

**AN ANALYSIS OF INTERNAL FACTORS AFFECTING THE UTILIZATION OF  
FINANCIAL SUPPORT SERVICES BY SMALL AND MEDIUM ENTERPRISES**

**IN KENYA**

**(A SURVEY STUDY OF SMALL AND MEDIUM ENTERPRISES  
IN KAPENGURIA CBD)**

**BY**

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**A RESEARCH PROJECT SUBMITTED TO MOUNT KENYA UNIVERSITY IN  
PARTIAL FULFILLMENT FOR THE AWARD OF A DEGREE IN BUSINESS  
MANAGEMENT (ACCOUNTS OPTION)**

**2013**

## ABSTRACT

The study sought to establish the factors affecting the utilization of financial support services by micro and small enterprises in Kenya. The study was specifically carried out in Kapenguria Municipality. The study was guided by the following objectives: To identify the various finance support services available for Micro and Small Enterprises in Kapenguria Municipality; To establish the role played by Micro and Small Enterprises finance support Services in Micro and Small Enterprises Development in Kapenguria Municipality, To establish the factors affecting the utilization of Finance support services by Micro and Small Enterprises in Kapenguria Municipality. The study will be significant to the Government and other organizations offering finance support services and those planning to engage in Micro and Small Enterprises, in that it will expose the response to finance support services by Micro and Small Enterprises and the challenges experienced in the implementation. The study will also shade more light on the role of finance support services in MSE development. The study targeted 760 Micro and Small Enterprises operating within Kapenguria municipality. The study sample comprised 30 Micro and Small Enterprises owners and managers selected through stratified random sampling method. Data collection was done using interviews and questionnaires administered by the researcher. Data was analyzed using computer packages, namely Microsoft excel and Microsoft word. Data is presented in form of tables, percentages, charts and graphs. The study found out that credit facility, training & Education are the only finance support services mostly utilized by the SMEs in Kapenguria CBD. Lack of information or inaccessibility, High cost of maintaining finance support service, unavailability of collateral security and strict conditions attached to financial support services are the major factors affecting the utilization of finance support services by Small and medium Enterprises