

Accounting for the Perception of MSMEs in Ondo South Senatorial District on the Sources of Financing Business, Ondo State Nigeria

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Abstract

This study seeks to assess the sources of finance for Micro, Small and Medium Enterprises [MSMEs] in Ondo South Senatorial District of Ondo State. Copies of questionnaire designed were distributed to collect data from the MSMEs owners. Analysis findings revealed that there is no observed change in the old traditional structure of financial sources accredited to informal sector generally and especially the MSMEs. Personal sources/savings was ranked first while money from business and local contribution scheme took the second and third ranks respectively. There was no significant assistance from government/poverty alleviation programmes as this financial option ranked 18th out of 20 options. Summarily the traditional sources of finance for MSMEs still maintained its structure. Ordinal regression model applied to evaluate the relationship between sources of finance [the dependent variable] and the respondents with the business characteristics such as SEX, AGE QUALIFICATION and the SCALE of business [factors or explanatory variables]. Analysis showed that only respondents of less than 29 years significantly affect the sources of finance. Some recommendations have been made as regards changing the traditional structure. These include: 1. More public awareness on the commitments of the government on financial assistance to MSMEs with zero political affiliation influence. 2. Government should reduce interest rates and partnership with micro credit banks. 3. More micro credit banks be established in the state and use the legislative arm to compel them to take MSMEs into priority. 4. Demanding unattainable security from intending or existing MSMEs should reviewed by legislation.

Keywords: *Factors, Ordinal Regression, Traditional Structure*

1. Introduction

Micro, Small and Medium Enterprises (MSMEs) have age long been accredited as the backbone of nearly every economy and therefore very important in the development of the national economy. They are perceived to be key factors in the determination of national growth and development and are therefore considered as an activator in job creation, raw material sources and metamorphosing into big business (Kwaning et al, 2013; Duhieu et al 2013; Migiro & Wallus, 2006). The advantages of MSMEs are not limited to developing

countries alone. They also play important role in industrialized nations thereby increasing per capital income and output (Ogujiuba et al, 2004).

According to Kayannula and Quarthey (2000), MSMEs seem to have advantages over their big size competitors because they are able to adapt easily to the environment especially changes in market conditions Hunter, 2013; Benedy, 2014; Doehla, 2016). On the contrast, MSMEs are not strong enough to withstand market risks because of its small asset scale (Xuhui & Ruoxi, 2013). In Nigeria, MSMEs have unlimited opportunities because according to Afolabi (2013), Nigeria is blessed with vast resources. There is availability of oil & gas, solid minerals and many other resources already conformed to exist on commercial quantities, with enormous electric power resources; a large human population forming very big market and substantial idle capacity nearly in all industrial sectors (CBN, 2000). Despite the array of advantages and positive economic impacts of MSMEs in the country, it is quite puzzling and unfortunate that MSMEs stave finance. The effective financing options for MSMEs had been on the discourse since long, raising growing interest among researchers, policy makers and entrepreneurs (Akingunola, 2011). The MSMEs the world over need assistance especially in the aspect of financing. Almost every country is posing to assist the MSMEs largely because of the crucial role in economic growth and development. This study focus on evaluating some financing options of MSMEs in Ondo South Senatorial District of Ondo State

1.1 Statement of the Problem

MSM Enterprises are mostly a one-man business with limited access to financing new or existing businesses. Several research studies were conducted on MSM enterprises financing and various policy programmes formulated and Agencies created but the productivity of these governmental efforts are not dynamic enough to change the traditional status of MSMEs since independence (Ojo, 2009, Oni et al, 2012, CBN, 2011). Financing, according to Muktar (2009) is a precondition to the growth of enterprises. Such sources were enumerated by Ewunule et al (2011). This study attempts to actually evaluate the active sources of finance among various options in the conduct of a questionnaire on MSM enterprises in Ondo State whether the old traditional sources are still in practice or there has been changes in the old structure as a result of government interventions and policies.

1.2 Objectives of the Study

This study is designed to achieve the following objectives.

1. To assess the major sources of finance of MSMEs in Ondo South Senatorial District of Ondo State.
2. To compare the informal sources with formal sources of finance
3. To evaluate the importance of sources from government assistance/ poverty alleviation programmes
4. To assess whether there are some personal and business characteristics affecting the choice of financing.

1.3 Research Questions

The following research questions were formulated in order to achieve the objectives of the study.

1. What is the ranking order of all the sources of finance from Local, State or Federal Government Assistance/Poverty Alleviation
2. What are the major sources of finance for MSMEs in Ondo South Senatorial District of Ondo State?
3. What percentages of the financing options are formal and are informal?

4. Which of the sources (formal or informal) that are mostly accessible to the MSMES?

1.4 Research Hypothesis

The research hypothesis has been formulated and to be tested at 5 percent significant level.

H₀: The age, gender, qualification of Micro owners and the size of enterprise will have no side effect on the sources of finance options.

1. Review of Related Literature

2.1 Introduction

The definition of MSMEs may cause little difficulty when it is cross country. Definitions are different from one country to another and at times depending on the type of economy and political policies. Every country has to conceptualize what MSMEs should be. In a developed economy, what the developing economy may classify as medium SME may only be marginally micro enterprise in countries like USA for instance.

The situation is made complex when criteria are evaluated, because classification may be subjective (Carpenter, 2003). Such criteria may include number of employees, financial strength, sales value, relative size, initial capital. Outlay and type of industry. These criteria vary among countries but some of these criteria are common. The prominent indicators in most definitions are size of capital investment (fixed assets), value of annual turnover and number of paid employees, irrespective of countries. In countries such as USA, Britain and Canada, MSMEs is defined in terms of annual turnover and number of paid employees (Osoimehin et al 2012).

A collaboration between Small and Medium Enterprises Development Agency (SMEDAN) and National Bureau of Statistics (NBS), (SMEDAN and NBS, 2013) define MSMEs as in Table 1 below.

Table 1: Criteria for Defining MSMEs

S/N	SIZE CATEGORY	NUMBER OF EMPLOYED	ASSETS (₦ MILLION)
1.	Micro	Less than 10	Less than 5
2.	Small	10 – 49	5 – less than 50
3.	Medium	50 – 199	50 to less than 500

Source: SMEDAN and NBS survey (2013).

The total assets excludes land and building and if there exist a conflict on classification between employment and asset criteria, the classification shall be resolved on favour of employment criteria (SMEDAN and NBS, 2013).

This study tends to adopt the definition with modifications of the criteria between micro and small enterprise to accommodate local variations.

2.2 Financing Sources

The financing of MSMEs is usually provided by the owner with some informal traditional sources which had been in practice. Most of the MSMEs owners fail to realize the importance of external sources of capital in order to affect expansion of the business. Relatives, family members and friends also provide financial assistance (Osoimehin et al, 2012).

Even when the owner is aware of the importance of external sources of capital, MSMEs experience difficulty in raising equity capital from the finance houses because of the stringent conditions required to be satisfied since no lender would be irrational to lose its valuable monetary assets. This made about 80% of the MSME in Nigeria to be stifled as a result of poor financing and other problems associated with it (Chukwuemeka, 2006, Isksson, 2001).

An assessment of the financial requirements from finance houses in terms of rate of interest, period of payback which is usually short, and the burdensome processes, large proportion of Nigerian MSMEs rely more on self-financing in terms of retained earnings and from local cooperatives and thrift societies. There is therefore a financial gap for MSMEs starting or wishing to expand.

The financing options used for this study were those validated through empirical studies both within and outside Nigeria. These include personal sources, formal sources and informal sources. MSMEs sources of financing business include personal money (cash and from family (Cookson, 2015).traditional banks, SME banks, friends & families and relatives (Khan, 2015), in addition is esusu/daily contribution, money lenders, cooperatives (Olajide et al, 2014)

Micro bank loans factoring, grants, guarantees (Amati, 2010). The various compiled sources of finance for MSMEs are in Table 2 below

Table 2: SMEs Sources of Financing Business

S/N	SOURCES OF FINANCE
1.	Personal private savings
2.	Assistance from Parents/Relatives
3.	Money from Inheritance
4.	Money from profit in the Business
5.	Micro Credit Bank Scheme
6.	Loan from Banks
7.	Overdraft from Banks
8.	Incorporated Cooperative Societies (CMS)
9.	Government/Poverty Alleviation Programme
10.	Local Contribution Scheme
11.	Private Money Lender
12.	Loan from local cooperative societies
13.	Age grade contribution
14.	Assistance from friends
15.	Assistance from well wishers
16.	Assistance from clubs
17.	Winning lottery/pools betting
18.	Non-governmental organizations
19.	Assistance from Religious Groups
20.	Others (pls specify)

2. Research Methodology

3.1 Research Design

The research design for this study is the survey design by use of questionnaire. The responses to each of the sources were analysed using descriptive statistics to rank the sources. Further is the test of relationship between financial sources and some factors. The dependent variable is the sources of finance and the factors (explanatory variables) are sex, age, level of education of respondents and the type of business (micro, small or medium) of the MSMEs.

3.2 Population of the Study

The population of the study includes, all active micro, small and medium enterprises in Ondo South Senatorial District of Ondo State.

3.3 Sample and Sampling Techniques

The sample for the study was 320 MSMEs quasi-randomly selected from four local governments applying purposive selection of the local government in Ondo South senatorial district of Ondo State. The pattern of sample composition is as presented in Table 3. Sampling techniques involves research assistants visiting the MSMEs owners directly in their place of business. Despite the efforts to sample randomly, this was limited by some MSMEs owner that did not accommodate the, research assistants in treating the questionnaires. Only, those that were disposed to accommodate the research assistants were in the 320 sample.

Table 3: Pattern of Sample Composition

Local Governments	Towns Selected	No of Questionnaire Collected
Igbokoda	Igbokoda and environs	80
Irele	Irele town	30
Odigbo	Odigbo, Ore and environs	90
Okitipupa	Okitipupa, Ilutitun and environs	120
	Total	320

3.4 Instruments

A structured questionnaire was designed to collect data from MSMEs owners in Ondo South Senatorial District. The questionnaire was divided into two sections A and B. Section A was on socio demographic variables of the respondents (e.g. sex, age and educational qualification) and the enterprise characteristics) e.g. whether micro, small or medium). Section B sets out about 20 options for sources of finance presented in ordinal Likert rating scale of major sources (3), minor sources (2) and not a source (1). The sources of finance options were from literatures and other researches (Amati, 2010; Olajide et al, 2014; Cookson, 2015; Khan, 2015).

3.5 Administration of Questionnaire

The questionnaires were administered by the help of research assistances that had been given adequate knowledge of the research study and the objective(s) of the research questionnaires. About 400 questionnaires were distributed and the research assistance was able to collect 320 usable questionnaires.

Research assistants would help a respondent to tick option of choice where such respondents could not due to level of education or where respondents would just prefer to give answers to questions asked by the research assistants. The advantage of this assistance is that there is reduction in the waste of questionnaire and in those not returned.

3.6 Model Description

A descriptive analysis of the responses were presented in form of the calculation of mean (μ) responses and ranking of the sources according to the mean responses. Also, the use of Ordinal Regression evaluated the relationship between the sources of finance, which is an ordinal dependent variable, and the predictors such as sex, age, educational qualification of respondents and the scale/size of enterprise. Which are all ordinal predictors (factors). Where such condition exists, the use of ordinary linear Regression would not be appropriate.

3.7 Model Specification

The Ordinal Regression Econometric Model is a subset of the generalized linear models. .

The basic form of a generalized linear model is shown in the following equation.

$$\text{Link}(y_{ij}) = \theta_j - [\beta_1 x_{i1} + \beta_2 x_{i2} + \dots + \beta_p x_{ip}]$$

where

- Link () is the link function
- g_{ij} is the cumulative probability of the j^{th} category for the i^{th} case
- q_j is the threshold for the j^{th} category
- p is the number of regression coefficients
- $x_{i1} \dots x_{ip}$ are the values of the predictors for the i^{th} case
- $b_1 \dots b_p$ are regression coefficients

2.8 Link function:

The link function is a transformation of the cumulative probabilities that allows estimation of the model. Five link functions are available, summarized in the following table.

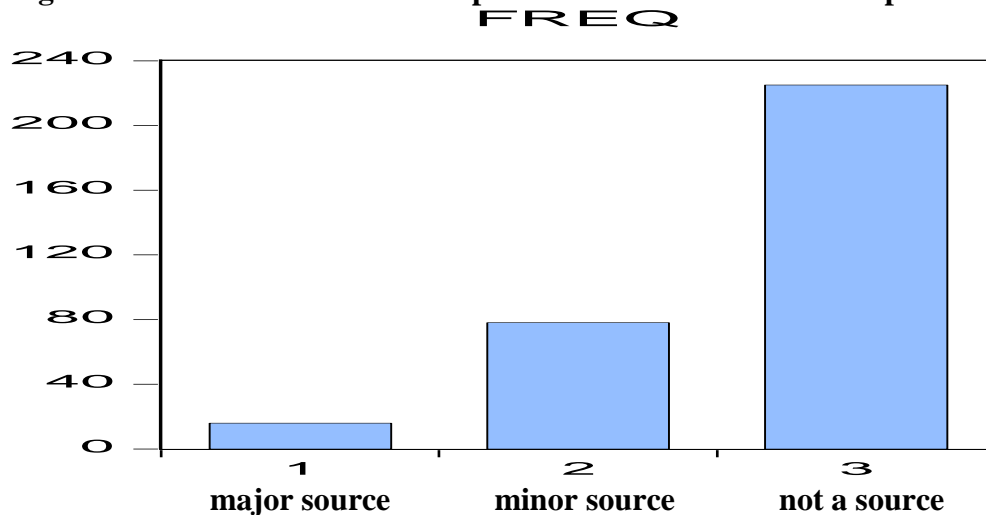
Table 4: The Link Functions

Function	Form	Typical application
Logit	$\text{Log}(x/(1-x))$	Evenly distributed categories
Complementary log-log	$\text{Log}(-\text{log}(1-x))$	Higher categories more probable
Negative log-log	$-\text{log}(-\text{log}(x))$	Lower categories more probable
Probit	$F^1(x)$	Latent variable is normally distributed
Cauchit (Inverse Cauchy)	$\text{Tan}(\pi (x-0.5))$	Latent variable has many extreme values

Source: IBM SPSS (2012)

The complementary log-log was used for this study because of the nature of the bar graph exhibited in figure 1 below. Higher categories are more probable especially in “minor source” (2) and “not a source”(3),and hence the use of complementary log-log.

Figure 1: The Bar Chart of the dependent variable. Ordinal Responses



3. Results and Discussion.

The estimation from the descriptive and ordinal regression of the models are presented in Tables A -1 to A-2 and Table A-3- to A-5 respectively, under the Appendix. Table A-1 shows the analysis of the sources finance with 20 options and ranked accordingly using mean responses. The sources can be classified into two groups: formal (5 -9) and informal, (1-4) and (10 – 19). Another level of classification is on nature of sources such as personal (1 -4), accredited sources (5 -8), governmental source (9), traditional source (10 – 12) and sundries (14 – 19). The deposit banks and micro credit banks ranked 12th and 16th

respectively. Government assistance/poverty alleviation programmes ranked 18th. Table A-2 shows the 1st to 6th ranking of the sources. Personal savings ranked 1st up to loan from local cooperative societies which ranked 6th.

The implication of the poor sources such as deposit banks, micro credit banks and government assistance/poverty alleviation are: problem of accessibility as a result of:

1. Unattainable security from MSMES are demanded by deposit banks.
2. Micro credit finance banks do not put MSMEs into priority in their assistance.
3. Inadequate microfinance banks in the state to cater for MSMEs.

Table A- 3 to A -5 show the result of the ordinal regression. Table A – 4a to Table A-4c explain the first- criteria inference. Table A-5 shows that only AGES 0 to less than 29 years is significant to explain the changes on the dependent variable. In other words it is significantly in affecting the behaviours of the MSMEs in the sources of finance options. That is Sex, ages 29-40, and greater than 40, qualification and size of MSMEs do not significantly affect financing options.

In fact qualification (Qual 1) and Qual. 2) with scale of business (SCAL 2) have negative relationship with the sources of MSMEs finance in Table A-5. Apart from QUAL 1 (no formal education), no other QUAL level is expected to be negatively related to SFIN (sources of finance). The same applies to SCAL 2 (small enterprises). Micro enterprises (SCAL 1) would have been expected to be negatively related.

The research questions and the hypothesis have taken the approach of tabular analysis. Table A-1, Table A-2a, Table A-2, Table A-2c are for research questions 1 to 4. Tables A-3 to A-5 are for the research hypothesis. Specifically, Table A-5 was the result of the ordinal regression.

4. Conclusion

From the literatures reviewed and the ordinal regression analysis and by considering financial sources of small and medium enterprises' performance, it shows that each of the available sources of the finance is germane to small and medium enterprises performance. Again, it shows that owners' age is the only factor that significantly affected financial sources at 5% level. Good implementation of government policies will contribute in no small measure to improve the performance of the businesses. Government assistance / poverty alleviation programmes either at Local, State or Federal level was ranked 18th. Another issue is the ability to prepare feasibility study of their businesses as it is a very important means of accessing financial source especially in the contemporary financial institutions lending regulations. This is exhibited in the poor accessing of formal financial sources.. Hence, it becomes imperative that where business' owners are seeking to enjoy easy access to source of finance especially from formal institutions, they must be ready to present convincing feasibility study of their business

5.1 Policy recommendation

Based on the study results, the researchers would like to make the following recommendations in transform MSMES from personal and traditional sources to the deposit bank/micro credit finance banks and government assistance.

1. More public awareness on the commitments of the government on financial assistance to MSMEs with zero political affiliation influence.
2. Government should reduce interest rates and partnership with micro credit banks.
3. More micro credit banks be established in the state and use the legislative arm to compel them to take MSMEs into priority.

4. Demanding unattainable security from intending or existing MSMEs should reviewed by legislation.

The above recommendations were made taking into consideration the importance of MSMEs and its contribution to economic growth in Nigeria.

The study clearly indicates that there is a need for whosoever that wants to establish MSMEs to be purposeful, including the youths. Youths are presumed to be forced to business only because of unemployment. The regression result had proved the opposite. The youths had showed their agility and tirelessness in facing the current unemployment situation demonstrated by the age range of 0 to less than 29. This is because age bracket of less than 29 years is the only factor that has significantly affected (and explained) the behavior of respondents on the sources of finance. Another implication is that these business owners should be able to prepare simple feasibility study which is of key interest to formal financial sources as the formal sources of finance was poorly utilized.. Therefore, for any of the business's owner to enjoy financial sources, he/she must be able to present convincing feasibility study of his/her business. On the other hand, government should be sincere to enact policies that will compel formal financial sources to be flexible in their interest rates and other criteria for accessing financial facilities in financial institutions. This will guarantee more job opportunities; reduce all those evil social vices that are currently predominant in the society, breed social, economic and political harmony resulting in improve standard of living.

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Appendix

Research Question One: What is the ranking order of the Sources of Finance option?. Table A-1 shows the ranking order.

Table A-1: Analysis of Test Items-Sources of Finance

S/ N	SOURCES OF FINANCE	MAJOR SOURCE S	MINOR SOURCE S	NOT REALL Y	ΣF	ΣF X	μ (ΣF X / ΣF)	RAN K
	X =	3	2	1				
1	Personal/Private Savings	276	33	11	320	905	2.83	1
2	Assistance from Parents/Relatives	90	126	104	320	626	1.96	4
3	Money from Inheritance	27	52	241	320	426	1.33	15
4	Money from Business Profit	11	116	37	320	770	2.41	2
5	Micro Credit Bank Scheme	32	59	229	320	423	1.32	16
6	Loan from Banks	32	61	227	320	445	1.39	12
7	Overdraft from Banks	11	42	267	320	365	1.14	19
8	Incorporated Cooperative Societies (CMS)	18	54	248	320	410	1.28	17
9	Government/Poverty Alleviation Programme	14	45	261	320	393	1.23	18
10	Local Contribution Scheme	98	121	101	320	637	1.99	3
11	Private Money Lender	70	111	139	320	571	1.78	5
12	Loan from local Cooperative Societies	41	96	183	320	498	1.56	6
13	Age grade Contribution	31	75	214	320	457	1.43	11
14	Assistance from Friends	28	102	190	320	478	1.49	10
15	Assistance from Well Wishers	14	132	174	320	480	1.50	8
16	Assistance from	28	91	201	320	467	1.46	9

	Clubs							
17	Winning lottery/Pools Betting	31	47	242	320	429	1.34	13
18	Non-Governmental Organisations	42	79	199	320	483	1.51	7
19	Assistance from Religious Groups	21	66	233	320	428	1.34	14
20	Others (pls Specify)	-	-	-	-	-	-	20
	SUMMARY STATISTICS-TOTAL FX =	1071	1508	3501	6080			
	Σ FX =	3213	3016	3501		9730	1.60	5/6

Research Question Two: What are the major sources of Finance for MSMEs in Ondo South senatorial District?. Table A-2 Shows the Major Sources of Finance

Table A-2a: Listing the First Six Major Sources of Finance

S/N	SOURCES OF FINNANCE	RANKING
1	Personal/Private Savings	1st
2	Money from Business Profit	2 nd
3	Local Contribution Scheme	3 rd
4	Assistance from Parents/Relatives	4 th
5	Private Money Lender	5 th
6	Loan from local Cooperative Societies	6th

Research Question Three: What are the percentages of the financing options are formal and Informal?

Formal and Informal Sources Compared.

Table A-2b Formal Sources Grand Mean

5	Micro Credit Bank Scheme	32	59	229	320	423	1.32
6	Loan from Banks	32	61	227	320	445	1.39
7	Overdraft from Banks	11	42	267	320	365	1.14
8	Incorporated Cooperative Societies (CMS)	18	54	248	320	410	1.28
9	Government/ Poverty Alleviation Programme	14	45	261	320	393	1.23
Grand Mean							[6.36/5] 1.272

Informal Sources Grand Mean [S/N 1-4 and S/N 10-19] =
[2.83+1.96+1.33+2.41+1.99+1.78+1.56+1.43+1.49+1.50+1.46+1.34+1.51+1.34]
=23.93/14 = 1.709

Average mean for all sources – 1.600

Percentage of Formal Sources [1.272/1.600] = 80 percent

Percentage of Informal sources [1.709/1.600] = 107 percent

The whole informal sources outperformed the formal sources

Research Question Four: What is/are the ranking position of the source(s) in form of assistance from Local, State or Federal Government/Poverty Alleviation Programs?

Table A-2c From TableA-1 the item S/N 9 was ranked 18th out of 19 sources.

9	Government/ Poverty Alleviation Programme	14	45	261	320	393	1.23	18
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Research Hypothesis: The Sex, Age, Qualification of respondents and Size of Enterprise will have no significant effects on the respondents' sources of financing options. The analysis is presented in Tables A-3 to A-5.

Table A-3 Case Processing Summary

The Variables	N	Marginal Percentage	
Sources(SFI N)	1=major source	16	5.0%
	2=minor source	78	24.4%
	3=Not a source	225	70.6%
Gender(GE D)	1=male	171	53.4%
	2=female	149	46.6%
Ages(AGE S)	1=< 29	63	19.7%
	2=29-40	190	59.4%
	3=> 40	67	20.9%
Qualificati on(QUAL)	1=no formal educ	5	1.6%
	2=pry educ	50	15.6%
	3=sec educ	120	37.5%
	4=nd/nce	79	24.7%
	5=hnd/degree	66	20.6%
Scale(SCA L)	1=micro	142	44.4%
	2=small	152	47.5%
	3=medium	26	8.1%
Valid	320	100.0%	
Missing	0		
Total	320		

Table A-3 shows the ordered (categorical) values of the dependent variable and the predictors, with the levels percentages.

Table A-4a Model Fitting Information

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	212.664			
Final	200.446	12.217	9	.201

Link function: Complementary Log-log.

The chi-square statistics is the difference between the -2 log-loglikelihood of the null and the Final models. A significance of less than 0.05 implies that the final model is outperforming the null.

Table A-4b Goodness-of-Fit

	Chi-Square	Df	Sig.
Pearson	103.567	115	.769
Deviance	110.323	115	.606

Link function: Complementary Log-log.

The goodness of fit is a test to show whether the model adequately fits the data especially when the significance of the effects are greater than 0.10. Here, the significance is greater than 0.10 and implies that the model does not adequately fit the data even though ordinal regression may not fit exactly with linear regression.

Table A-4c Pseudo R-Square

Cox and Snell	.038
Nagelkerke	.049
McFadden	.026

Link function: Complementary Log-log.

This table shows the Pseudo R^2 in lieu of the R^2 and AR^2 in normal OLS regression model. All the three Pseudo R-Square are low.

Table A-5 Parameter Estimates Coefficients)

Coefficients Threshold = Constants Location = Factor (or explanatory/independent variables.		Estimate	Std. Error	Wald	Df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	[SFIN = 1.00]	.363	.268	1.837	1	.175	-.162	.889
	[SFIN = 2.00]	1.297	.274	22.342	1	.000	.759	1.835
Location	male[GEND=1.00]	.178	.130	1.881	1	.170	-.077	.434
	female[GEND=2.00]	0 ^a	.	.	0	.	.	.
	<29[AGES=1.00]	.439	.203	4.669	1	.031	.041	.837
	29-40[AGES=2.00]	.057	.166	.117	1	.733	-.268	.381
	>40[AGES=3.00]	0 ^a	.	.	0	.	.	.
	No formal educ[QUAL=1.00]	-.346	.540	.410	1	.522	-1.404	.713
	pry[QUAL=2.00]	.008	.219	.001	1	.971	-.422	.437
	sec[QUAL=3.00]	-.186	.181	1.056	1	.304	-.540	.169
	Nd/nce[QUAL=4.00]	.019	.192	.010	1	.921	-.356	.395
	Hnd/degree[QUAL=5.00]	0 ^a	.	.	0	.	.	.
	micro[SCAL=1.00]	.014	.247	.003	1	.955	-.471	.499
small[SCAL=2.00]	-.002	.244	.000	1	.995	-.480	.477	
medium[SCAL=3.00]	0 ^a	.	.	0	.	.	.	

Link function: Complementary Log-log.

- a. This parameter is set to zero because it is redundant.
- b. There are some adjustments in Table A-5 for easy referencing.
- c. Only Age “less than 29” is significant .at 5 percent. That is, there is 95 percent confidence that the age less than 29 years had been able to explain changes in the sources of finance.
- d. There are violations of the “a priori” expectation in negative coefficients of QUAL = 3 (-.186) and SCAL = 2 (-.002). The coefficients of these factors are not normally expected to be negative.