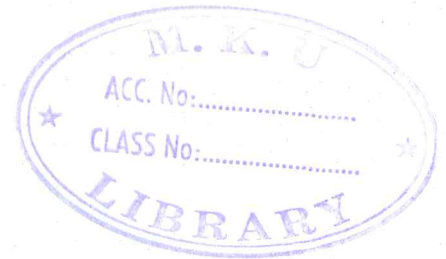


**FACTORS THAT HINDER ACCESSIBILITY IN FINANCING IN SMALL  
AND MEDIUM ENTERPRISES .**

**(A case study of Kongowea Market)**



**BBM/MSA/12/00091**

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**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF  
THE REQUIREMENT FOR THE AWARD OF DEGREE IN BUSINESS  
MANAGEMENT OF MOUNT KENYA UNIVERSITY.**

**June, 2015**

## ABSTRACT

Small and Medium Enterprises (SME's) are important for raising the economic efficiency of a country. They are breeding grounds for entrepreneurship, innovations and inventions hence a reservoir for employment by creating sustainable jobs which in turn reduces the level of poverty. In Kenya, the SME's have not grown to any notable impact often citing lack of finance. The Kenyan financial system is marked by a dualistic structure. It is characterized by the existence side by side of formal and informal financial markets. The informal suppliers of credit make up in part for the provision of the financial services. This then raises the issue on factors influencing accessibility to finance by SMEs in Kenya. The study has looked at the size and age of an SME, collateral requirements, formalities involved in getting started, sector and SMEs owner characteristics as the study variable.

This research adopted a descriptive research design where the population of interest was the SMEs. The target population for this study was the owners of SMEs in Kongowea market in Kenya. The population was 100 registered SMEs in Kongowea market where a sample of 80 was selected for participation in the study. The process of data analysis involved several stages namely; data clean up and explanation. Data clean up involves editing, coding, and tabulation in order to detect any anomalies in the responses and assign specific numerical values to the responses for further analysis. Completed questionnaires were edited for completeness and consistency. The data was coded and checked for any errors and omissions (Kothari, 2004). Frequency tables, percentages and means were used to present the findings. Responses in the questionnaires were tabulated, coded and processed by use of a computer Statistical Package for Social Science (SPSS) version 17.0 programme to analyze the data