moderate. An entrepreneur assessing funds from these finance companies will depend on how long they have been in businesses.

In conclusion, there is finance option available to the entrepreneurs and there were satisfied with the services and its impact on their businesses but assessing fund will depend on the year your business has been operating.

5.3 Recommendations

Base on the findings the following recommendations are made:

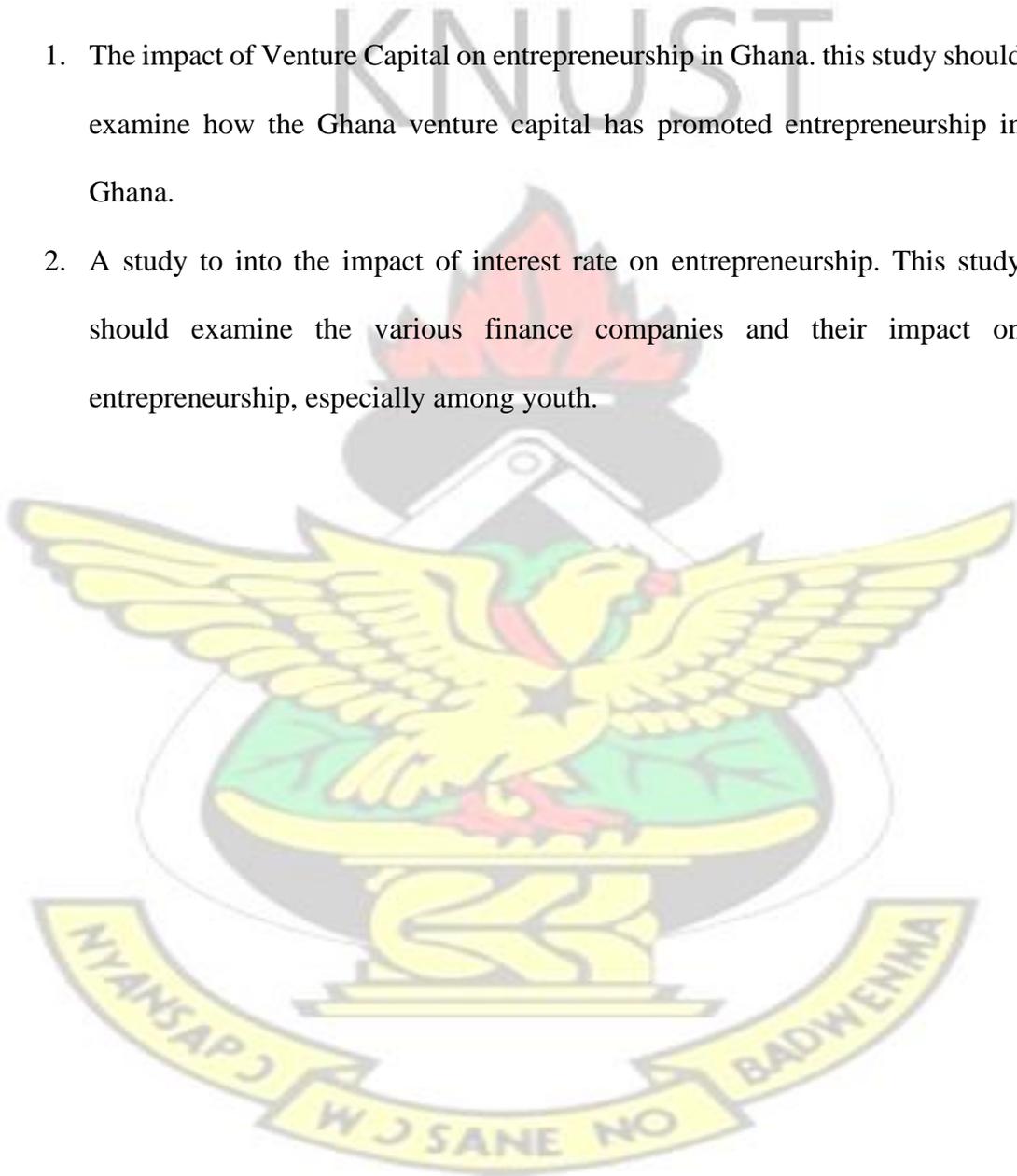
1. The study found that Personal saving was not a finance option for the entrepreneurs, the financial institutions should create products that will motivate savings among entrepreneurs as well as the entrepreneurs should try to save by using it as a finance option. When this is done, the entrepreneurs will have to assess interest-free funds for their businesses.
2. It was also found that the entrepreneurs were not satisfied with the services of government agencies although these agencies exist to provide good services to entrepreneurs. The government agencies must be restructured to make them productive to the people it interns to serve. When this is done entrepreneurs will be satisfied with their performance.
3. It was also revealed that the number of years a business has been operating affects assessing funds from the various finance firms. This is because some of the finance companies like a credit union, microfinance, etc require that you

become a member for years before assessing the fund. Entrepreneurs should join these groups early so they can have assessed to fund when the need be.

5.4 Recommendations for Further Study

Further studies should be carried out in the following areas:

1. The impact of Venture Capital on entrepreneurship in Ghana. this study should examine how the Ghana venture capital has promoted entrepreneurship in Ghana.
2. A study to into the impact of interest rate on entrepreneurship. This study should examine the various finance companies and their impact on entrepreneurship, especially among youth.



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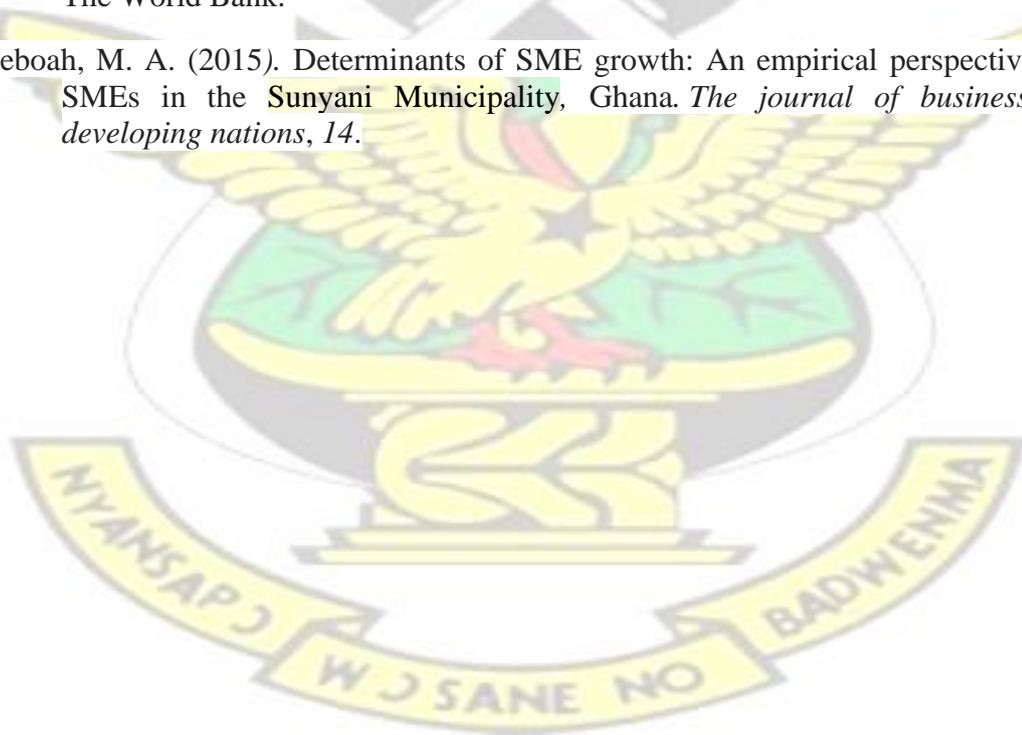
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APPENDIX A QUESTIONNAIRE

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY SCHOOL OF BUSINESS

These questionnaires are designed to solicit views on Accessibility of finance option and the Satisfaction level: A study of selected businesses in the Sunyani Municipality. This is part of the preparatory work for the award (MSC) in Accounting and Finance degree. This is purely an academic study and the information you provide here would be kept confidential. Thank you for your support.

Section A: Demographic information of Entrepreneur

1. Age 18-30 Years [] 31-40 Years [] 41-50Years []
2. Gender Males [] Female []
3. Educational background: Basic Education [] Secondary [] Tertiary [] Others []

Section B Business Operation

4. How many years have you operated your business? 1-5 years [] 6-10 years [] 11-20 years [] 20years and above []
5. Nature business Manufacturing [] Wholesale [] Retail [] Service []
Farming []
6. Number of employees 1-5 [] 6-10 [] 11-20 [] 21+ []

Section C Finance Option

Kindly indicate the extent to which you agree to each of the following items using a Likert of the scale of 1 – 4 [where 1=Strongly Disagree; 2=Disagree; 3= Agree and 4 =Strongly Agree].

It is easy to source funds from the following sources

S/N	Finance Option	1	2	3	4
1	Personal saving				
2	Friends and Family				
3	Money lenders				
4	Bank finance				
5	Micro-Finance Company				
6	Credit Union				
7	Government Agencies				

