

**THE CHALLENGES FACING SMES IN ACCESSING FINANCING
FROM FINANCIAL INSTITUTION- A case study of Nairobi County.**

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BBM/2013/50223

BUSINESS MANAGEMENT DEGREE

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

ABSTRACT

Globally, Small and Medium Enterprises (SME's) make up to over ninety per cent of businesses and account for between fifty to sixty per cent of employment. It is observed that although Micro Small and Medium Enterprise are extremely important in helping a large number of very poor people become less poor, they are characterised by high mortalities due to the uncertain socio-economic and policy environments that they operate in and inaccessibility to financial services. Many economies benefit to the great extent by the small and medium enterprises (SMEs). Flexibility, standardization and relatively low capital injection are some of the factors that make SMEs popular in developing countries. It is for this reason that this paper investigated the challenges SMEs face in accessing finance from financial institutions. It highlights through a theoretical and conceptual framework the SMEs lending market and its implications on the banks. This study used a descriptive research design where the target population was the Small businesses at the Nairobi central business district (CBD).