

**INVESTIGATION OF AVAILABILITY AND USES OF FINANCIAL  
STATEMENTS IN SMALL BUSINESSES IN TANZANIA THE CASE OF  
DAR ES SALAAM REGION**

**MOHAMED ALLY MPILI**

**A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION (FINANCE) OF THE OPEN UNIVERSITY OF  
TANZANIA**

**2013**

**CERTIFICATION**

The undersigned certifies that he has read and hereby recommends for acceptance by the Open University of Tanzania, the dissertation titled: Investigation of Availability and Uses of Financial Statements in Small Businesses in Tanzania in partial fulfillment of the requirement for the degree of Master in Business Administration of the Open University of Tanzania.

.....  
Dr. AloyceS. Hepelwa

Supervisor

Date.....

## **DECLARATION**

I, **Mohamed Ally Mpili**, declare that this dissertation is my original work and that it has not been presented and will not be presented to any University for the similar or any other degree award.

Signature: .....

**COPYRIGHT**

This dissertation is copyright material protected under the Berne Convention, the copyright Act 1999 and other international and national enactment, in that behalf, on intellectual property. It may not be reproduced by any means, in full or in part, except for short extract in fair dealing, for research or private study, critical scholarly review or discourse with acknowledgement, without the permission of the Director postgraduate studies on behalf of both the author and Open University of Tanzania.

## **ACKNOWLEDGEMENTS**

This work is product of effort and contributions of majority of people who granted their time, hard working and thoughtful concentration to make this dissertation complete. I am thanking all of them for their help. I feel obliged to mention few of them, as without their support, guidance, and encouragement, this task would have been impossible.

First and foremost, I am very much like to thank my God who enabled me to perform and finish the course successfully.

I am especially grateful to my supervisor, Dr.AloyceS.Hepelwa for his excellent advice, directions, supervision, suggestions, and comments during the whole period of writing this dissertation.

Additionally, I would like to thank my mother TatuSalum and my sisters and all relatives for their encouragement towards my education since the earliest stage. Furthermore, I would like to express my sincere thanks to respondents for granting their time and cooperation. Moreover, I am indebted to the academic and non academic staff of Open University Tanzania for their cooperation during my study. Finally, apart from acknowledging the assistance of institutions and individuals mentioned herewith, I remain personally responsible for all errors and shortcomings that may be encountered in this dissertation.

**DEDICATION**

To my children Chiku Mohamed, Allan Mohamed and Arafa Mohamed Mpili, for their love, care, patience and sacrifice towards my education development.

## **ABSTRACT**

This study was done to investigate availability and uses of financial statements in small businesses in Tanzania, the case of Dar es Salaam region. The study involved survey of 92 SMEs located in Dar es Salaam. Descriptive analysis and multiple regression analysis were employed to establish quantitatively factors influencing preparation and uses of financial statements by small businesses.

Factors determining preparation and uses of financial statements includes entrepreneurship knowledge, uses of collateral during securing loans and need for uses of financial statements for business decision. Furthermore, statistical evidence proved that understand financial statements, enough capital and level of education which determine firms profitability were also significant factors influencing the preparation and use of financial statement by SMEs. Additionally, the use of financial statements for decision making may also depend on type and nature of decision itself as well as nature of business in relation to decision under consideration.

The implication from the study findings is that there is need to integrate approach to study financial management and decision making in entrepreneurship courses as capacity building to enable effective operations of SMEs.

## TABLE OF CONTENT

<b>\CERTIFICATION .....</b>	<b>i</b>
<b>DECLARATION .....</b>	<b>ii</b>
<b>COPYRIGHT .....</b>	<b>iii</b>
<b>ACKNOWLEDGEMENTS .....</b>	<b>iv</b>
<b>DEDICATION .....</b>	<b>v</b>
<b>ABSTRACT .....</b>	<b>vi</b>
<b>TABLE OF CONTENT .....</b>	<b>vii</b>
<b>LIST OF ABBREVIATIONS.....</b>	<b>xii</b>
<b>CHAPTER ONE.....</b>	<b>1</b>
<b>1.0 AN OVERVIEW OF THE STUDY.....</b>	<b>1</b>
1.1 Introduction .....	1
1.2 Research Problem.....	3
1.3 Objective of the Study.....	3
1.3.1 Specific Objectives.....	3
1.4 Test Hypotheses .....	4
1.5 Significance of the Study .....	4
1.6 Organization .....	5
<b>CHAPTER TWO.....</b>	<b>6</b>
<b>2.0 LITERATURE REVIEW.....</b>	<b>6</b>
2.1 Introduction .....	6
2.2 Financial Statements .....	7
2.3 Importance of Small and Medium Enterprises.....	8



2.4.1	Measuring Profitability .....	10
2.4.2	Indicating the Trend of Achievement.....	10
2.4.3	Assessing Growth Potential of the Business .....	10
2.4.4	Compare Financial Position in Relation to Other Firm.....	10
2.4.5	Assessment of Overall Financial Strength .....	11
2.4.6	To Assess Solvency of the Firm.....	11
2.5	Empirical Studies .....	11
2.6	Conceptual Framework .....	13
2.6.1	Independent Variables .....	14
2.6.2	Dependent Variables .....	14
<b>CHAPTER THREE.....</b>		<b>15</b>
<b>3.0</b>	<b>RESEARCH METHODOLOGY.....</b>	<b>15</b>
3.1	Introduction .....	15
3.2	Sampling.....	15
3.3	Data Collection.....	16
3.4	Data Analysis .....	16
3.5	Area of the Study.....	17
3.6	Reliability and Validity of Data .....	17
3.6.1	Ability to Understand Financial Statements.....	17
3.6.2	Ability to Analyze Financial Statements .....	18
<b>CHAPTER FOUR .....</b>		<b>19</b>
<b>4.0</b>	<b>PRESENTATION OF THE RESEARCH FINDINGS.....</b>	<b>19</b>
4.1	Introduction .....	19
4.2	Characteristics of Small Businesses .....	19

4.2.1	Age of the Businesses .....	19
4.2.2	Number of Employees .....	20
4.2.3	Nature of Business .....	20
4.2.4	Education Background of Small Business Owner Managers.....	23
4.3	Availability and Uses of financial statements .....	24
4.3.1	Competence of the Users of Financial Statements .....	24
4.3.2	Ability to Understand Financial Statements.....	24
4.3.3	Ability to Analyze Financial Statements.....	25
4.3.4	Preparation of Financial Statements.....	26
4.3.5	Usefulness of Financial Statement in Firm's Daily Activities .....	26
4.3.6	Loans Utilization from Bank and Nonbank Financial Institution .....	27
4.3.7	Uses of Financial Statements .....	28
4.3.8	Entrepreneurship Skill among Owner Managers .....	29
4.3.9	Advises to Prepare and uses Financial Statements.....	30
4.3.10	Collateral used during taking Loan .....	31
4.3.11	Profitability among Respondents .....	32
4.4	Results from Descriptive Analysis .....	33
4.4.1	Descriptive Analysis for Factors Determining Preparation of Financial Statements .....	33
4.4.2	Descriptive Analysis for Factors Determining Profitability .....	37
4.5	Reliability Test .....	40
4.5.1	Cronbach's Reliability Test Statistics .....	40
<b>CHAPTER FIVE .....</b>		<b>43</b>
<b>5.0</b>	<b>DISCUSSION AND RECOMMENDATION .....</b>	<b>43</b>

5.1	Introduction .....	43
5.2	Summary of Findings .....	44
5.3	Implication of Findings .....	45
5.3.1	Knowledge Building .....	46
5.3.2	Policy Implication .....	46
5.3.3	Implication to Small Business Support Institutions .....	47
5.3.4	Implications to SMEs Owner Managers .....	48
5.4	Conclusions .....	48
5.5	Recommendations .....	49
5.6	Limitations .....	49
5.7	Suggestions for Future Research .....	50
	<b>REFERENCE .....</b>	<b>51</b>
	<b>APPENDICES.....</b>	<b>56</b>

## LIST OF TABLES

Table 4. 1: Business Age .....	19
Table 4. 2: Number of Employees.....	20
Table 4. 3: Nature/type of businesses.....	21
Table 4. 4: Education of Owner Managers.....	23
Table 4. 5: Ability to Understand Financial Statements.....	24
Table 4. 6: Ability to Analyze Financial Statements.....	25
Table 4. 7: Preparation of Various Types of Financial Statements.....	26
Table 4. 8: Usefulness of Financial Statements.....	27
Table 4. 9: Loans Taken from Bank/Financial Institutions.....	27
Table 4. 10: Utilization of Financial Statements .....	29
Table 4. 11: Entrepreneurship Background of Owner Managers.....	30
Table 4. 12: Advice to Prepare and Use Financial Statements.....	31
Table 4. 13: Collateral Used During Taking Loan .....	32
Table 4. 14: Profitability Among Respondents .....	33
Table 4. 15: Factors Determining Preparation of Financial Statements.....	33
Table 4. 16: Factors Determining Profitability in Small Business Activities .....	37
Table 4.17: Cronbach's Reliability Test Statistics Alpha .....	41

**LIST OF ABBREVIATIONS**

ESRF	Economic and Social Research Foundation
FASB	Financial Accounting Standard Board
GDP	Gross Domestic Product
ILO	International Labor Organization
MBA	Master in Business Administration
NBAA	National Board of Accountant and Auditors
SME	Small and Medium Enterprises
TRA	Tanzania Revenue Authority
TSHS	Tanzania Shillings (Currency of Tanzania).
USD	United State dollar

## **CHAPTER ONE**

### **1.0 AN OVERVIEW OF THE STUDY**

#### **1.1 Introduction**

Financial Management functions can be executed properly using financial statements. Financial statement enable firms to identify its critical success factors so that to position itself at the highest competitive advantage. Competitive and attractive undertaking depends much on the knowledge and skills of personnel on the uses of financial statements. The statements help to come up with viable financial management decisions. Right decisions are also essential for the proper management of the firm. Due to declining in the public sectors, small business has taken over to be the improving employer and producer of goods and services in Tanzania (Kahama, 1995).

In Tanzania as at December, 2008 a total of 300530 small business taxpayers were registered, which is 69.3% of the tax payer population (Haraka, 2009). SMEs in Tanzania estimated to contribute 30-35% of the GDP and about 20-30% of the labor force (Machemba, 2006). Governments at all levels have undertaken initiatives to promote the growth of SMEs (Feeney and Riding, 1997). Generally the development of SMEs is seen as accelerating and achievement of wider economic objectives including poverty alleviation (Cook and Nixon, 2000).

Governments in the developing countries have recognized the important role of small business enterprise can play in the economic development of their countries (Ngobo, 1995). However, small businesses became important driving force for economic

development in Tanzania as suggested in SME development policy of 2000. SMEs in Ghana have been noted to provide about 85% of manufacturing employment of Ghana. They also contribute about 70% of Ghana GDP and account for about 92% of businesses in Ghana (EU, 2010). In the republic of South Africa it is estimated that 91% of the formal business entities are SMEs.

Notwithstanding the recognition of the important roles SMEs play in these countries, their development is largely constrained by a number of factors , such as lack of planning, improper financing and poor management have been posited as the main causes of failure of small enterprises ( Longenecker et al., 2006 ). But, most of the problems are caused by ignorance of the preparation and uses of financial statements. Accounting information is used to assess the profitability of alternative cause of action, measure performance and evaluate the position of enterprise in terms of liquidity, activity and leverage.

Most SMEs do not prepare financial reports, and those who do, they normally have two sets of financial reports, one for taxation and another for loan request (where applicable) thus not for general use (Viola and Lyaluu, 2007).Most business owners don't realize that financial statements have a value that goes far beyond their use to prepare tax returns and loan application (SBA, 2012). In Tanzanian financial institutions, before granting a loan to small business holder, require business plan indicating business cash flow of at least eighteen Months, audited accounts, balance sheet and the proposed budget (Mwaniki, 2006). The accounting regulatory framework is considered by most SMEs as something of haphazard patchwork (Walton, 2000). In Tanzania 98% of SMEs have no collateral or audited financial

statements (Sandy Vaci, 2011). While proper accounting is a key to small business success (Wichmann, 1983).

## **1.2 Research Problem**

Ignorance of preparation and use of financial statements within small businesses is common in Tanzania. Most SMEs do not prepare financial reports, and those who do, they normally have two sets of financial reports, one for taxation and another for loan request (where applicable) thus not for general use (Viola & lyaruu, 2007). Failure to prepare and use financial statements leads small business firm into poor management. In most cases firm management leads to poor management. The situation results to inability to plan, financing, performance analysis, investment decision and risk management. Eventually, they can not understand market value of their firms as they lack operation records including debtors, creditors and level of inventory. Because of this, even investor's lack spoonful investment decisions and thus refrains from injecting their investment capital to SMEs.

## **1.3 Objective of the Study**

The main objective of this study is to investigate availability and uses of financial statements in small businesses in Tanzania.

### **1.3.1 Specific Objectives**

The followings are specific objectives;

1. To identify factors influencing the preparation and use of the financial statements by SMEs.
2. To establish and assess the extent of the profit differential between SMEs with and without financial statements.



#### **1.4 Test Hypotheses**

- (i) Entrepreneurship knowledge among SME holders influenced preparation of financial statements.
- (ii) Collateral needed during loan application necessitated preparation of financial statements.
- (iii) Need for uses of financial statements for business decision making and its application determined preparation of financial statements.
- (iv) Understanding financial statements among small business holders/managers influenced their profitability.
- (v) Majority of educated small business holders are more profitable than less educated small business holder.
- (vi) Strongly capitalized small business holders are more profitable than unsatisfactory one.

#### **1.5 Significance of the Study**

Small business enterprises operate in a strong competition with large firms which have long experience in business management through provision of better services or producing quality product goods. The scenario enables them to serve large market share that realizes their annual sales budget and accounting for enough sales return per annum. Due to this situation, it is challenge to small business that they should abstain from using traditional approach of operating the business but rather using the modern approach, which demand the employment of financial statements and qualified personnel.

The study to be undertaken has to determine how the use of financial statements would facilitate proper functioning of small businesses. The use of financial statements enables small businesses to utilize a variety of financial and managerial opportunities from different financial institutions available in Tanzania. Government through its small and medium enterprises policy, 2003 aiming capacity building to the sector. It is intending to enhance ability in financial and managerial functions. These include training in entrepreneurship skill, accounting and finance, marketing and human resources and information technology. Information technology enables them to access business information related to their activities. This research a lot of weakness in the areas outlined above. These includes low level of education, lack of entrepreneurship skill, absence of financial statements as weakness in accounting and inability to understand, interpret and analyze financial statements results from low capacity in financial management. Otherwise, my master degree is academically rich with subjects related to this study.

## **1.6 Organization**

This dissertation is presented in five chapters. Chapter one presents overview of the study. Chapter two presents literature review. It presents theoretical and empirical literature. Chapter three presents the methodology, the chapter details on the determination of sample, location of study, data collection and methods of analysis. Chapter four presents study results and discussion. Lastly, chapter five presents study conclusions and major implications. These divided in to summary of major findings, implication of the findings and implication of current study for future research.

## **CHAPTER TWO**

### **2.0 LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter reviews empirical and theoretical literature on the SMEs financial statements and its uses. The chapter covers test hypothesis with regard to research objectives, research questions and .theoretical/conceptual framework perspective. Literature review eventually will identify gaps as observed in the existing literature towards which this study is intended to contribute.

SME covers nonfarm economic activities mainly manufacturing, mining, commerce and services (SME policy, 2003). There is no universal accepted definition of small and medium enterprises. The commonly used criteria are total number of employees, total investment, and sales turnover. In Tanzania context micro enterprise is those engaging up to 4people can be family members or employing with capital amounting up to Tshs 5 Million. For the purpose of this study, SMEs will take definition of small and medium enterprise development policy (2002) under category of 5 to 49 employees with capital investment of Tshs 5 Million to 200 Million. Different countries use various measures of size depending on their level of development. According to Bolton (1971), the emphasis of the definition was to give characteristic of small firm that might be expected to make their performance and their problems significantly different from those of large firms. Firstly, characteristic in economic terms, small firm is considered to have relatively small share of their market. Secondly, its owners or owner managers manage small firms in a personalized way

and not through the channel of formalized management. Last one, small firms are independent in the sense that it does not form part of large enterprise and owner manager is free from outside control in taking their major decision.

## **2.2 Financial Statements**

Business report information in the form of financial statement issued periodically. Period can be quarterly, semiannual or annually. Financial statements give clear picture where firm stands. Financial statements should be useful, understandable and contain information. Wild (2000) defines financial statements as an information and measurement system that identifies records and communicate relevant, reliable and comparable information about organization economic activities. Collier (2006) defines financial information as the means by which we measure and communicate economic events. Financial statements Provides related information that is useful to decision makers. Decision makers include investors, creditors and managers and others who have interested in enterprise need clear understanding of financial terms so that to make decision and communicating with a firms. Financial statements help the firms to achieve its mission and objectives and other financial management functions like trend and performance analysis.

Understanding financial statements are essential to the success of a small business (SBA, 2012). It is closely associated with planning for the future and is directed towards a specific objectives or goals (Terry, 2003). Financial statements can be used as a roadmap in business activities to economic success (SBA, 2012). Financial activities involve decision on how to raise funds to start the business, investment

decision activities constitute decision on buying assets and operating activities comprise decision on how to generate revenue (Porter and Norton, 2004).

Basically there are three types of financial statements. These are balance sheet, income statement and statement of cash flow and uses of fund. A balance sheet indicates financial position of a firm over time (Mosha, 2007). The basic items to appear in the balance sheet are assets, current liability, owner's equity and capital. Income statement indicates income and expenditure at particular period of time (McMahon, 2005). Elements containing in the income statement are income/ revenue/ sales (depending on business of a firm), expenses or expenditure and may result into profit, loss, surplus or deficit. Another important item in the financial statement is the cash flow. Cash flow shows cash position of a firm and main sources of cash at particular point of time (Msacky, 2007). Their elements contain cash and cash equivalents like marketable securities.

Organizations will be in better position to assess both cost effectiveness and efficiency of resources employed for production and deliver services (Chow and knight, 2002).

### **2.3 Importance of Small and Medium Enterprises**

It is estimated that about one third of the GDP originates from the SMEs sector. SMEs in Tanzania estimated to contribute 30-35% of GDP and about 20-30% of the labor force (Machemba, 2006). As at December, 2008 a total of 300530 small taxpayers were registered, is 69.3% of the taxpayer population (Haraka, 2009).

According to the informal sector survey of 1991, population of micro enterprises operating in the informal sector is 1.7 million and engaging about 3 million persons that were about 20% of Tanzanian labor force. Since SMEs tend to be labor intensive, they create employment at relatively low level investment. At present unemployment is a significant problem that Tanzania has to deal with. An estimate shows that there are about 700,000 new entrants into the labor force every year. About 500,000 of these are school leavers with few marketable skills (URT, 2003).

The public sector employs only about 40,000 of the new entrants into the labor market, leaving about 660,000 to join the unemployment or to underemployment reserve (URT, 2003). Most of this persons end up in the SMEs sector. Given that situation and the fact that Tanzania is characterized by low rate of capital formation, SMEs are the best option to eradicate unemployment problem.

## **2.4 Theoretical Review**

This section covers theories concerning variables assesses preparation and uses of financial statements essential for proper business decision making with regard to utilization of qualified personnel. In order to ascertain the financial status of the business, every enterprise has to prepare and use financial statements. But, the information provided in financial statements to be useful in drawing meaningful decision need to be analyzed and interpreted.

Analysis means establishing a meaningful relationship between various items of two financial statements with each other in such a way that conclusion is drawn. Financial statements includes balance sheet and income statements are used to

analyze and interpret efficiency, profitability and financial strength for future prospects of the firm.

#### **2.4.1 Measuring Profitability**

The main objective of the firm is to earn satisfactory returns from the fund invested in it. Financial analysis helps in ascertaining whether adequate profit are being earned on the capital invested in the business or not as ratio analysis is applied. Also helps in knowing the capacity to pay interest and dividend.

#### **2.4.2 Indicating the Trend of Achievement**

Financial statements of the previous years can be compared and the trend regarding various expenses, purchase, sales, gross profit and net profit can be ascertained. Value of asset and liabilities can be compared and future prospects of the business can be anticipated.

#### **2.4.3 Assessing Growth Potential of the Business**

The trend analysis of the business provides sufficient information indicating the growth potential or decline of the business.

#### **2.4.4 Compare Financial Position in Relation to Other Firm**

Interfirm and intra firm analysis helps management to make comparative study of the profitability of various firms engaged in similar business. Such comparison helps the management to know their position of their firm in respect to sales, expenses, profitability and capital utilization comparing to others.

#### **2.4.5 Assessment of Overall Financial Strength**

This analysis helps top management in making decision whether fund required for Purchase of new machines and equipment are provided from internal sources or to be indebted.

#### **2.4.6 To Assess Solvency of the Firm**

The different ratios like debt utilization ratio tells interested parties that the firm Capable to meet its short term and long term liabilities or not.

### **2.5 Empirical Studies**

In developed world financial statements appeared to serve as the basis for important decision making processes both within and outside organization. It is designed to assist in planning, coordination and controlling complex and interrelated activities and motivate all people at all levels in the organization to make and implement those decisions which will enhance further the organization purpose (Hopwood, 1974). Ragab and Omran (2006) in their research study of whether national and international investors in the Egyptian stock market perceived accounting information based on the Egyptian accounting standards to be useful in stock valuation, concluded that accounting information was more useful than stock price information. Information provided in the Egyptian market needed more complimentary sources like financial statements reports to become more informative and effective.

It is the users interest to know that the financial statements is powerful enough to inform appropriate prediction of the future and influence correct decision making.



Users of financial statements being both investors and non investors could argue to have free availability and unlimited accessibility to financial statements of a corporate in order to enable them to form independent ,informed and intelligent judgments (Dan-Cohen,1986). Berry (2002) in his study of financial management practice amongst SMEs conducted in UK SMEs, observed that owner / managers were more likely to regard accounting ideas as having importance to business decisions even if they were reported very low usage of accounting practices.

Barker and Noonan, 1986 also established that compliance of accounting standards by SMEs practitioners is a big problem. This implies that a SMEs decision does not consider financial statements. Smaller firms meanwhile are unable to raise funds from variety of lenders due to ignorance of preparing and uses of financial statements.

Njau (2003) in his study found that SMEs had not recorded the most of their financial transactions in the books of accounts as required by prevailing accounting standards. Ignorance of preparation and uses of financial statements is very common in Tanzania, (Kibera, 1997). Failure to prepare and uses financial a statement leads the firms into poor management. The problems associated with the failure to prepare and use financial statements include lack of market orientation, inability access to finance, poor managerial skills, failure to execute financial decisions, failure to plan, lack of inventory control, wrong capital asset selection, improper managerial attitude and inability to make entrepreneurial decision (Baloney, 1997, Kibera, 1997). However this study was investigating availability and uses of financialstatements in

Tanzanian SMEs as a tool for proper business management so that to abstain from above stated problems. Julius (2006) in his study of the usefulness of accounting information in the public universities conducted at university of Dar es Salaam as a case study, he found that quality and competence of the users have greater influence in making appropriate decisions.

John (2007) observed that SMEs kept accounting information, nevertheless it was underutilized or not used at all for decision making like. This research intended to find the actual situation in SMEs in relation to preparation and uses of financial statements. Msack (2007) observed that SMEs that were preparing proper records had a better performance than those were not keeping records. Then he concluded that proper records keeping improve the performance of SMEs and ensure good growth in the businesses. It is obvious that SMEs is one of major engine to our economy. This significance calls for the need of finding empirical evidence concerning the usefulness of financial statements for decision making. There is a prevailing gap between preparation and uses of financial statements in our SMEs. Otherwise, this study aims to assess the usefulness of financial statements for decision making in SMEs using two variables these are preparation and uses of financial statements and the qualification of users.

## **2.6 Conceptual Framework**

Conceptual framework shows variables that determine preparation and uses of financial statements and profitability in small business activities. The factors involved in two groups comprise dependent variable and independent variables.

### **2.6.1 Independent Variables**

These are the variables in equation or statement whose values determine that of dependent variable. In our case independent variables to preparation of financial statements are entrepreneurship knowledge, collateral used during securing a loans and need for uses of financial statements for decision making. Other independent variables in profitability are understood financial statements, level of education and enough capital to run the business.

### **2.6.2 Dependent Variables**

These are the variables in equation or statement whose value is determined by the value assumed by independent variables. In our case dependent variables are preparation of financial statements and Profitability.

## **CHAPTER THREE**

### **3.0 RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter discusses methodology employed in this study and specification of the models used for estimations of the determinants of preparation of financial statements for viable business decision making. Section 3.2 elaborates sampling procedure. Section 3.3 and 3.4 elaborates data collection and analysis. Section 3.5 elaborates area of study.

#### **3.2 Sampling**

According to (TRA, 2012) population of registered and unregistered small businesses in Tanzania are 53,700. The research employed stratified random sampling in selecting respondent. Sample firms are small businesses with number of employs between 5 and 49 or with capital investment from Tshs 5 million to Tshs 200million, as according to SMEs policy of 2003. Multi-stage sampling procedure were employed in the process of obtain firms for this study. These include cluster and systematic sampling. Under stratified sampling, population was divided into several sub populations at district level. In this case, sample of firms for interview were drawn from Temeke 31 (33.7%), Ilala 30 (32.6%) and Kinondoni district 31 (33.7%). Simple random sampling was employed to select firms or businesses into sample to be interviewed. During interview, the study interviewed both the owners of the firm, managers and other workers.

### **3.3 Data Collection**

The research used primary and secondary data. Secondary were sourced from Ministry of Industry and Trade, National bureau of statistics, Bank of Tanzania and University of Dar es salaam library. The data collected from SMEs using structured questionnaires, document review and observation. The study covered the small business holders both with and without financial statements. Questionnaires used designed with regard to literature reviewed and previous studies. Data collection was done for the period of six weeks from mid July to the end of August 2012. The study included firms established between 2002 and 2011. Furthermore, researcher investigated SMEs business transactions and financial statements, business plans and other related documents of consecutive years for observation of preparation and uses of financial statements for business decision making.

### **3.4 Data Analysis**

Analysis of data involved number of closely related operations including establishment of categories, coding, tabulation and finally drawing statistical inference. Descriptive analysis of the variables using non parametric test has been performed so that to identify null and alternative hypotheses. In spite of Chi-square analysis the study conducted contingency and correlation coefficient for cognition of its relation, strength and impact (positive or negative). Furthermore, the study conducted cronbachs reliability test statistics (alpha coefficient) for cognition of reliability of data.

### **3.5 Area of the Study**

This study conducted in Dar es Salaam region including Temeke, Ilala and Kinondoni Districts. Dar es Salaam region is commercial capital of Tanzania. The region has the largest number of SMEs compared to other regions (Nchimbi, 2002). Using taxation as criteria of the magnitude of business in this area, Finseth (1998) found that 80% of all national tax revenue is generated by businesses operating in or around Dar es Salaam.

### **3.6 Reliability and Validity of Data**

To ensure reliability of data, the study has made use of primary and secondary collection specifically for research purpose. Study used more than one tool for data collection. These are structured questionnaire, observation and document review. Furthermore, category of ability to understand financial statements and ability to analyze financial statements were set in consideration to the following criteria;

#### **3.6.1 Ability to Understand Financial Statements**

The study uses three categories to represent three different levels of understanding of the financial statement by firm owners or managers. “Low understanding” respondents are those who heard about financial statements, but, do not understand their types and its application for business decision making. “Medium understanding” category are those small business holders knows the most useful types like balance sheet, income statements and statements of cash flow, but, do not understand its applications to business management. The third category is “able”. These are respondents who know all types of financial statements as well as its applications.

### **3.6.2 Ability to Analyze Financial Statements**

In terms of ability to analyze the financial statement, the study grouped respondents into three groups. “Low ability” which include respondents who know financial statements, but, they do not understand how to perform financial analysis. Another group is “medium ability”. This included respondents who can perform basic financial analysis like trend analysis and common size analysis to examine profit margin, but, can not perform full analysis including inter firm, intra firm, and ratio analysis. Lastly is the group of the “able” respondents. These are respondents who understand financial statements and conversant in performance analysis. They can perform all analysis comprises trend analysis, common size analysis; inter firm analysis, intra firm and ratio analysis.

## CHAPTER FOUR

### 4.0 PRESENTATION OF THE RESEARCH FINDINGS

#### 4.1 Introduction

This chapter presents the actual results and analysis of data obtained from the field. The results comprise the data obtained through primary and secondary sources. The chapter will also cover the description of the findings pertinent to each of the research hypotheses. The description of findings has been expressed through major test of this study includes Chi –Square test.

#### 4.2 Characteristics of Small Businesses

##### 4.2.1 Age of the Businesses

Maximum age of small business surveyed is 10 years. This result is consistent to other study in Tanzania, by John (2007) who found that about 75% of the enterprises were not older than 4 years. Otherwise the general age of businesses according to this study ranging from 1 to 10 years as tabulated below. This is done purposely to investigate newly established small businesses and old survived firms so that to examine growth of the sector.

**Table 4. 1: Business Age**

<b>Years</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulating</b>
1-2	34	37	37
3-4	13	14	51
5-6	16	17.5	68.5
7-8	17	18.5	87
9-10	12	13	100
<b>TOTAL</b>	<b>92</b>	<b>100</b>	

**Source: Field survey, August 2012.**



The result shows that over half of small businesses have operated their business between 1 to 4 years. While businesses operated for one and two years are 34 which is 37% of total population, as being new entrant can result to failure to execute proper business management.

#### **4.2.2 Number of Employees**

A large proportion (50%) of small businesses in this study had employed between 5-6 employees and remaining 50% had employed 7 to 10.

**Table 4. 2: Number of Employees**

<b>Number of employees</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulating</b>
5	33	35.8	35.8
6	13	14.2	50.0
7	18	19.5	69.5
8	11	12	81.5
9	9	9.8	91.3
10	8	8.7	100
<b>Total</b>	<b>92</b>	<b>100</b>	

**Source: Field survey, Aug 2012.**

This goes in line with SME definition used by this study that our sample was composed of 100% small businesses.

#### **4.2.3 Nature of Business**

The different business entities were surveyed among Small business and results are presented in table 3 below,

**Table 4. 3: Nature/Type of Businesses**

<b>Number of businesses</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulating</b>
Trading	72	78.3	78.3
Fabrication	20	21.7	100
<b>Total</b>	<b>92</b>	<b>100</b>	

**Source: Field survey, August, 2012.**

Table 3 above shows majority of Small business (78.3%) fall under trading business. This finding is consistent with those of NIGP- ESRF (1996) and John (2007) found small businesses are highly concentrated with trading related activities. Sarapaivanich, N (2003) found that SME sector was intense with trading activities. This could be contributed to simplicity of trading activities in term of knowledge of operations, capital for start and simple processes which involve buying and selling. In spite from that, trading business is less affected by macroeconomic fundamental performance. Due to declining of public industries sector, small businesses have taken over to be the improving employer and producer of goods and services in the country (Kahama, 1995). For small business manufacturing firm to be productive and competitive, macroeconomic sectors and sub-sectors must operate effectively. First of all are **power supply** and its availability;

1. For small manufacturing firm to run effectively must be facilitated with satisfactory power supply at relatively cheap price so that to control its production cost.
2. Another major input in production is **water**; water supply must be available at all level so that small business firm can utilize in their production processes. Those are food packaging industry, beverage processing industry,

textile industry, building and road construction industry and modern agricultural development. In years 2000, Dr Arnold an economist from institute of financial management, said privatization of public sectors was supposed to begin with Tanesco and Dawasa because are used to serve other companies. Therefore, due to unfavorable phenomenon experienced above, production processes depending on diesel generator and water from mobile vehicles are expensive increases production costs and difficulties to meet breakeven point.

3. **Technology used;** Most of our technology in our firms are labor intensive comparing to the sophisticated facilities used in developed world. That is one of the major reasons causes big difference in production cost eventually losing competitive advantage. Manual production machineries are limited in productivity and depending on effort of operator, while automated one can perform flow (mass) production once they are set. Therefore, goods and services processed in developed world are cheaper than local made. Example are slippers made from our local plant are expensive than those made and imported from China.
4. **Knowledge of laborers;** the most of our labor forces lacking technical knowhow to enable them to undertake technical and logical operations. Most of our job seekers are dishonesty and unskilled to hold technical vacations situation leads investors to come with their workers to belong to potential posts.
5. **Government policies towards small businesses;** Our Government has not taken incubation measures to small business that hinder their growth. In Hong

Kong small business manufacturing firms pays no tax to imported raw materials for them, while at home small business manufacturing firms paying the same corporate tax comparing to large firms. To make sure with growth of our small business manufacturing firms, Government has to fill macroeconomic weaknesses found in its side and improving SMEs business environments to enable them running smoothly. SMEs business environment can be improved by updating and providing adequate business education to SMEs, favoring SMEs to tax charged and establishing special bank and marketing information center for them.

#### **4.2.4 Education Background of Small Business Owner Managers**

Result shows most owner managers 33.6% had attained tertiary education, while 45.6% of owner managers accomplished secondary education. Research found 15.2% had attained advanced level secondary school/Ordinary diploma. 4.3 % of all holding degree bachelor and 1.1% not attended school at all but literate. As shown in the table below.

**Table 4. 4: Education of Owner Managers**

<b>Education level</b>	<b>Frequency</b>	<b>percentage</b>	<b>Cumulating</b>
Not attended school but literate.	1	1.2	1.2
Primary school	31	33.7	34.9
Secondary school o-level	42	45.6	80.5
Advanced level/Diploma	14	15.2	95.7
Degree bachelor	4	4.3	100
<b>Total</b>	<b>92</b>	<b>100</b>	

**Source: Field Survey, August 2012**

This finding indicates inability in understanding of owner managers of different business and legal aspects affecting their activities. On other hand, this could explain

why small business sector become attractive to relative educated personnel who lack employment in other sectors. Nchimbi (2002) reported that small business sector lack high educated.

### **4.3 Availability and Uses of Financial Statements**

The general objective of this study is to investigate availability and uses of financial statements in small businesses in Tanzania. The preparation of financial statements and uses of financial statements were used to investigate availability and uses of financial statements in small businesses in Tanzania.

#### **4.3.1 Competence of the Users of Financial Statements**

Competence of the users of financial statements was measured by attributes such as ability to understand, analyze and interpret financial statements for business decision making.

#### **4.3.2 Ability to Understand Financial Statements**

Respondent were asked to rank their competence in relation to understanding financial statements in decision making.

**Table 4. 5: Ability to Understand Financial Statements**

<b>Ability to understand</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulating</b>
Low understanding	67	72.8	72.8
Medium understanding	10	10.8	83.6
understanding	15	16.4	100
<b>Total</b>	<b>92</b>	<b>16.4</b>	

**Source: Field Survey, 2012**

Table 4.5 above indicates that (72.8%) they have low understand, (10.8%) are medium understood. Meanwhile (16.4%) understand financial statement. The results

might indicate that in order to understand financial statements, one must have knowledge of accounting as majority of respondents were found to have low understand in financial statements for business decision making.

However some owner managers had ability to understand financial statements, this might be indication of their level of competence in cost effectiveness and earning attractive profit. Mosich (1989) argued that to be useful, financial statements must be understandable to users (decision makers).

#### **4.3.3 Ability to Analyze Financial Statements**

Respondent were asked to rank their competence in relation to analyze financial statements for decision making. The results are shown in the table 4.6 below.

**Table 4. 6: Ability to Analyze Financial Statements**

<b>Ability to analyze</b>	<b>Frequency</b>	<b>percentage</b>	<b>Cumulating</b>
Low ability	80	86.9	86.9
Medium ability	8	8.6	95.5
They are able	4	4.5	100
<b>Total</b>	<b>92</b>	<b>100</b>	

**Source: Field survey, August 2012.**

The results showing 86.9% they had low ability to analyze financial statements, 8.6% medium ability and 4.5% are able to analyze financial statements. The findings might verify that ability to understand lead to ability to interpret financial statements for the purpose of decision making. Minority of them could analyze and uses financial statements for decision making. Utley (1995) in his study argued that financial

statement to be more useful for decision making needed managers to be able to interpret.

#### 4.3.4 Preparation of Financial Statements

Study investigated preparation of various types of financial statements from respondents, and results found as stipulated in the Table 4.7

**Table 4. 7: Preparation of Various Types of Financial Statements**

Type of financial statements.	Number of respondents prepared financial statements.	Percentage	Cumulating
Income statement	8	8.7	8.7
Balance sheet + income statements	3	3.3	11.0
None	81	88	100
<b>Total</b>	<b>92</b>	<b>100</b>	

**Source: Field survey, August 2012.**

Out of the total respondent 8.7% preparing income statements, 3.3% prepared both income statement and balance sheet and none had prepared balance sheet, income statement and statement of cash flow and uses of fund. Otherwise 88% of respondents are not preparing financial statements.

#### 4.3.5 Usefulness of Financial Statement in Firm's Daily Activities

Business firms are supposed to prepare and using three basic financial statements, those are balance sheet, income statements and statement of cash flow and uses of fund. Table 4.8 below shows how they are useful within respondents.

**Table 4. 8: Usefulness of Financial Statements**

Type of financial statements	Frequency	Percentage	Cumulating
Income statement	8	8.7	8.7
Balance sheet and income statements	3	3.3	11.0
Non users	81	88.0	100
<b>Total</b>	<b>92</b>	<b>100</b>	

**Source: Field survey, August 2012.**

The results shown that 8.7% they are using income statements, none is using balance sheet and cash flow statement alone and 3.3% are found to use balance sheet and income statements. Worse still, over 88% Of respondents theyneither preparing nor uses financial statements for business decision making.

#### **4.3.6 Loans Utilization from Bank and Nonbank Financial Institution**

Research found little participation in using bank loans among respondents. A few business holders have taken loans from National Microfinance Bank, Pride, Bank of Africa and Akiba commercial bank. Details outlined below,

**Table 4. 9: Loans Taken from Bank/Financial Institutions**

Loan provider	Number of borrower	Percentage	Cumulating
National microfinance bank	18	<b>19.5</b>	<b>19.5</b>
Pride	1	<b>1</b>	<b>20.5</b>
Boa bank	1	<b>1</b>	<b>21.5</b>
Akiba commercial Bank	1	<b>1</b>	<b>22.5</b>
Non users	71	<b>77.5</b>	<b>100</b>
<b>Total</b>	<b>92</b>	<b>100</b>	

**Source: Field Survey, August 2012.**



Result shows little participation in using external fund for running businesses. Total of 22.5% they borrowed fund as detailed below. 19.5% from National Microfinance Bank, 1% from Pride, 1% from Boa Bank and last 1% from Akiba Commercial Bank and 77.5% have not utilized loans from external lenders.

#### **4.3.7 Uses of Financial Statements**

The main aspect of this study was to assess the usefulness of SMEs financial statements in managerial decision making. This part is mainly concerned with responses on the extent to which SMEs financial statements was utilized by management in decision making. Respondent were required to show whether there was direct management of use financial statements. Furthermore, they needed to indicate on use of financial statements for various business decisions such as financing, investment, and taxation and performance analysis etc.

An investigation had found little uses of financial statement for business decision making. General uses of financial statements comprise tax estimation, financing, budgeting, performance analysis and investment. The following uses were found among respondents of this study as shown below.

**Table 4. 10: Utilization of Financial Statements**

<b>Application/Uses</b>	<b>Frequency</b>	<b>Percentage</b>	<b>Cumulating</b>
For tax estimation, budgeting and finance.	3	3.5	3.5
Finance and budgeting.	6	6.5	10
For tax estimation, budgeting, finance and performance analysis.	1	1	11
Non users	82	89	100
<b>Total</b>	<b>92</b>	<b>100</b>	

**Source: Field survey, August 2012**

The study has found again little usage of financial statements needed to execute financial and managerial functions. Respondents uses financial statements for tax estimation, budgeting and finance are 3.5%. Also none of them uses financial statements for tax estimation, finance and performance analysis. 6.5% of respondent uses financial statements for finance and budgeting. Also none of the respondent uses financial statements for tax estimation and budgeting. And 1% uses financial statements for tax estimation, budgeting, finance and performance analysis. Furthermore, 89% of respondents are non users of financial statements.

#### **4.3.8 Entrepreneurship Skill among Owner Managers**

Some few interviewed respondents has attended short seminar in entrepreneurship and majority lacking the said skill leading to little profitability in their business

activities. Table below 4.11 showing seminar provider and amount of respondents attended.

**Table 4. 11: Entrepreneurship Background of Owner Managers**

<b>Seminar provider/Certificate/Diploma</b>	<b>Number of respondents attended</b>	<b>Percentage</b>	<b>Cumulating</b>
National Microfinance bank	<b>12</b>	<b>13.0</b>	<b>13</b>
Vikoba	<b>1</b>	<b>1.1</b>	<b>14.1</b>
Kiboko paint	<b>1</b>	<b>1.1</b>	<b>15.2</b>
Certificate in entrepreneurship	<b>2</b>	<b>2.2</b>	<b>17.4</b>
Diploma in Marketing	<b>2</b>	<b>2.2</b>	<b>19.6</b>
Not Attended	<b>74</b>	<b>80.4</b>	<b>100</b>
<b>Total</b>	<b>92</b>	<b>100</b>	

**Source: Field survey, August 2012.**

Results indicates that about 19.6% had attended course in entrepreneurship, and majority of 80.4% lacking entrepreneurship skill cause to sustain little profit.

#### **4.3.9 Advises to Prepare and Uses Financial Statements**

Preparation and uses of financial statements among respondents is very low, table below shows circumstances influence preparation and uses of financial statements within small businesses.

**Table 4. 12: Advice to Prepare and Use Financial Statements**

<b>Status of advise</b>	<b>No of respondent</b>	<b>percentage</b>	<b>Cumulating</b>
Not legally enforced but normally advice by TRA	1	1	1
Not legally enforced but normally advice by SIDO	3	3.2	4.2
Not legally enforced neither normally advice to prepare nor uses financial statements by any part.	88	95.8	100
<b>Total</b>	<b>92</b>	<b>100</b>	

**Source: Field survey, August 2012.**

As shown from the table above 1% of respondents was normally advice by TRA, 3.2% normally advice by SIDO and 95.8% haven't received any advice service to prepare and uses financial statements.

#### **4.3.10 Collateral Used During Taking Loan**

Some of our respondents used to take loan as leverage to capital. Table below shows number of owner managers taken loan, collateral or lending model used and those have not taken loan.

**Table 4. 13: Collateral Used During Taking Loan**

<b>Collateral/Lending model used</b>	<b>Number of respondents</b>	<b>Percentage</b>	<b>Cumulating</b>
Current asset available at the shop	8	8.7	8.7
Mortgage	13	14.1	22.8
Cash flow statements from business bank account	1	1.1	23.9
Group sponsored/peer pressure	1	1.1	25.0
Not taken any loan	69	75	100
<b>Total</b>	<b>92</b>	<b>100</b>	

**Source: Field Survey, August 2012.**

Result shows 8.7% uses current assets available at the shop, 14.1% used to mortgage, and 1.1% used cash flow statements from business bank account, 1.1% again used group sponsored and 75% have not taken any loan from bank or non bank financial institution.

#### **4.3.11 Profitability among Respondents**

Profitability among respondents is 5% to 15% per annum. Firms preparing and using financial statements earnings profit 10% to 15% per annum and those not preparing financial statements earning 5% to 10% per annum.

**Table 4. 14: Profitability Among Respondents**

<b>Profit Margin</b>	<b>Number of respondents</b>	<b>Percentage</b>	<b>Cumulating</b>
5% - 6%	20	21.7	21.7
7% - 8%	35	38.2	59.9
9% - 10%	26	28.2	88.1
11% - 12%	2	2.2	90.3
13% - 14%	5	5.4	95.7
15% +	4	4.3	100
<b>Total</b>	<b>92</b>	<b>100</b>	

**Source: Field survey, August 2012.**

Result revealed 21.7% earning 5% to 6%, 38.2% earning 7% to 8%. Others in the same group of non users of financial statements earning 9% to 10% are 28.2%. 2.2% of users of financial statements earning 11% to 12%. While 5.4% earning 13% to 14% and 4.3% earning 15%.

#### **4.4 Results from Descriptive Analysis**

##### **4.4.1 Descriptive Analysis for Factors Determining Preparation of Financial Statements**

**Table 4. 15: Factors Determining Preparation of Financial Statements**

<b>Variable</b>	<b>Chi-square value</b>	<b>Coefficient of contingent</b>	<b>Coefficient of correlation</b>
Preparation of financial statements against entrepreneurship	59.79	0.62	0.74
Preparation of financial statements against collateral	37.19	0.537	0.591
Preparation of financial statements against need for uses of financial statements	74.79	0.537	0.902

**Source: Field survey, August 2012.**

The analysis on the factors influencing the preparation of the financial statements by SMEs indicates that there are three major factors affecting preparation of financial statements, these are entrepreneurship knowledge, collateral used during securing a loan and need for uses of financial statement for business decision making. Entrepreneurship knowledge of users was measured by different attributes such as knowledge of accounting, marketing, entrepreneurship, and ability to understand and interpreting financial statements. Preparation and uses of financial statements was measured by looking for availability of financial statements and its managerial uses like, financial planning, investment decision, performance analysis, finance decision, business plan development and estimation of tax liability.

The hypothesis was tested using chi square test to determine whether there was significant relationship between entrepreneurship knowledge and preparation of financial statements for business decision making. The chi square value obtained above is 59.793 while the asymptotic significance value obtained is 0.000 which is less than the critical value of 0.05. From this result, we reject null hypothesis of no relationship and concluded that there is stronger relationship between the entrepreneurship knowledge and preparation and uses of financial statements for business decision making. This was also confirmed by the correlation analysis, where the correlation coefficient of 0.749 between the two variables was obtained.

According to this study result indicates that about 19.6% of skilled entrepreneurs are preparing and using financial statements for business decision making. Financial statements decision making includes, financial planning, investment decision, performance analysis, finance decision, dividend (appropriation) decision and risk

management. The result is supported by Utley (1995) when argued that financial statements to be useful for decision making needed manager to be able to interpret it. In the same line Drury (2000) argued that understanding of financial statements requires understanding of managerial decision making processes and awareness of user's financial statements.

Secondary, I had the objective of testing the significance of relationship between competences of users in terms of collateral used during taking a loan could influence preparation and uses of financial statements. **It is hypothesized that loan utilization Secured by collateral among users could influence preparation and uses of financial statements for business decision making.**

Loan utilization is measured by looking loans taken by users from various financial institutions. From our case, small business holders has taken loans from National Microfinance Bank, Pride, Bank of Africa and Akiba Commercial Bank. While in preparation and uses of financial statements is measured by looking for availability of financial statements and its uses that includes financial planning, finance decision, dividend (appropriation) decision, investment decision, performance analysis and risk management. The hypothesis is tested using a chi- square to determine whether there is a significant relationship between the two variables.

The chi-square value obtained in the table above is 37.193. Asymptotic significant obtained from the table above is 0.00 which is less than critical value of 0.05. Therefore, we reject null hypothesis of no influence of collateral on preparation and use of financial statement. And concluded that there is relationship between the need for collateral during taking a loan and preparation and uses of financial statement for



business decision making in SMEs. The correlation coefficient of 0.591 indicates positive relation between two variables. The result found is consistent as seen from the findings that borrowers were used to secure their debts using various assets includes current assets available at the shop, mortgage, cash flow statements from business account and group sponsored/peer pressure.

Another test has been done for significance of relationship between competences of users in terms of preparation of financial statements and need of uses of financial statements for managerial decision making.

**It is hypothesized that need for uses of financial statements for business decision making may influence its preparation.** Preparation of financial statements was measured by looking its availability and its uses. While uses of financial statements measured in managerial attributes including financial planning, finance decision, investment decision, performance analysis, dividend (appropriation) decision and risk management. The hypothesis was tested using chi- square test to determine whether there is any significant relationship between two variables. The chi- square value obtained in the table is 74.797. The asymptotic significance value obtained in the table above is 0.000 which is less than critical value of 0.05. Therefore, we reject null hypothesis and concluded that there is strong relationship between need for uses of financial statements for business decision making in SMEs and its preparation. Correlation coefficient value is .902 indicating the strongest positive relationship between two variables.

#### 4.4.2 Descriptive Analysis for Factors Determining Profitability

**Table 4. 16: Factors Determining Profitability in Small Business Activities**

<b>Variable</b>	<b>Chi- square value</b>	<b>Contingency coefficient</b>	<b>Coefficient of correlation</b>
Profit margin against understanding financial statements	73.945	0.668	0.678
Profit margin against capital	327.38	0.884	0.738
Profit margin against education level	80.46	0.683	0.532

**Source: Field survey, August 2012**

Descriptive statistics found that there are three factors determining profitability in small business activities. These are understand financial statements, enough capital and education level.

However, it is hypothesized that **understand financial statements for business decision making could enhance profitability within small business activities.**

Understanding financial statements was measured by different attributes such as knowing clearly definition of financial statements for business decision making and its applications. Application of financial statements is budgeting, common size analysis, outsourcing decision, financial restructuring, merging and acquisition, joint venture and other financial management applications. Profitability is measured by comparing profit margin among small business holders with and without financial statements. The chi- square value obtained is 73.945. The asymptotic significant value is .000 which is less than critical value of .05.

herefore, we failed to reject null hypothesis and concluded that there was positive relationship between understanding financial statements for business decision making and profitability in small business activities.

Contingency coefficient test indicated that there is a significant relationship between two variables valued at the level of .668. Also the results shown positive stronger coefficient of correlation valued at .678.

Further investigation was done on current capital of surveyed small businesses in relation to their profitability and hypothesized that **enough capital could enhance more profit to small businesses**. Amount of capital needed by small business holders was measured through checking their daily and weekly sales demand against their purchasing power. Small businesses with enough capital managed to purchase and meet their sales demand, and those with unsatisfactory capital could not be able to meet their sales demand eventually sustaining opportunity losses. Profitability was measured by checking profit margin among surveyed small business holders with and those without financial statements for business decision making. Both survey findings and statistical evidence has proved high profitability to the users of financial statements over non users. The hypothesis was tested using chi- square test to determine whether there was significant relationship between two variables.

Chi- square value obtained in table 4.16 above is 327.38. Asymptotic significance value obtained is .01 which is less than critical value of .05. Therefore, we failed to reject null hypothesis and concluded that there is relationship between capital and profitability in SMEs business activities. Contingency coefficient test indicated

stronger significant relationship between two variables at the level of .884. However, coefficient of correlation of .738 has shown stronger positive relationship among variables. The lack of credit has also been identified as one of the most serious constraint facing SMEs and hindering their development (Oketch, 2000; Tomecko, & Dondo, 1992; Kiiru, 1991).

Lastly, analysis has been done in relation between education level against profitability and hypothesized that **well educated entrepreneur could gain better profitability in small business activities.**

Education of entrepreneur was measured by looking their level of school education and other related knowledge like entrepreneurship skills. Profitability was measured by looking at profit margin of educated entrepreneur comparing to that of low educated entrepreneur. Evidence from both investigation findings and statistical application has proved true that educated entrepreneur is more profitable than those with low education. Well educated are those attended high or ordinary diploma level and above. This is because educated entrepreneur can understand and keeping business records and utilizing available opportunity like bank loans and attending various seminars for better performance of their Businesses. The hypothesis was tested using chi-square test to determine whether there is significant relationship between two variables.

The chi-square value obtained is 80.46 at asymptotic significance of .000 which is less than critical value of .05. Therefore, I failed to reject null hypothesis and concluded that there is relationship between education level of entrepreneur and its

profitability as far as small business activities is concerning. Contingency coefficient test indicated that there is stronger significant relationship between two variables valued at .683. Furthermore, correlation coefficient has also proved stronger positive relationship at the magnitude of .532. The result is consistent as education is one of the factor that impact positively on growth of firms (King and Mcgrath, 2002). Those entrepreneurs with large stock of human capital in term of education and or vocation training are better placed to adopt their enterprises to constantly changing business environments (king and Mcgrath, 1998).

Contingency coefficient test indicated that there is a strong significant relation between two variables. Strength of relationship measured at .559. However, coefficient of correlation is stronger positive at the level of .572. The result is consistent to theory of finance and entrepreneurship as education is one of the factor that impact positively on growth of firms (King and McGrath, 2002). Those entrepreneurs with large stocks of human capital in terms of education and or vocational training are better placed to adopt their enterprises to constantly changing business environments (King and McGrat, 1998).

## 4.5 Reliability Test

### 4.5.1 Cronbach's Reliability Test Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.737	9

**Table 4.17: Cronbach's Reliability Test Statistics Alpha Coefficient Results**

<b>Item-Total Statistics</b>				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Education level	30.76	39.854	-.615	.823
What collateral are you using during securing loan?	29.41	21.893	.756	.636
Where did you attend a course in entrepreneurship?	28.45	20.645	.646	.664
Have you applied or accessed any loan from financial institution?	29.46	24.273	.464	.709
What is your position in the enterprise?	31.42	31.544	.256	.735
What do you use financial statements for?	27.98	25.230	.675	.667
What kind of financial statements are you preparing?	29.93	26.062	.796	.661
What kind of financial statements are useful for daily activities?	29.84	27.984	.661	.687
What method of financial analysis do you perform?	31.62	33.843	.301	.745

**Source: Field survey, August 2012**

As shown from the table above alpha coefficient is 0.737 while according to principle data are reliable at alpha of 0.7 and above. From that matter we can conclude that my data is reliable for use.

## CHAPTER FIVE

### 5.0 DISCUSSION, IMPLICATIONS AND RECOMMENDATION

#### 5.1 Introduction

This chapter discusses results indicating implications and recommendations. They are divided into four sections. Sections include discussion itself, implication, conclusion and recommendations. Limitations of the study will be presented after second section of the study. The chapter will conclude with the section that presents the implications of the current study for the future research. The section outlines number of new research questions found from current and research need to be pursued in future.

The major objectives of this study were to **investigate availability and uses of financial statements in small businesses in Tanzania**. The results show that **entrepreneurship knowledge, collateral used during loan utilization and need for uses of financial statements for business decision making** both are the determinants for preparation and uses of financial statements in small businesses in Tanzania.

1. Entrepreneurship knowledge: Is an essential knowledge that small business holder supposed to possess so that to enable him to execute business management functions. The statement is consistent as education is one of the factors that impact positively on growth of firms (King and McGrath, 2000). Those entrepreneurs with large stock of human capital in term of education and or vocational training are better placed to adopt their enterprises to constantly changing business environments (King and McGrath, 1998).



2. Collateral during taking a loan: This is a security that borrower should have for being declared to a loan provider so that to secure for applied loan. In Tanzania 98% of SMEs have no collateral or audited financial statements (Sandy Vase, 2011). In Tanzania financial institutions, before granting a loan to small business holder, require business plan, showing business cash flow at least eighteen months, audited accounts, and the proposed budget (mwaniki, 2006).
3. Need for use of financial statements: Financial statements are needed by small business holder to be utilized for better practice of firm management. Financial statements are needed for being analyzed and interpreted so that to execute business management functions, comprises financing, investment, profit and loss appropriation and financial analysis and risk management.

Entrepreneurship knowledge measured by entrepreneurship skill held by entrepreneur after attending a related course, collateral used measured loan utilization by entrepreneurs as one of the capital raising strategy and collateral demanded for securing a loan. Need for uses of financial statements for business decision making was measured by utilization of financial statements for financial management applications like finance, investment, business planning, taxation, performance analysis and risk management.

## **5.2 Summary of Findings**

As detailed analysis and interpretation of results have been done in chapter four, chapter five will focus mostly on some major points and implication of results both for body of knowledge and policy development.

The results supported with statistical evidence showing that entrepreneurship knowledge is one of the determinant to preparation and uses of financial statements for small business decision making. Other factors determining preparation and uses of financial statements are collateral used during securing a loans and needs of financial statements for business management decision making. To go inline with specific objectives the study has also analyzed statistical evidence of factors affecting profitability of small businesses. Those understand financial statements, enough capital and level of education. The study also gone further to investigate factors determining understanding financial statements and statistical evidence shown that education level is the factor affecting understanding financial statements for small business decision making to entrepreneurs.

The study concluded that financial statements to be useful needs to be interpreted analyzed and applied to business management decision making by qualified personnel. Managerial decision making comprises finance, investment, performance analysis, financial planning, tax estimation, profit and loss appropriation, and performance analysis and risk management. Furthermore, conceptual framework shows variables that determine preparation and uses of financial statements for viable decision making, those are entrepreneurship knowledge, collateral during applying loans and need for uses of financial statements for viable business making.

### **5.3 Implicationof Findings**

The results contribute to knowledge, policy and management practice and SMEs practitioner.

### **5.3.1 KnowledgeBuilding**

It is remembered that the current study is the application of financial management theory and entrepreneurship applied to the preparation and uses of financial statements for business decision making in SMEs case study. The findings supported basic argument that the financial statements to be useful must be understandable to users for decision making. The current study supported by general concept of financial accounting and reporting standard implying that decision making to be useful depending on user's understandability. The study suggest that availability of financial statements and competence of users together should be used to measure usefulness of financial statements in business decision making. This means that financial statements that have proper financial information but users are not competent in utilization of the same; preparation of financial statements will be meaningless.

According to the fact that over 83.7% of SMEs holders has low understand about financial statements for decision making. This is caused by lack of accounting knowledge and entrepreneurship skill resulting to inability to execute financial and entrepreneurship management.

### **5.3.2 Policy Implication**

Tanzania is in the way developing programmers and policies that aimed at stimulating its economy and encouraging individuals to start their own business. The study has fold policy implications: Incubation policies that entrepreneurship course should include accounting and marketing subjects. Also relevant public Ministries,

Department and Agencies should design special door to cater services demanded by SMEs. Stakeholders like NBAA also should design a manuscript which will support SMEs to work out with international accounting standards which will improve their knowledge in accounting and entrepreneurship in general. This idea has greater impact in their business decision making capability and utilization of various financial management opportunities. Since much of economic ability to innovate, diversify and create new jobs comes from small business sector (Shapero, 1985). It is estimated that in Tanzania SMEs contribute 35% of GDP and 20% of total labor force (Wangwe,1999).It is critical that this sector is able to attract fresh vocational and school leavers and working as entrepreneurs. Furthermore, this studies shown that 20% of owner managers had tertiary education and engaged in SMEs. The government should continue improve small business environments so that to attract individuals to engage in self employment eventually enjoying their economic contributions.

### **5.3.3 Implication to Small Business Support Institutions**

It is observed that most of the owner managers lacking accounting skill, entrepreneurship knowledge, and low level of education little understand to financial statements leaving them with low capacity in business decision making. Business support institutions should provide training with integrated approach to SMEs owner managers to study financial management and decision making as capacity building to enable them to know how to use financial statements for their viable business decision making. Also small business development centers have to be established that will provide advice and consultations to small business holders.

### **5.3.4 Implications to SMEs Owner Managers**

As it is seen that the some of SMEs owner managers are not competent in using financial statements which is the basic to its usefulness, most of them are not neither preparing nor using financial statements for business decision making. The study revealed that only 20% of them attained tertiary education, but some of them are not competent in utilization of financial statements, this implies that some of them their education did not contain entrepreneurship/accounting education. SMEs owner manager should attend courses and being trained in accounting, entrepreneurship and marketing to improve their competence in entrepreneurship eventually being able to execute viable business decisions. At that stage owner managers will be able to conduct business properly and being cost effective as they can calculate precisely tax liability and selecting loans charged competitive interest. SMEs must make sure that their financial statements are useful so that to benefit from financial management application and gaining competitive advantages.

## **5.4 Conclusions**

The research found that entrepreneurship knowledge, collateral used during loan application and need for financial statements for business decision making influence preparation and uses of financial statements. Furthermore, understanding financial statements, level of education among small business holders and strength of capital to run business are determinants to gain enough capital to small business activities. This study found small business holders lacking entrepreneurship knowledge, collateral and those not familiar with financial statements are not preparing financial statements for business decision making.

Apart from that, small business holders with little understanding to financial statements, low level of education and those operating with unsatisfactory capital sustaining lower profit margin comparing to superiors.

### **5.5 Recommendations**

According to the situation of performance from small business activities found above, I recommend to small business stakeholders to take necessary measures to eradicate poor performance to small business holders. Small business holders need to be conversant with entrepreneurship and thorough understanding of financial statements so that to make viable decisions. Small business holders are also to be encouraged to improve their level of education that will enable them to capture variety of opportunities for their market and finance. Those can be done by providing relevant training program

### **5.6 Limitations**

Several limitations have to be considered when interpreting results of this study. The samples were gathered from Dar es Salaam region only as one region of Tanzania mainland. Also descriptive analysis conducted in chapter four indicates that the sample is representing small enterprise category while potential still existing for producing biased results since the SMEs cover small and medium enterprises and also firm choose may not be representative of the full range of firms in Tanzania. The scarcity of funds to researcher and time constraints were also among the limitations of this study.

Lastly, as the information was obtained directly from business owners, might be subjected to occasional inaccuracies of memory and reporting. Despite outlined

limitations, the study represents the most inclusive analysis to date and has yield important area on which future studies can attain more accurate and portray the usefulness in preparation and uses of financial statements for decision making in Tanzanian SMEs.

### **5.7 Suggestions for Future Research**

Future research can be done on the role of utilization of financial statements for better decision making. This could help SMEs not only to increase applicability of financial management, but, could identify financial opportunities and developing competitive advantage. The study has increasingly evolved an approval of a need to take much integrated approach to study accounting information and decision making. Future studies should examine accounting information and competency of users as measure of its usefulness in decision making bearing in mind nature of business and type of decision to be made.

## REFERENCES

- Abeid, H., (2003) *The role of Accounting, Finance and Management in Decision Making*. Dar es Salaam: NBAA Seminar Series.
- Bagachwa, M.S.D., (1994). *Poverty alleviation in Tanzania Recent Research Issues*. Dar es Salaam: Dar es Salaam University Press.
- Balunywa, W., (1997). *Entrepreneurship and SMEs in Uganda*. Makerere University.
- Baradyana J.S. and Ame, A.M., (2007) *Business Research Methods*. University of DarEs Salaam. Unpublished. Classic Economics Course Manual.
- Barker, P.C. and Noonan, C., (1996) *Small Compliance with Accounting Standard*. Dublin: Dublin City University Business School.
- Berry, T., Bob, S., Jitsuo, G. and Mary, T., (2002) *Financial management Practice Amongst SMEs*. Manchester: Manchester Metropolitan University Business School Working Paper Series.
- Bolton, J.E., (1971) *Small Firms: Report of the Committee on Inquiry on Small Firms*. London: Her Majesty's Stationery Office.
- Byron, E.L., Friedlob, G.T., (1984) Why small business fail. *Management accounting*, 65 (7), 16-17.
- Collier, P.M., (2006) *Accounting for Managers: Interpreting Accounting Information for Decision Making*. 2<sup>nd</sup> Edition. England: John Wiley and Sons.



- Dan-Cohen, M., (1986), Right Persons and Organization, *Journal of Accounting*, 4 (13).
- DeThomas, A.R.andFredenberger, W.B., (1985) Accounts Needs of Very Small Businesses. *The CPA Journal*, 55 (10): 14-23.
- DiPietro, W. andSawhney, B., (1977) Business Failure, Managerial Competence and Macroeconomic Variables.*American Journal of Small Business Management*, 2 (2): 4-15.
- Erik, T., (2004)Why SMEs in Tanzania do not keep business records, their role in the economy remains crucial.*Journal of national board of accountants and auditors Tanzania*, 15 (1).
- Finseth, W., (1998) *A Strategic Plan to Develop Tanzanians National Policy Framework for Small Business*. Tanzania: Report for Commonwealth Secretariat/Ministry of Industry and Commerce.
- Foster, G., (1986)*Financial Statement Analysis*.2<sup>nd</sup> Edition. New York: Prentice Hall International.
- Gibson, B., (1992) Financial Information for Decision Making: An Alternative Small Firm Perspective.*Journal of Small Business Finance*,3.
- Gibson, W., (1992) The Use of Accounting and Accounting Information Firms, 6<sup>th</sup> *National Small Business Research Conference:A Multiple Case Study Review*. Brighton Le Sands, Sydney, NSW.

- Hallberg, K., (2000) *A Market-oriented Strategy for Small and Medium Scale Enterprises*. World Bank and International Finance Corporation, Discussion Paper 40: 1–26.
- Hopwood, A.G., (1974) Empirical Study of the Role of Accounting Data in Performance Evaluation, *Empirical Research in Accounting, Supplement to Journal of Accounting Research*, 10: 156-82.
- Humphrey C. and Lee B., (2006) Management Decision. *Journal of Accounting*. 44 (12).
- Jan R.W., (2002) *Financial and Management Accounting: The Basis for Business Decision*. Michigan: Michigan State University.
- John A., (2007) *The Use of Accounting Information in Decision Making of Small and Medium Enterprises (SMEs)*. Unpublished MBA Dissertation. University of Dar es Salaam.
- Julius, E., (2006) *The Usefulness of Accounting Information for Decision Making in Tanzania Public University*. Unpublished MBA Dissertation. University of Dar es Salaam.
- Kitindi, E., (2000) The Small and Micro Enterprise Audit in Tanzania: Is it Worth the Effort? Evidence from Exploratory Study. *Journal of Finance*, 8 (2).
- Laureen, A.M. and James, M.W., (2006) Nature of Accounting Information Reliability, Inferences from Archival and Experimental Research. *Accounting Horizons*, 20 (4): 399–425.

- Maeda, S., (2003) *The Importance of Management Accounting for Decision*. Paper Presented at the Business Overview Seminar on 10<sup>th</sup> July 2003, Arusha, Tanzania.
- McChley, S. and Meechan, L., (2000) *Barriers and Catalysts of Financial management System in Small –Sized Enterprises*. Aberdeen.
- McMahon, R., (2005) *Putting SMEs Financial Reporting into Theoretical and Practical Perspective*. University of Dar es Salaam School of Commerce Research Paper Series: 98-10.
- Mosha, J., (2007) *Relevance and Challenges of Record keeping and maintaining Proper Books of Accounts for Small Business*. Unpublished PGDEED Report. University of Dar es Salaam.
- Msacky, I., (2007) *Importance of Record Keeping to the Performance of Small and Medium Scale Enterprises*. Unpublished PGDEED report. University of Dar es salaam.
- Nchimbi, M., (2002) *Gender and Entrepreneurship in Tanzania, a Comparative Analysis of Male-Females: Start- up Motivation, Individual Characteristics and Perception of Business Success*. BA- Publications. University of Dar es Salaam.
- Njau, P., (2003) *Investigating Financial Recording in Tanzania's Small and Medium Enterprises Compliance and non Compliance with Accounting Standards*. Unpublished MBA dissertation. University of Dar es Salaam.

- Pallot, J., (1991) The Legitimate Concern with Fairness: A Comment. *Journal of Accounting, Organization and Society*, 17 (3): 165-80.
- Parker,L., (2004) Interdisciplinary Perspectives on Accounting, Auditing, and Accountability.*Journal of Accounting*, 17:7-16.
- Piccinato, B., (2004) *The Use of Management Accounting Information's: Some Alternative Meaning*. Curtin: Curtin University Press.
- Porter A.G. and Norton, A.C., (2004) *Financial Accounting: The Impact on Decision Makers*.4<sup>th</sup> Edition.Mason: Thomson South Western Publishers.
- Ragab,D. and Omran, M. (2006) Accounting Information, Value Relevance and Investors Behavior in the Egyptian Equity Market.*Journal of Review of Accounting and Finance*, 5 (3).
- Sarpaivanich,N., (2003) The Use of Financial Information in Financial Decisions of SMEs in Thailand. *16<sup>th</sup> Annual Conference: Small Enterprise Association of Australia and New Zealand*. University of Ballaratat.
- Terry, L., (2003) *Management Accounting*.5<sup>th</sup> edition.London: Thomson.
- United Republic of Tanzania.*Small and Medium Enterprise Development Policy*.(2003) Dar es Salaam.
- William, J., (1968) Accounting information and Decision Making: Some Behavioral Hypotheses. *Accounting Review*, 43, (3): 469-480.
- World Bank, (1978) *Employment and Development of Small Enterprises*.Washington.World Bank

**APPENDICES****QUESTIONNAIRE DESIGNED FOR THE STUDY****OPENUNIVERSITY OF TANZANIA****FACULTY OF BUSINESS MANAGEMENT****QUESTIONNAIRE FOR SME.**

Dear Respondent,

This questionnaire is intended for collecting data for the purpose of accomplishing the study titled “Investigation of availability and uses of financial statements in small businesses in Tanzania”. This study is conducted in partial fulfillment for the award of master in business administration of the Open University of Tanzania.

I request responses from your firm, and filling this questionnaire, also providing any other information that will be useful to researcher. Mr. Mohamed A. Mpili who I conducting this study under supervision of Dr A. S Hepelwa, guarantees that data collected during the study will be treated confidential. We look forward to appreciate to your response.

Please complete the questions below; the researcher will be ready for clarification.

## QUESTIONNAIRES TO SMEs STAFF AND MANAGEMENT

### SECTION A

1. Name of your enterprise .....
2. When was the enterprise established? .....
3. Number of employees in your enterprise.....
4. What is the current capital of your enterprise? .....
5. What is your position in the enterprise.....
6. How many years at your current position.....
7. Qualification attained.....
8. Does your enterprise prepare financial statements?
  - a. YES
  - b. NO
9. If yes, does your firm disseminate financial statements to stakeholders?
  - a. YES
  - b. NO
10. If yes, does your enterprise uses financial statements for managerial decision Making?
  - a. YES
  - b. NO
- 11) If YES, When do you use financial statements?
  - i. For tax estimation
  - ii. For legal compliance
  - iii. For budgeting
  - iv. For finance decision
  - v. For dividend decision
  - vi. For performance analysis
  - vii. For investment decision
  - viii. For risk management.
  - ix. Other uses please mention.

## SECTION B

### 12. COMPETENCE OF USERS

In relation to your involvement in using financial statements please answer the following questions.

- i. What do you understand about financial statements?  
.....  
.....
- ii. What kind of financial statement are you preparing?
- iii. What kind of financial statements are useful to your daily activities?  
.....  
.....
- iv. Do you perform financial analysis? What method in the most useful to you?  
.....  
.....
- v. Do you have any business plan? If you don't have, why?  
.....  
.....
- vi. Have you applied or accessed any loan from financial institution?  
.....  
.....
- vii. For how long are you preparing financial statements?  
.....  
.....
- viii. Have you attended any course in small business management or entrepreneurship?  
.....  
.....
- ix. Does financial statement influence your business decision making?  
.....  
.....

- x. Are you legally enforced or normally advised to prepare and using financial statements and by whom?

.....

.....

- xi What is your profit margin?

.....

.....

- Xii What collateral have you used during securing a loan?

.....

.....



### Mathematical Modeling

Showing formulae used to calculate data to facts;

1. Calculation of number sample required for inference from population is,

$$n = \frac{Z^2 p q N}{e^2 (N-1) + Z^2 p q}$$

n = Sample size,

N= size of population, 53700.

e = .03, estimate is within 3% of true value.

Z= 2.005 as per table area under normal curve for the confidence level of 95.5%.

I assumed proportion of defective, p = .02.

## **Sampling Frame from Districts (Custers) of Dar es Salaam Region**

### **Temeke District**

- |                             |                                |
|-----------------------------|--------------------------------|
| 1. Ruta hardware sales      | 2. Makuna hardware sales       |
| 3. Muki general supplies    | 4. Abdul hardware sales        |
| 5. Koru enterprises         | 6. Changa traders              |
| 7. Steel sales enterprises  | 8. Uwanji enterprises          |
| 9. Msofe hardware sales     | 10. Rice store – Tandika       |
| 11. Davis cosmetic sales    | 12. Millano fashion collection |
| 13. Alfa fashion boutique   | 14. Beauty cosmetics           |
| 15. Star cosmetics          | 16. Furaha boutique            |
| 17. Juhudi cloth shop       | 18. Haji cosmetics & pharmacy  |
| 19. Super cosmetics         | 20. New cosmetics              |
| 21. Mickie hardware         | 22. Gerald cosmetics           |
| 23. Y2k store               | 24. Agumba collection          |
| 25. Amida electronics sales | 26. Safari timber sales        |
| 27. IwiEnterprises          | 28. Civito auto spares         |
| 29. Salehe used spares      | 30. Chakechake store           |
| 31. Idrisa rice store       |                                |

### **Ilala District Samples**

- |                         |                       |
|-------------------------|-----------------------|
| 1. Zahoromatelphone     | 2. Abdul rice store   |
| 3. Ngasana timber sales | 4. Wanachuo cosmetics |
| 5. Sharon auto parts    | 6. Nassor used parts  |
| 7. Robin enterprises    | 8. Ajos phone sales   |

- |                                    |                            |
|------------------------------------|----------------------------|
| 9. Sadat auto parts                | 10. Jamal auto sales       |
| 11. Same auto parts                | 12. Macha auto parts       |
| 13. Elinazi timber sales           | 14. Nyumba used parts      |
| 15. Ramso auto parts               | 16. Abdul mini supermarket |
| 17. Home appliances and sales      | 18. Farida timber sales    |
| 19. Kulinyangwa enterprises        | 20. Mange timber sales     |
| 21. Shoes wholesale shop           | 22. BM hardware sales      |
| 23. zuberi timber sales            | 24. Mresi timber sales     |
| 25. Buguruni timber sales          | 26. Mremi enterprises      |
| 27. Christina timber sales         | 28. Masawe cosmetics shop  |
| 29. Ntimi general general supplies | 30. Sheet metal sales      |

### **Kinondoni District Samples**

- |                                |                         |
|--------------------------------|-------------------------|
| 1. Dunga Enterprises           | 2. Beatrice hardware    |
| 3. Roma hardware               | 4. Mwenge ebony carving |
| 5. Super ebony carving         | 6. Star ebony carving   |
| 7. Asilia ebony carving        | 8. Nkole ebony carving  |
| 9. Nsemwa enterprise           | 10. HP timber supplies  |
| 11. M S Ally rice wholesale    | 12. Iqra auto parts     |
| 13. Magodoro wholesale traders | 14. Ally auto parts     |
| 15. Mwenge village crafts      | 16. E J Nkoti carvings  |
| 17. NamapaSagari arts          | 18. Star arts & crafts  |
| 19. Mwenge furniture           | 20. Mwenge carvings     |
| 21. Adora carvings             | 22. Ester carving       |

23. Nassir carving

24. Idd auto parts

25. Cool boy auto parts

26. Ahmed sumer auto parts

27. Arberto carving

28. Hengo hardware

29. Ebenezer cosmetics

30. Stanza ebony carving

31. South carving.

## Summary of data from respondents

Code no	Education	Fin. statement	Fina.statement	Fin. statement	Fin. Statement	Fin. Statement	Fin. Analysis	Business plan	Loan application	Fin Statement	Fin Statement	Entprem. attend
1	5	3	1	2	1	2	0	1	1	3	1.00	1
2	4	3	1	1	1	2	0	5	1	3	1.00	2
3	4	3	1	1	1	2	0	1	1	3	1.00	1
4	4	3	1	1	1	1	0	1	1	5	1.00	1
5	4	3	1	1	1	2	0	5	1	3	1.00	3
6	4	3	1	2	4	2	0	1	1	1	1.00	2
7	5	3	1	1	1	2	1	1	1	1	1.00	1
8	4	3	1	1	4	2	0	5	1	3	1.00	1
9	5	3	1	2	4	2	0	5	1	1	1.00	1
10	4	3	1	1	1	2	0	5	1	3	1.00	1
11	4	3	1	1	4	2	0	1	0	6	1.00	1
12	3	3	0	4	4	2	0	1	0	6	0.00	6
13	2	1	0	4	4	2	0	5	0	6	0.00	6
14	3	1	0	4	4	2	0	1	0	6	0.00	6
15	4	1	0	4	4	2	0	5	0	6	1.00	1
16	3	1	0	4	4	2	0	5	0	6	0.00	6
17	4	1	0	4	4	2	0	5	0	6	0.00	6
18	3	1	0	4	4	2	0	5	0	6	0.00	6
19	2	1	0	4	4	2	0	5	0	6	0.00	6
20	4	1	0	4	4	2	0	5	0	6	0.00	6
21	2	1	0	4	4	2	0	5	0	6	0.00	6
22	3	1	0	4	4	2	0	5	0	6	0.00	6
23	3	1	0	4	4	2	0	5	0	6	0.00	6
24	3	1	0	4	4	2	0	1	0	6	0.00	6

25	3	1	0	4	4	2	0	1	0	6	0.00	6
26	3	3	1	4	4	2	0	5	0	6	0.00	6
27	3	1	0	4	4	2	0	5	0	6	0.00	6
28	2	1	0	4	4	2	0	5	0	6	1.00	1
29	3	1	0	4	4	2	0	5	0	6	0.00	6
30	2	1	0	4	4	2	0	5	0	6	0.00	6
31	2	1	0	4	4	2	0	5	0	6	0.00	6
32	3	2	0	4	4	2	0	5	0	6	1.00	1
33	3	1	0	4	4	2	0	5	0	6	0.00	6
34	2	1	0	4	4	2	0	5	0	6	0.00	6
35	2	1	0	4	4	2	0	5	0	6	0.00	6
36	2	1	0	4	4	2	0	5	0	6	0.00	6
37	2	1	0	4	4	2	0	5	0	6	0.00	6
38	3	1	0	4	4	2	0	5	0	6	0.00	6
39	3	1	0	4	4	2	0	1	0	6	1.00	4
40	3	1	0	4	4	2	0	5	0	6	0.00	6
41	2	2	0	4	4	2	0	5	0	6	0.00	6
42	2	2	0	4	4	2	0	5	0	6	0.00	6
43	3	1	0	4	4	2	0	1	0	6	0.00	6
44	2	1	0	4	4	2	0	5	0	6	0.00	6
45	2	1	0	4	4	2	0	5	0	6	0.00	6
46	2	1	0	4	4	2	0	5	0	6	0.00	6
47	3	1	0	4	4	2	0	5	0	6	0.00	6
Code no	Education	Fin. statement	Fin. statement	Fin. statement	Fin. Statement	Fin. Statement	Fin. Analysis	Business plan	Loan application	Fin Statement	Fin Statement	Entprenr.attend
49	3	2	0	4	4	2	0	5	0	6	0.00	6
50	2	1	0	4	4	2	0	5	0	6	0.00	6

51	3	1	0	4	4	2	0	5	0	6	0.00	6
52	3	1	0	4	4	2	0	5	0	6	0.00	6
53	2	1	0	4	4	2	0	2	0	6	0.00	6
54	2	1	0	4	4	2	0	5	0	6	0.00	6
55	2	1	0	4	4	2	1	3	0	6	0.00	6
56	3	1	0	4	4	2	0	5	0	6	0.00	6
57	2	1	0	4	4	2	0	1	0	6	0.00	6
58	3	1	0	4	4	2	0	1	0	6	0.00	6
59	3	1	0	4	4	2	0	5	0	6	0.00	6
60	3	1	0	4	4	2	0	1	0	6	1.00	5
61	2	1	0	4	4	2	0	5	0	6	0.00	6
62	3	1	0	4	4	2	0	5	0	6	0.00	6
63	3	3	0	4	4	2	0	5	0	6	0.00	6
64	3	1	0	4	4	2	0	5	0	6	0.00	6
65	3	3	0	4	4	2	0	5	0	6	1.00	4
66	2	1	0	4	4	2	0	5	0	6	0.00	6
67	3	1	0	4	4	2	0	5	0	6	0.00	6
68	3	1	0	4	4	2	0	5	0	6	0.00	6
69	3	1	0	4	4	2	0	5	0	6	0.00	6
70	4	2	0	4	4	2	0	5	0	6	0.00	6
71	4	1	0	4	4	2	0	5	0	6	0.00	6
72	3	1	0	4	4	2	0	5	0	6	0.00	6
73	2	1	0	4	4	2	0	5	0	6	0.00	6
74	2	1	0	4	4	2	0	5	0	6	0.00	6
75	3	1	0	4	4	2	0	5	0	6	0.00	6
76	3	1	0	4	4	2	0	5	0	6	0.00	6
77	2	1	0	4	4	2	0	5	0	6	0.00	6
78	2	1	0	4	4	2	0	5	0	6	0.00	6
79	3	2	0	4	4	2	0	1	0	6	1.00	1

80	3	1	0	4	4	2	0	5	0	6	0.00	6
81	2	2	0	4	4	2	0	5	0	6	0.00	6
82	2	2	0	4	4	2	0	1	0	6	0.00	6
83	3	1	0	4	4	2	0	5	0	6	0.00	6
84	1	1	0	4	4	2	0	5	0	6	0.00	6
85	3	1	0	4	4	2	0	1	0	6	0.00	6
86	2	1	0	4	4	2	0	5	0	6	0.00	6
87	3	1	0	4	4	2	0	5	0	6	0.00	6
88	2	1	0	4	4	2	0	4	0	6	0.00	6
89	2	1	0	4	4	2	0	5	0	6	0.00	6
90	4	2	0	4	4	2	0	5	0	6	1.00	5
91	3	2	0	4	4	2	0	5	0	6	0.00	6
92	2	1	0	4	4	2	0	5	0	6	0.00	6



## Summary of data from respondents

Code No.	Fin. Statement	Prof. margin	Coll. used	Fin. Statement	Workers No.	Firm age	Position entreprs.	Position	None 1
1	1	15.00	1	0	6	7	2	5	0.00
2	3	11.00	3	0	5	5	1	5	0.00
3	1	15.00	2	0	9	2	1	2	0.00
4	1	15.00	1	0	5	5	1	5	0.00
5	1	13.00	2	0	5	10	1	5	0.00
6	1	14.00	1	1	5	4	1	4	0.00
7	1	13.00	2	1	6	1	2	1	0.00
8	1	14.00	1	0	10	10	3	9	0.00
9	1	11.00	2	1	9	5	2	1	0.00
10	1	12.00	2	1	5	2	2	1	0.00
11	1	13.00	2	0	10	5	2	5	0.00
12	1	10.00	2	0	5	2	1	2	0.00
13	1	9.00	5	0	5	1	2	1	0.00
14	1	8.00	2	0	7	3	3	3	0.00
15	1	7.00	5	0	5	3	2	3	0.00
16	1	9.00	5	0	5	1	2	1	0.00
17	1	8.00	5	0	5	2	3	2	0.00
18	1	9.00	5	0	5	2	3	2	0.00
19	1	8.00	5	0	5	2	1	2	0.00
20	1	6.00	5	0	6	2	2	1	0.00
21	1	6.00	5	0	7	3	1	3	0.00

22	1	9.00	5	0	5	5	2	4	0.00
23	1	7.00	5	0	6	2	3	2	0.00
24	1	8.00	5	0	8	7	2	5	0.00
25	1	6.00	1	0	7	6	3	6	0.00
26	2	7.00	5	0	7	4	3	4	0.00
27	1	9.00	5	0	8	9	2	5	0.00
28	2	9.00	5	0	5	7	3	7	0.00
29	1	8.00	5	0	7	1	1	1	0.00
30	1	7.00	5	0	5	5	3	3	0.00
31	1	8.00	5	0	5	2	3	2	0.00
32	1	9.00	5	0	5	1	3	1	0.00
33	1	8.00	5	0	6	7	1	3	0.00
34	1	9.00	5	0	5	2	2	2	0.00
35	1	9.00	5	0	5	2	3	2	0.00
36	1	8.00	5	0	6	4	2	4	0.00
37	1	6.00	5	0	6	3	3	2	0.00
38	1	5.00	5	0	5	7	2	5	0.00
39	1	6.00	5	0	5	5	3	5	0.00
40	1	8.00	5	0	5	2	3	2	0.00
41	1	7.00	5	0	6	10	3	9	0.00
42	1	9.00	5	0	7	5	2	1	0.00
43	1	9.00	2	0	5	4	2	5	0.00
44	1	8.00	5	0	9	10	3	9	0.00
45	1	7.00	5	0	5	2	2	2	0.00
46	1	5.00	5	0	5	1	2	1	0.00
47	1	6.00	5	0	5	1	3	1	0.00
48	1	9.00	5	0	5	2	2	1	0.00
49	1	7.00	5	0	5	5	2	3	0.00

Code No.	Fin. Statement	Prof. margin	Coll. used	Fin. Statement	Workers No.	Firm age	Position entreprs.	Position	None 1
50	1	8.00	5	0	5	5	1	2	0.00
51	1	6.00	5	0	5	7	2	7	0.00
52	1	7.00	5	0	8	1	1	1	0.00
53	1	7.00	4	0	6	3	2	2	0.00
54	1	6.00	5	0	5	1	3	1	0.00
55	1	8.00	2	0	7	3	3	2	0.00
56	1	9.00	5	0	5	2	3	1	0.00
57	2	9.00	2	0	5	4	3	4	0.00
58	1	7.00	2	0	5	5	2	5	0.00
59	1	6.00	5	0	8	10	2	4	0.00
60	1	7.00	5	0	5	8	2	8	0.00
61	1	9.00	5	0	5	2	1	2	0.00
62	1	8.00	5	0	7	3	1	3	0.00
63	1	8.00	5	0	5	1	3	1	0.00
64	1	6.00	5	0	8	4	3	2	0.00
65	1	9.00	5	0	5	5	3	5	0.00
66	1	8.00	5	0	5	2	3	2	0.00
67	1	7.00	5	0	5	7	2	5	0.00
68	1	5.00	5	0	5	7	2	7	0.00
69	1	6.00	5	0	9	8	2	5	0.00
70	1	7.00	5	0	5	8	1	8	0.00

71	1	8.00	5	0	5	5	2	5	0.00
72	1	9.00	5	0	6	5	3	5	0.00
73	1	8.00	5	0	7	1	3	1	0.00
74	1	8.00	5	0	5	3	3	3	0.00
75	1	7.00	5	0	6	8	3	8	0.00
76	1	9.00	5	0	5	9	2	9	0.00
77	1	7.00	5	0	7	5	2	5	0.00
78	1	6.00	5	0	5	8	2	8	0.00
79	1	8.00	1	0	7	9	1	9	0.00
80	1	8.00	5	0	5	7	1	7	0.00
81	1	5.00	5	0	6	9	2	9	0.00
82	1	6.00	1	1	7	2	3	2	0.00
83	1	7.00	5	0	5	9	3	1	0.00
84	1	9.00	5	0	8	8	2	8	1.00
85	1	7.00	2	0	7	9	1	7	0.00
86	1	6.00	5	0	7	7	2	6	0.00
87	1	6.00	5	0	7	1	3	1	0.00
88	1	5.00	1	0	7	1	2	1	0.00
89	1	7.00	5	0	7	9	2	9	0.00
90	1	7.00	5	0	5	8	3	8	0.00
91	1	8.00	5	0	5	2	3	2	0.00
92	1	6.00	5	0	8	3	2	3	0.00

## Summary of data from respondents

Code No.	Primary	Secondary	Degree	Collateral	Incap.	Inpro.	Low 1	Low 2	Low 3	Inrev.	Need	Education
1	0.00	0.00	1.00	1.00	18.83	14.66	0.00	0.00	1.00	16.56	1.00	1.00
2	0.00	1.00	0.00	1.00	18.42	14.66	0.00	0.00	1.00	16.87	1.00	1.00
3	0.00	1.00	0.00	1.00	18.42	14.66	0.00	0.00	1.00	16.56	1.00	1.00
4	0.00	1.00	0.00	1.00	18.42	14.66	0.00	0.00	1.00	16.56	1.00	1.00
5	0.00	1.00	0.00	1.00	18.42	14.66	0.00	0.00	1.00	16.70	1.00	1.00
6	0.00	1.00	0.00	1.00	18.47	14.66	0.00	0.00	1.00	16.63	1.00	1.00
7	0.00	0.00	1.00	1.00	18.60	14.66	0.00	0.00	1.00	16.70	1.00	1.00
8	0.00	1.00	0.00	1.00	18.62	14.66	0.00	0.00	1.00	16.63	1.00	1.00
9	0.00	0.00	1.00	1.00	18.42	14.66	0.00	0.00	1.00	16.87	1.00	1.00
10	0.00	1.00	0.00	1.00	18.42	14.66	0.00	0.00	1.00	16.78	1.00	1.00
11	0.00	1.00	0.00	1.00	18.42	14.66	0.00	0.00	1.00	16.70	0.00	1.00
12	0.00	1.00	0.00	1.00	16.81	14.31	0.00	0.00	1.00	16.61	0.00	0.00
13	1.00	0.00	0.00	0.00	17.50	14.31	1.00	0.00	0.00	16.71	0.00	0.00
14	0.00	1.00	0.00	1.00	17.58	14.31	1.00	0.00	0.00	16.83	0.00	0.00
15	0.00	1.00	0.00	0.00	17.55	14.31	1.00	0.00	0.00	16.97	0.00	1.00
16	0.00	1.00	0.00	0.00	17.69	14.31	1.00	0.00	0.00	16.71	0.00	0.00
17	0.00	1.00	0.00	0.00	17.64	14.31	1.00	0.00	0.00	16.83	0.00	1.00
18	0.00	1.00	0.00	0.00	16.52	14.31	1.00	0.00	0.00	16.71	0.00	0.00
19	1.00	0.00	0.00	0.00	18.06	14.31	1.00	0.00	0.00	16.83	0.00	0.00
20	0.00	1.00	0.00	0.00	17.91	14.31	1.00	0.00	0.00	17.12	0.00	1.00
21	1.00	0.00	0.00	0.00	17.22	14.31	1.00	0.00	0.00	17.12	0.00	0.00
22	0.00	1.00	0.00	0.00	17.50	14.31	1.00	0.00	0.00	16.71	0.00	0.00
23	0.00	1.00	0.00	0.00	16.81	14.31	1.00	0.00	0.00	16.97	0.00	0.00
24	0.00	1.00	0.00	0.00	18.13	14.31	1.00	0.00	0.00	16.83	0.00	0.00
25	0.00	1.00	0.00	1.00	16.81	14.31	1.00	0.00	0.00	17.12	0.00	0.00
26	0.00	1.00	0.00	0.00	16.52	14.31	0.00	0.00	1.00	16.97	0.00	0.00
27	0.00	1.00	0.00	0.00	17.62	14.31	1.00	0.00	0.00	16.71	0.00	0.00
28	1.00	0.00	0.00	0.00	17.03	14.31	1.00	0.00	0.00	16.71	0.00	0.00

29	0.00	1.00	0.00	0.00	17.22	14.31	1.00	0.00	0.00	16.83	0.00	0.00
30	1.00	0.00	0.00	0.00	16.52	14.31	1.00	0.00	0.00	16.97	0.00	0.00
31	1.00	0.00	0.00	0.00	16.81	14.31	1.00	0.00	0.00	16.83	0.00	0.00
32	0.00	1.00	0.00	0.00	16.81	14.31	0.00	1.00	0.00	16.71	0.00	0.00
33	0.00	1.00	0.00	0.00	18.06	14.31	1.00	0.00	0.00	16.83	0.00	0.00
34	1.00	0.00	0.00	0.00	17.73	14.31	1.00	0.00	0.00	16.71	0.00	0.00
35	1.00	0.00	0.00	0.00	16.81	14.31	1.00	0.00	0.00	16.71	0.00	0.00
36	1.00	0.00	0.00	0.00	17.50	14.31	1.00	0.00	0.00	16.83	0.00	0.00
37	1.00	0.00	0.00	0.00	17.22	14.31	1.00	0.00	0.00	17.12	0.00	0.00
38	0.00	1.00	0.00	0.00	17.50	14.31	1.00	0.00	0.00	17.30	0.00	0.00
39	0.00	1.00	0.00	0.00	16.52	14.31	1.00	0.00	0.00	17.12	0.00	0.00
40	0.00	1.00	0.00	0.00	16.52	14.31	1.00	0.00	0.00	16.83	0.00	0.00
41	1.00	0.00	0.00	0.00	17.37	14.31	0.00	1.00	0.00	16.97	0.00	0.00
42	1.00	0.00	0.00	0.00	17.62	14.31	0.00	1.00	0.00	16.71	0.00	0.00
43	0.00	1.00	0.00	1.00	17.62	14.31	1.00	0.00	0.00	16.71	0.00	0.00
44	1.00	0.00	0.00	0.00	17.43	14.31	1.00	0.00	0.00	16.83	0.00	0.00
45	1.00	0.00	0.00	0.00	17.62	14.31	1.00	0.00	0.00	16.97	0.00	0.00
46	1.00	0.00	0.00	0.00	17.50	14.31	1.00	0.00	0.00	17.30	0.00	0.00
47	0.00	1.00	0.00	0.00	16.81	14.31	1.00	0.00	0.00	17.12	0.00	0.00
48	0.00	1.00	0.00	0.00	16.81	14.31	1.00	0.00	0.00	16.71	0.00	0.00
49	0.00	1.00	0.00	0.00	17.37	14.31	0.00	1.00	0.00	16.97	0.00	0.00
50	1.00	0.00	0.00	0.00	17.50	14.31	1.00	0.00	0.00	16.83	0.00	0.00
51	0.00	1.00	0.00	0.00	17.50	14.31	1.00	0.00	0.00	17.12	0.00	0.00
52	0.00	1.00	0.00	0.00	17.91	14.31	1.00	0.00	0.00	16.97	0.00	0.00
53	1.00	0.00	0.00	1.00	17.53	14.31	1.00	0.00	0.00	16.97	0.00	0.00
54	1.00	0.00	0.00	0.00	16.52	14.31	1.00	0.00	0.00	17.12	0.00	0.00
55	1.00	0.00	0.00	1.00	17.22	14.31	1.00	0.00	0.00	16.83	0.00	0.00
56	0.00	1.00	0.00	0.00	16.81	14.31	1.00	0.00	0.00	16.71	0.00	0.00
57	1.00	0.00	0.00	1.00	17.22	14.31	1.00	0.00	0.00	16.71	0.00	0.00
58	0.00	1.00	0.00	1.00	17.50	14.31	1.00	0.00	0.00	16.97	0.00	0.00
59	0.00	1.00	0.00	0.00	17.37	14.31	1.00	0.00	0.00	17.12	0.00	0.00
60	0.00	1.00	0.00	0.00	17.37	14.31	1.00	0.00	0.00	16.97	0.00	0.00
61	1.00	0.00	0.00	0.00	17.91	14.31	1.00	0.00	0.00	16.71	0.00	0.00
62	0.00	1.00	0.00	0.00	17.82	14.31	1.00	0.00	0.00	16.83	0.00	0.00
63	0.00	1.00	0.00	0.00	16.81	14.31	0.00	0.00	1.00	16.83	0.00	0.00

Code No.		Secondary	Degree	Collateral	Incap.	Inpro.	Low 1	Low 2	Low 3	Inrev.	Need	Education
64	0.00	1.00	0.00	0.00	17.03	14.31	1.00	0.00	0.00	17.12	0.00	0.00
65	0.00	1.00	0.00	0.00	16.12	14.31	0.00	0.00	1.00	16.71	0.00	0.00
66	1.00	0.00	0.00	0.00	16.30	14.31	1.00	0.00	0.00	16.83	0.00	0.00
67	0.00	1.00	0.00	0.00	17.62	14.31	1.00	0.00	0.00	16.97	0.00	0.00
68	0.00	1.00	0.00	0.00	17.11	14.31	1.00	0.00	0.00	17.30	0.00	0.00
69	0.00	1.00	0.00	0.00	17.43	14.31	1.00	0.00	0.00	17.12	0.00	0.00
70	0.00	1.00	0.00	0.00	16.81	14.31	0.00	1.00	0.00	16.97	0.00	1.00
71	0.00	1.00	0.00	0.00	17.22	14.31	1.00	0.00	0.00	16.83	0.00	1.00
72	0.00	1.00	0.00	0.00	17.03	14.31	1.00	0.00	0.00	16.71	0.00	0.00
73	1.00	0.00	0.00	0.00	17.22	14.31	1.00	0.00	0.00	16.83	0.00	0.00
74	1.00	0.00	0.00	0.00	16.59	14.31	1.00	0.00	0.00	16.83	0.00	0.00
75	0.00	1.00	0.00	0.00	16.52	14.31	1.00	0.00	0.00	16.97	0.00	0.00
76	0.00	1.00	0.00	0.00	17.75	14.31	1.00	0.00	0.00	16.71	0.00	0.00
77	1.00	0.00	0.00	0.00	17.73	14.31	1.00	0.00	0.00	16.97	0.00	0.00
78	1.00	0.00	0.00	0.00	17.73	14.31	1.00	0.00	0.00	17.12	0.00	0.00
79	0.00	1.00	0.00	1.00	17.91	14.31	0.00	1.00	0.00	16.83	0.00	0.00
80	0.00	1.00	0.00	0.00	17.50	14.31	1.00	0.00	0.00	16.83	0.00	0.00
81	1.00	0.00	0.00	0.00	16.81	14.31	0.00	1.00	0.00	17.30	0.00	0.00
82	1.00	0.00	0.00	1.00	17.22	14.31	0.00	1.00	0.00	17.12	0.00	0.00
83	0.00	1.00	0.00	0.00	17.22	14.31	1.00	0.00	0.00	16.97	0.00	0.00
84	1.00	0.00	0.00	0.00	17.73	14.31	1.00	0.00	0.00	16.71	0.00	0.00
85	0.00	1.00	0.00	1.00	17.55	14.31	1.00	0.00	0.00	16.97	0.00	0.00
86	1.00	0.00	0.00	0.00	17.37	14.31	1.00	0.00	0.00	17.12	0.00	0.00
87	0.00	1.00	0.00	0.00	16.59	14.31	1.00	0.00	0.00	17.12	0.00	0.00
88	1.00	0.00	0.00	1.00	17.62	14.31	1.00	0.00	0.00	17.30	0.00	0.00
89	1.00	0.00	0.00	0.00	17.73	14.31	1.00	0.00	0.00	16.97	0.00	0.00
90	0.00	1.00	0.00	0.00	17.03	14.31	0.00	1.00	0.00	16.97	0.00	1.00
91	0.00	1.00	0.00	0.00	17.11	14.31	0.00	1.00	0.00	16.83	0.00	0.00
92	1.00	0.00	0.00	0.00	17.50	14.31	1.00	0.00	0.00	17.12	0.00	0.00