

The Effects of Accounting Practices on Small and Medium Enterprises in Port Loko City Northern West Part of Sierra Leone

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Abstract- This paper attempts to examine the effects of accounting practices on Small and Medium Enterprise. This study was a descriptive in nature as it targeted all Small and Medium Enterprises in Port Loko Town. A structured questionnaire was administered to one hundred and fifty (150) Small and Medium Enterprise owners and managers out of which one hundred (100) questionnaires was valid and analysed using Statistical Package of Social Science. The findings of the study shows that Small Medium Enterprise in Port Loko township do not maintain accounting records for their business transactions, and these Small and Medium Enterprises in the study context agreed to the fact that the utilization of accounting practices has been faced with some challenges in their attempt to embraced them in the daily business operations.

The study concludes that to a moderate extent, majority of the Small and Medium Enterprises do not utilized accounting practices to influence their performance. The study also discovered that most of the Small and Medium Enterprises are constrained from utilizing these practices mostly because of lack of training in accounting and the too much bureaucracy involved in utilization of these practices. The study recommended that Managers and owners of Small and Medium Enterprises should undertake basic training in record keeping and financial reporting or outsource support staff that are knowledgeable in these areas of accounting.

Index Terms- Accounting practice, Small and medium Enterprise, Financial reporting, financial statement, bank account purchase day book.

I. INTRODUCTION

Definition of Accounting

The American Institute of Certified Public Accountant (AICPS) defines accounting as “the art of recording, classifying and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of financial character and interpreting the result thereof. The American Accounting Association (AAA) defines accounting as “the process of identifying, measuring and communicating economic information to permit informed judgements and decisions by users of the information.

Small and Medium Enterprises are regarded as the bedrock for industrialization. They play very important roles in the process of industrialization as well as its sustainability in every economy. The contributions of Small and Medium Enterprises to the economic development of most developing nations are overwhelming. Small and Medium Enterprises help in providing employment for a country working population, contribute to the government revenue generation through the payment of income tax of these employees, providing income in terms of their profit they made, dividend and wages to household as the case may be. According to Amoako G.K (2013) contend, improving in Small and Medium Enterprises will also contribute to expanding the size of the directly productive sector in the economy, generating tax revenue for the government and facilitating poverty reduction through fiscal transfer and income from employment and firm ownership. Most Small and Medium Enterprises are not registered as corporate bodies but as a sole proprietorship in which the registration procedures are not rigid as compared to other forms of business organisations. Due to this advantage, Small and Medium Enterprises are the largest form of business organisation as they are found in almost everywhere in the country and the world at large. Despite their numbers and its important across the country, studies shows that 60% of the Small and Medium Enterprises fail at the initial stage of five years of operations of the business (Amoako G.K 2013).

The importance of keeping proper accounting practices is to promote the growth of small business as has been acknowledge in prior studies on small businesses growth and development (Abor&Biekpe, 2006). Other studies have also identified that the lack of keeping proper accounts is one of the most important constraint to growth in the Small and Medium Enterprises sector (Aryeetay et al, 1994, steel and Webster, 1992 and Sowa, Baah-Nuakoh, Tutu and Osei 1992). Marfo-Yiadom. &Kweku (2006) identified the lack of demand, shortage of working capital and poor accountability as the main reasons for small business closure in Africa.

Financial reporting is very critical to ensuring the survival and growth of every business unit. The keeping of proper records and writing of financial statement have great benefits for Small and Medium Enterprises. They serve as an important management tool for every business them provide an accurate reflection of financial performance of the business. They also serve as a means to monitor performance and measure the accuracy of income and expenditure (Adjei, H, Anokye, and O.A.C 2014). Accounting

practices involve the keeping of accounting records through documentations of all transactions of business entity including its assets, liabilities and capital. Despite the fact that the practices of preparing financial reports is of the importance as it is the life – wire of every business. Unfortunately this practice is kept under the carpet by Small and Medium Enterprises owners and those that are practice if any, are grossly adequate to show the financial performance of these Small and Medium Enterprises.

II. ACCOUNTING PRACTICES

Accounting forms an important part of management process in any organisation as it provides essential information to the business in its initial stage of planning, controlling and decision making process (Mahfar and Omar, 2004). Accounting practices comprises the procedures necessary to record transactions, assets and liabilities of the business in the books of accounts from which we can get reliable basis for the preparation of the financial statement. Padachi, (2012) also observed that proper system of accounting indicates how well the business is preparing and what decision are necessary to be made in order to keep the business in the market and emphasize the need for business to maintain proper books of account.

Accounting Practice is the routine manner in which the day to day financial activities of a business entity are collected and recorded. A Small and Medium Enterprise accounting practices refers to the method by which it's accounting policies and implemented and adhered to on routine basis, typically by an accountant. Its exist as the daily recording of financial data that is important to the evaluation and monitory of Small and Medium Enterprises economic activities. Therefore, accounting practices refers to the normal, practical application of accounting policies that occurs within a business entity.

The success or failure of any small and medium enterprise depend on keeping accurate and timely accounting information to give a clear business image (Zotorvie J.S. 2017). However, previous research reported that most small and medium enterprise did not keep accounting records. For examples, a study by Agir Augustine P (2017) established that most small and medium enterprise do not keep proper accounting records due to lack of knowledge in accounting and the cost of engaging professional accountant. Consequently, the use of accounting information to support measurement of financial performance by small and medium Enterprise was ineffective.

Impact of not keeping accounting records for small and medium Enterprises

There is a significant negative impact of not having accounting practices or having poor accounting practices on the growth and sustainability of Small and Medium Enterprises. Good accounting information is very necessary in order to take efficient business and strategic decision .According to the European Federation of Accountants, business decisions need to be supported by good quality financial information which need to be very important, user friendly and in timely manner. Majority of small and medium enterprise owners or managers do normally operate their business activities without any accounting or financial judgment, take many important investment and credit decision without any accounting and financial analysis. Due to the

lack of proper accounting system, different stakeholders involved with the Small and Medium Enterprises face a lot of difficulties. Sometimes owners or managers of the Small and Medium Enterprises fail to understand about the actual financial status of their own business. According to Chakraborty A. (2015), accounting system provide a source of information to owners and managers of Small and Medium Enterprises operating in any industry for use in the measurement of financial performance. They often have very poor liquidity management, credit management, and internal recording system, asset management as they do not prepare financial statements and do not have any analysis. In many cases they are found to rely on single entry, manual and unsystematic accounting practices. All these things make the many Small and Medium Enterprises unable to sustain in the competitive and sophisticated business arena and face a threat to ensure growth and sustainability. According to Isaac Boame et.al, (2014), he stated that, poor accounting is one of the top ten reasons why small and medium enterprises fail. He further argues that you cannot be in control of a business if you do not know what is coming and going out of the business. Therefore, with no records of accounting for these business transactions, the business is operating blindly.

III. RESEARCH METHODOLOGY

3.0. Introduction

The purpose of this chapter is to explain in details the research methods and methodology implemented for this paper. It will explain first of all the choice of research approach, research design as well as the advantages and disadvantages of this research tools chosen. This will followed by a discussion on their ability to produce valid results, meeting the aims and objectives set by this paper. The chapter goes on to discuss the sample size and sampling strategies applied by the author, and the data analysis methods which have been used.

3.1. Purpose of the Research.

The purpose of this paper can be exploratory, descriptive and explanatory or policy oriented as any research study will change and develop overtime one can identify more than one purposes. These four types of research are discussed below. In these respect, this paper is emphasizing on all the purposes.

3.2. Research Design

The study was designed as a descriptive case study. The researcher preferred the method because of its ability to describe a situation as it minimum bias in the collection of data. This descriptive design involves large number of persons and describes population characteristics by the selection of unbiased sample. It involves using questionnaires and sometimes interview test, and generalizing the results of the sample to the population from which it was drawn. Descriptive design is the most frequently used method of collecting information about people aptitude; onions and habit on social issues and such studies usually do not involve hypothesis testing. The study was not concern with testing of hypothesis.

3.3. Population.

The population for this paper is the entire group of individuals, events or objects with some observable characteristics. The study population included managers and owners of Small and medium Enterprises in the Port Loko city North West Region of Sierra Leone.

3.4. Sampling Frame

A sampling frame is a list, directory or index of cases from which a sample can be selected. The sampling frame for this study was a directory of the Port Loko city council which include list of all Small and Medium Enterprises operating in Port Loko.

3.5. Sampling Techniques

A sample is part of the target (accessible) population that has been procedurally selected to represent it. The area of the study was port Loko city was selected. The targeted population composes of owners and managers of various Small and Medium Enterprises who were selected using random sampling techniques for categorization. The respondents were selected using random sampling techniques.

3.6. Sample size

Sample size is an important feature of an empirical study in which the goal is to make inferences about the population. To obtain the sample size, the researcher selected (8) Small businesses and (2) large businesses. Total number of (100) respondents were selected from each sector (10 respondents per sector).

3.7. Research Instrument

The main research instruments for this study were questionnaires for all owners and managers of the above mention sectors. The questionnaires were open and close ended to ease analysis of the data. It consisted of questions gearing towards sounding their opinions about the effects of accounting practices on Small and Medium Enterprise. All questions were with options and it was left to the respondents to only select with the appropriate one for him or her. The reason for the selection of a questionnaire is based on the size of the population, easy to administer and consume less time. An interview schedule was prepared for key managers of these sectors to rate the role of accounting practices by Small and Medium Enterprises and to determine whether responses from other respondents were correct or biased. A series of visitations were made at the premises of Small and Medium Enterprises to observe the practices of accounting procedures between the owners or managers of Small and Medium Enterprises and the customers whether it meets the accounting standards for reporting.

3.8. Data Collection Procedures

The source of data was primary as this study was original study. As indicated early a close and open ended questionnaire for managers and owners of Small and Medium Enterprises was used as the main instruments to collect data. Series of visitations were made to observe these sectors. Accounting practices. The appropriate time for administration of the questionnaire was negotiated between the researcher and the respondents. The questionnaire administration was facilitated by the researcher who also assisted in the collection process. The whole exercise was done for a period of six months and some of the respondents were too busy due to the business operations.

3.9. Data Processing and Analysis

Data collected was analysing quantitatively using statistical package of Social Science. Before starting the analysis process, the researcher processes the data by editing, categorizing and coding it appropriately. After processing, the research then feed the data into the computer via statistical package of Social Science program

IV. ANALYSIS AND RESULT

4.1. Introduction

In other to achieve the aim of this study, the researcher administered structured questionnaires as the main data collection method. The questionnaire provided reach information derived from descriptions and explanations of events that occurred within a specific subject's environment.

4.2. RESPONSE RATE

The data collected for this study was from owners and managers of small and medium Enterprises who interact more with customers on a daily basis as highlighted under the methodology. A total of 100 questionnaires were completed as useful for analysis out of 150 questionnaires that were administered. This represented a response rate of 66.67% and a non-response rate of 33.23% as shown in table 4.1. The non-response rate was attributed to refusal to respond by respondents because of their busy schedules at work. On the other hand, there was also refusal to respond as the participant were not cooperative in filling in the questionnaires at the expected time regardless of being given ample time to complete the questionnaires.

Table 4.1. Response Rate

	Frequency	Percent (%)
Responded	100	66.67
Did not respond	50	33.33
Total	150	100

Table 4.2 Gender of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	30	30.0	30.0	30.0
Female	70	70.0	70.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

The table above reveals that 30% of the respondents contacted for this study were males and 70% were females. Meaning majority of Small and Medium Enterprise in port Loko City were females.

Table 4.3 Age Distribution of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
20-30 years	10	10.0	10.0	10.0
30-40 years	51	51.0	51.0	61.0
40-50 years	24	24.0	24.0	85.0
50-60 years	15	15.0	15.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

The table above reveals that 10% of the respondents contacted for this study were within the age bracket of 20-30 years, 51% were within 30-40 years, 24% were within 40-50 years and 15% were within 50-60 years. Meaning majority of the Small and Medium Enterprises owners or managers are over 30 years.

Table 4.4 Educational Background of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Illiterate	5	5.0	5.0	5.0
Primary	25	25.0	25.0	30.0
Secondary	60	60.0	60.0	90.0
Tertiary	10	10.0	10.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

The table above shows that 5% of the respondents contacted was illiterate business people, 25% do acquire primary education, 60% do have Secondary education, and 10% do have Tertiary education. The data clearly shows that majority of the respondents contacted were able to read and write and positively responded to the questionnaires.

Table 4.5 Marital Status of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Single	20	20.0	20.0	20.0
Married	60	60.0	60.0	80.0
Widow	15	15.0	15.0	95.0
Divorcee	5	5.0	5.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

From the table above, 20% of the respondents contacted were single, 60% of the respondents contacted were married business people, 15% were widow and 5% were Divorced. The data indicate that marriage is an important social unit within traditional African communities more especially the study area, Port Loko City.

Table 4.6 Occupation of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Employed (self)	80	80.0	80.0	80.0
Employed (Private)	8	8.0	8.0	88.0
Employed (Public)	7	7.0	7.0	95.0
Unemployed	5	5.0	5.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

From the table above, it reveals that 80% of the respondents contacted were self-employed business people, 8% were privately employed, 7% were publicly employed and 5% were unemployed business people. The data shows that majority of the respondents were self-employed business people.

Table 4.7 Length of Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
1-5 Years	10	10.0	10.0	10.0
5-10 Years	5	5.0	5.0	15.0
10-15 Years	40	40.0	40.0	55.0
15-20 Years	15	15.0	15.0	70.0
20 Years and above	30	30.0	30.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

The table above shows the length of experience of the respondents contacted in this study. 10% of the respondents were in the experience bracket 1-5 years, 5% were in the bracket 5-10 years, 40% were in the bracket 10-15 years, 15% were in the bracket 15-20 years, and 30% were in the bracket 20 years and above. The data indicate that a large portion of experience of doing business fall in the bracket 10-15 years and the least is 5-10 years.

Table 4.8 Appropriate yearly profit

	Frequency	Percent	Valid Percent	Cumulative Percent
Below Le. 5,000,000	20	20.0	20.0	20.0
Le. 5,000,000- Le. 10,000,000	60	60.0	60.0	80.0
Le. 10,000,000- Le. 15,000,000	10	10.0	10.0	90.0
Le. 15,000,000 - Le. 20,000,000	10	10.0	10.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

The table above reveals that 20% of the respondents contacted do generate approximate below Le. 5,000,000 yearly profits, 60% falls in the bracket Le. 5,000,000 – Le. 10,000,000, 10% in the bracket Le. 10,000,000 – Le. 15,000,000 and 10% in the profit bracket le. 15,000,000 – le. 20,000,000. The data shows that the proximate yearly profit generated by these Small and Medium Enterprise is very small.

Ownership of SME

	Frequency	Percent	Valid Percent	Cumulative Percent
Sole Proprietorship	90	90.0	90.0	90.0
Partnership	8	8.0	8.0	98.0
Company	2	2.0	2.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

The table above shows that 90% of the respondents contacted for this survey was sole proprietorship form of business, 8% were partnership form of business and 2% were companies. This means that majority form of business in the small and medium enterprise sector are sole proprietorship form of business organisation.

Table 4.9 Size of Small and Medium Enterprise's

	Frequency	Percent	Valid Percent	Cumulative Percent
Large	2	2.0	2.0	2.0
Small	90	90.0	90.0	92.0
Medium	8	8.0	8.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

The table above shows the size of the business in this sector. From the table above, 2% of the respondents represent large businesses 90% represent medium businesses in this sector and 8% of their businesses are medium in size. This shows that majority of the business operating under this sector in this study area were small.

Table 4.10 Sector of SME's

	Frequency	Percent	Valid Percent	Cumulative Percent
Service	20	20.0	20.0	20.0
Manufacturing	10	10.0	10.0	30.0
Trading	40	40.0	40.0	70.0
Agriculture	25	25.0	25.0	95.0
Others specify	5	5.0	5.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

The table above reveals that 20% of the small and medium enterprise do provide service business, 10% were manufacturers, 40% were trading merchandise, 25% were do their business in Agriculture and 5% represent other businesses in the small and medium Enterprise. The data indicate that most of the business people belong to the merchandise business.

Table 4.11 Source of income

	Frequency	Percent	Valid Percent	Cumulative Percent
personal servings	20	20.0	20.0	20.0
Bank Loan	30	30.0	30.0	50.0
Loan from relatives	5	5.0	5.0	55.0
Rotating savings	10	10.0	10.0	65.0
Micro credit	35	35.0	35.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

The table reveals that 20% of the respondents' contacted do responded that personal savings are their source of income, 30% do represent bank loans as a source of income, 5% represent loan from relatives as a source of income and 10% represent rotating savings as their own sources of income to start the business.

Table 4.12 Do you SME's has an Accountant?

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	10	10.0	10.0	10.0
No	90	90.0	90.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

From the table above, 10% do agreed that small and medium enterprise do keep accounting records and 90% of them responded that small and medium enterprise do not keep accounting records in running their businesses.

Table 4.13 If No from the above why

	Frequency	Percent	Valid Percent	Cumulative Percent
cost involve	40	40.0	40.0	40.0
size of Profit	30	30.0	30.0	70.0
Lack of knowledge about accounting System	20	20.0	20.0	90.0
Lack trust in Accountant	10	10.0	10.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

The table above shows the reasons why small and medium enterprises do not keep accounting records. 40% of the respondents contacted agreed that the cost involved made them not to keep accounting records, 30% of the respondents responded that size of the profit generated is very small and they cannot used it to hire the service of an accountant, 20% of the respondents do agree that they do not have any knowledge about accounting and they cannot keep records and 10% do agreed that they lack trust in the accountant to involve them in their business. The data indicate that because of the cost involve either in employing, taking a part timer or outsourcing the services of accountant to do the recording of business transactions that why they do not keep accounting records.

Table 4.14 Do you need the services of Accountant?.

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	90	90.0	90.0	90.0
No	10	10.0	10.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

The table above shows the responses of the respondents if they need the services of the accountant. 90% of them do agree that they need the services of accountant in running their business and 10% of them do not agreed at all. To them, the services of accountant are not important.

Table 4.15 If yes from the above Why?.

	Frequency	Percent	Valid Percent	Cumulative Percent
To keep daily records of sales	40	40.0	40.0	40.0
To keep daily records of Purchases	30	30.0	30.0	70.0
To keep daily records of expenses	20	20.0	20.0	90.0
To keep daily records of creditors	8	8.0	8.0	98.0
Others specify	2	2.0	2.0	100.0

Total	100	100.0	100.0	
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Source: Field Survey-2020

From the table above, 40% of the respondents contacted for this research do agreed that they need accounting services to keep daily records of sales, 30% infavour of needing accounting service to keep daily records of purchases, 20% says they need accounting service to keep daily records of expenses, 8% agreed that accounting service is needed in their businesses to keep daily creditors and 2% represent others reasons why accounting service is needed in business enterprises.

Table 4.16 Is your SME's challenged with the absence of Accountant?

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	90	90.0	90.0	90.0
No	10	10.0	10.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

From the table above, 90% of the contacted respondents do agree that their small and medium enterprise have challenged with the absence of Accountant and 10% do responded that 10% are infavour of having an accountant.

Table 4.17 If yes from the above in what ways?

	Frequency	Percent	Valid Percent	Cumulative Percent
Unable to keep proper records	40	40.0	40.0	40.0
Unable to calculate accurate profit	30	30.0	30.0	70.0
unable to determine the tax paid to NRA	20	20.0	20.0	90.0
Unable to know the credit worthiness of Customers	8	8.0	8.0	98.0
Others specify	2	2.0	2.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

The table above reveals that 40% represent the challenge of not be able to keep proper records, 30% represent the challenge of not be able to calculate accurate profit, 20% represent the challenge of not being able know the tax they should pay to National Revenue Authority, 8% were challenge with not be able to known credit worthiness of their customers and 2% do represent challenges that are not specify in this research questionnaires

Table 4.18 Which method does your Small and Medium Enterprise's prefer in sourcing the service of an Accountant?

	Frequency	Percent	Valid Percent	Cumulative Percent
Permanent Employment	10	10.0	10.0	10.0
Part Time Employment	60	60.0	60.0	70.0
Out sourcing	30	30.0	30.0	100.0
Total	100	100.0	100.0	

Source: Field Survey-2020

From the table above, 10% represent respondents who need the services of a permanent employment of an accountant, 60% of the respondents contacted agreed with the view that they need a part timer contract to seek the services of an accountant and 30% do response that they need the service of an accounting by outsourcing him or her.

Table 4.19. Did you receive training from Micro credit Institutions?

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	10	10.0	10.0	10.0
No	90	90.0	90.0	100.0

Total	100	100.0	100.0	
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Source: Field Survey-2020

From the table above, it reveals that 90% of the respondents contacted for this study accepted that they did not receive any of training of records keeping for their business transactions and 10% de agree that they receive training from their Micro credit institution on how to keep daily records of business transactions. Meaning if majority of the small and medium Enterprises do not keep records of business transactions they are operating blindly and the future of the business is undeterminable.

Thirdly, they do lack training in maintaining records keeping of their business transactions.

Furthermore, the size of the businesses and the approximately yearly profit are also deterrent factors for the Small and Medium Enterprises not hiring an accountant.

Finally, even though they are challenge with the above mention factors, but have experienced desires to hire the services of an accountant only on a part-time basis.

V. 5.1. FINDINGS

It was found out that 70% of the respondents targeted were females, 51% were within the age bracket 30-40 years, 60% had a secondary education, 60% were married, 80% were self-employed, 40% had a business experience between 10-15 years, and 60% of their approximately yearly profit lies between Le. 5,000, 000- Le. 10,000,000. It was also found out that 90% of the Small and Medium Enterprises in Port Loko City are also Sole proprietorship and are Small businesses with 90%. It was found out that 40% of the Small and Medium Enterprises in Port Loko City were engaged in trading and 35% of the sources of their income is through Micro credit. It was found out that 90% of the Small and Medium Enterprises in Port Loko City had no accountant and 40% indicated that the cost involve in hiring the services of an accountant. It was also found out that 90% of the Small and Medium Enterprises in Port Loko City are in dare need of the services of an accountant and 40% indicated that to keep daily records of sales is the major factor them yearning for the services of an accountant. It was also found out that 90% of the Small and Medium Enterprises in Port Loko City are challenged with the absence of an accountant and 40% indicated that because they are unable to keep proper records made them to be experienced difficulties in handling their business transactions. Lastly, it was found out that 60% of the Small and Medium Enterprises in Port Loko City prefer a part-time accountant.

5.2. Conclusion.

In conclusion, despite every effort made by these Small and Medium Enterprises in the Port Loko City to keep records of their business transactions they are challenged in the following ways: Firstly, their level of Education which is secondary school is not adequate enough to enhance their capacity in handling their business transactions.

Secondly, majority of them do not used accounting practices to influence their performance in business.

VI. RECOMMENDATIONS

The following are recommended for small and medium enterprises if they want to improve their performance in keeping records of their business transactions.

Firstly, managers and owners of small and medium enterprises should under take basic training in accounting practices as this will aid them in knowing their assets, liabilities and capital.

Secondly, small and medium enterprises should outsource supporting staff to aid their part-time staff in the activities of keeping records of business transactions.

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