

**THE IMPACT OF CAPITAL STRUCTURE MANAGEMENT ON THE
PROFITABILITY OF A BUSINESS.**

(A CASE STUDY OF UCHUMI SUPERMARKET-KOINANGE BRANCH)

BY

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ABSTRACT

In order for a business to carry out its day to day operations, there should be funds to facilitate these operations. Funds can be obtained from various sources such as the sell of shares to obtain equity, borrowing of loans from lending institutions and also the sell of securities to obtain debt and other various sources. It's from these sources of finance that a capital structure of a business is derived or rather obtained.

Through this research therefore, I will be able to determine the impacts of various capital structure on the profitability of a business. This would include debt financing, equity financing and the use of both to obtain an optimal capital structure. This impact may contribute negatively or positive to the profitability of a business.

A descriptive research design will be used to carry out the research. This design will help obtain the relevant information as it describes the situation as it is thus avoiding biasness. The target population comprises of 12 respondents and a sample size of 4 respondents. The case study will be conducted as Uchumi Supermarket-Koinange branch, Nairobi.

Data collection tools to be used will include questionnaires and interviews. Respondents will be required to fill these questionnaires and interview will be conducted to obtain information which respondents are not willing to provide in the questionnaires. Data obtained will be later presented in tables, bar graphs and pie charts for evaluation.