AVAILABILITY AND ACCESSIBILITY OF LOAN ON THE SURVIVAL OF SMALL AND MEDIUM ENTERPRISES IN IKEJA LOCAL GOVERNMENT AREA LAGOS STATE

BY

ONIFADE MOJISOLA VICTORIA

MATRIC NO:15020201014

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CERTIFICATION

This is to certify that this research project titled: ‘‘Availability and Accessibility of Loan on the Survival of Small and Medium Enterprises(SMEs) in Ikeja Local Government Area, Lagos State’’ was written by ONIFADE MOJISOLA VICTORIA with Matriculation Number: 15020201014 under my supervision.

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Dr. Olanipekun Ojo Date

Project supervisor

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Prof. Jackson Date

Head of Department

DEDICATION

This work is dedicated firstly, to God Almighty, The Owner of my soul, my Provider and the Source of all my knowledge and wisdom. Secondly, to my lovely parents Mr and Mrs Onifade Kenneth, my wonderful brothers, Shola, Seun, Dayo and Kolade Onifade and Akorede Breakthrough, they rendered me enormous support, encouragement and motivation during the whole tenure of my research. and lastly to all knowledge seekers with good intellect.

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ABSTRACT

Small and Medium Enterprises (SMEs) are regarded by many as the backbone of every country's economy. Most of the large corporations of today were developed from SMEs. Small and Medium Enterprises do not only serve as the backbone of a county's economy but also support the larger corporations in a form of sub-contractors, suppliers of manufacturing materials or customers. SMEs in Nigeria have a lot of difficulties when accessing loan from financial institutions and financial institutions too have issues granting loan to SMEs.

The major objective of this study is to find out the numerous factors that affect availability of loan and challenges faced by SMEs in accessing available loan from financial institutions.

For the purpose of this study, descriptive survey design was adopted with the use of questionnaires as data collection tool. Data collected was analyzed through Person's Moment Correlation Coefficient with the aid of statistical package for social sciences (SPSS) version 22.0. Study showed that small and medium enterprises do face a lot of challenges when accessing funds from the formal financial institutions in Nigeria. It is also revealed that financial institutions consider the SME sector as a risky industry thereby offering them credit facilities at a high interest rate as compared to the larger corporations. Finally the study recommended SMEs should ensure that the enterprise is registered and that all registrations and licenses are renewed periodically. They should incorporate good financial management practices such as preparation and usage of financial information in their operations.

SMEs should participate actively in trade fairs and industry events for both showcasing their products or services and for enhancing their financial awareness.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND TO THE STUDY

Small and medium-sized enterprises (SMEs) come from different industries or groups of businesses. They operate as much as possible in the service, agricultural / agro-industry, trade, and manufacturing sector. They include a wide range of firms with a variety of capabilities, such as small machine shops, handy / handcraft firms, and computer technology firms. Some of these companies are extremely innovative, creative, with a vision of future development and extension, while others seem to be satisfied with their size and are only working to maintain both revenue and size of the industry. Usually the classification as a SME is determined by the amount of staff and the value of a company's assets. The size classification differs within the country and across countries, depending on the size of the economy and its endowments Edit Lukacs (2005). Small and medium-sized enterprises (SMEs) as defined by the National Industrial Council refer only to enterprises with a total price excluding assets not exceeding two hundred million naira (N200,000,000.00).

A big amount of small loans are required to serve the poor, but lenders prefer to manage big loans in tiny amounts in order to minimize administration expenses. They are also looking for clear title collateral-which many low-income households do not have (Vetrivell and Kumarmangalam, 2010) Finance in general and credit in particular are particularly important to SMEs as they can not finance themselves through retained revenue or equity financing. Despite the fact that financing is a major factor in the growth of tiny and medium-sized businesses (SMEs), a number of studies and public inquiries have shown that SMEs are facing problems with access to bank financing due to a market failure in credit markets (Pandula, 2011) In 2001, the SMEIS (Small and Medium Enterprises Equity Investment Scheme) was introduced in Nigeria. This is because Nigeria's formal financial system serves only 35% of the active residents of the country. 65% of the population is excluded and therefore served by NGOs (Micro Finance Institutions), money lenders, friends, relationships and loan unions. Following comprehensive consultation with stakeholders, the Central Bank of Nigeria established the microfinance policy in December 2005 to ensure the provision of financial services traditionally not supplied to the decreased economic segments by conventional financial institutions. This is distinguished by small credit size, absence of asset-based collateral and operational simplicity from other economic goods (Olalekan 2009). In the Kenyan economy, small and micro-enterprises (SMEs) play an important role. The Economic Survey (2006) claims that Bowen, Morara and Mureithi (2009) led over 50 percent of the new jobs produced in 2005.

1.2 STATEMENT OF PROBLEM

SMEs are crucial for economic growth and development in every country, including African countries. Studies indicate that SMEs contribute 60% of total official jobs in both developed economies and developing nations in the production industry Ayyagari, M.,T.,Beck and A.,Demirguc-Kunt (2007). They encourage entrepreneurship, generate and generate job opportunities, and reduce poverty (Kayanula and Quartey 2000, Mead and Liedholm 1998, Fischer 1995). However, they are not prepared to function at their optimal pace due to the challenge they face, which is the lack of adequate funding and limited access to credit facilities such as loan. Financing is an important factor in the growth of small and medium-sized enterprises, a number of studies and public inquiries have observed that small and medium-sized enterprises are facing problems with access to bank finance due to market failure in credit markets (Pandula 2011).

Financial institutions must take credit risks with small and medium-sized enterprises even though credit risks are one of the primary causes of bank failure to provide credit services. This is primarily due, among other things, to credit data from the unfinished borrower. The credit reference office gathers information on how borrowers use the loan. Loan providers then use this information to decide whether or not to grant credit to borrowers. This minimizes their credit risk and gives confidence in the loan expansion of Kadiri (2012).

One of the incentives suggested to boost their growth and understand their potential financial contribution is to improve the accessibility of credit services to small and medium-sized enterprises. Despite this emphasis, the impact of present institutional problems, especially the terms and conditions of the loan, on access to credit facilities has not been discussed.

In addition, there is no empirical research indicating the potential role of improved credit policies in mitigating credit access problems by both official and informal credit institutions.

While informal credit institutions in some countries have been relatively efficient in meeting small business loan demands, their limited funds restrict the extent to which they can effectively and sustainably fulfill these entrepreneurs ' loan demands. This is because as micro-enterprises grow in size, it becomes increasingly difficult to satisfy the characteristics of the loans they require for sources of casual loan, yet they remain too small for formal lenders.

A important challenge for many developing economies around the globe is the limited availability and accessibility of loan facilities to SMEs. Access to credit institutions is seen as one factor that is needed to help small and medium-sized businesses survive, decrease the effects of poverty, and promote economic development.

According to Ayeh (2001), while in the informal sector there are many money lenders that are readily available to offer credit to small and medium-sized enterprises, the incidence of high interest rates on loan facilities discourages people in these areas from investing these funds in better income-generating businesses.

This is the fundamental framework that informed the motive behind this research.

1.3 OBJECTIVES OF THE STUDY

The overall purpose of this research is to identify the multiple factors affecting the accessibility of loans and the difficulties that SMEs face in accessing accessible loans from financial institutions.

This overall goal is broken down into the following particular goals:

i. To investigate the challenges associated with accessing loan by SMEs
ii. To identify and analyse processes involved in accessing loan by SMEs
iii. To identify factors affecting accessibility of loan by SMEs
iv. To examine the credit facilities financial institutions have for SMEs

1.4 RESEARCH QUESTIONS

i. What are the challenges associated with accessing loan by SMEs?
ii. What are the processes involved in accessing loan by SMEs from financial institutions?
iii. What relationship exists between accessibility of loan and survival of SMEs?
iv. What are the credit facilities available for SMEs from financial institutions?

1.5 RESEARCH HYPOTHESES

The following are the null hypotheses for this study:

a. H0. There is no relationship between challenges associated and survival of SMEs.
b. H0. There is no relationship between bank processes and survival of SMEs.
c. H0. There is no relationship between accessibility of loan and survival of SMEs.
d. H0. There is no relationship between availability of loan and survival of SMEs.

1.6 SCOPE OF THE STUDY

This research focuses on the local government area of Small and Medium Enterprises in Ikeja. It deals with the company environment stakeholders such as normal entrepreneurs and women and organizations who are unable to access credit infrastructure for their company activities and expansions as well as the financial institution around the environment.

1.7 SIGNIFICANCE OF THE STUDY

This research has consequences for policy, academics and practice. The results are expected to be of excellent importance to several organizations of individuals made up of potential scientists, the government, small and medium enterprises.

1.7.1 Government agencies

This research will help the public to highlight the provision of direct economic help to state financial institutions, including the Nigerian Agricultural Cooperative and Rural Development Bank, the Federal Mortgage Bank of Nigeria, the 1964 Nigerian Industrial Development Bank, the 1973 Nigerian Trade and Industry Bank, the 1986 Peoples Bank, the National Fund. There was usually little or no prior access to it.

1.7.2 Future researcher

This will help in acquiring secondary data for future researcher and may help in reviewing references in literature. It will also serve as a centre piece idea for other learners willing to conduct research on a similar topic.

1.7.3 Small and medium enterprises

Through the availability and accessibility of loans, this research will provide important data on the survival of small and medium enterprises. The information obtained will provide small and medium enterprises with information on how easily to access loans and the procedures they need to set up in order to access loans.

1.8 LIMITATIONS OF THE STUDY

- In order to obtain a list of registered SMEs, researcher visited SMEDAN and went to the National Office of the Nigerian Association of Small and Medium Enterprises (NASME), from there researcher was asked to go to the Lagos chapter of NASME, where the researcher was later informed that information could not be given on the grounds of confidentiality and against the policy of the association.
- The respondents were reluctant to provide in-depth information or may lack sincerity owing to fear.
- The respondents also did not want to disclose the right information due to confidentiality.
- Respondents did not have adequate time to complete the questionnaires due to the busy schedule since they were supplied during working hours.

1.9 OPERATIONAL DEFINITION OF TERMS

Different bodies, organisations and institutions, depending on their purpose, objectives and use, have varying definitions of SMEs.

For this study, the following definitions have been adopted:

1.9.1 Loan: Loan is an amount of cash borrowed, often from a financial institution, and has to be repaid, usually with an additional sum of cash in the form of borrowing interest. Loan is the fund obtained from the financial institution by tiny and medium-sized businesses to help or help their survival and continuity of company.

Loans to SMEs are loans to enterprises that are only extended to medium-sized enterprises. These loans are tailored to satisfy tiny and medium-sized enterprises ' requirements and needs.

1.9.2 Small and medium-sized enterprises (SMEs): SMEs are non-subsidiary, self-employed enterprises / organizations with fewer employees. This quantity varies from one nation to another. The National Micro and Medium Enterprise Policy (MSMEs) obviously separate between employment-and asset-based enterprises. SMEs are organizations best distinguished by assets, scope and cost of their projects, annual turnover, financial strength and number of employees. Creswell in 2003).

1.9.3 Collateral: In perspective of the existence of a reliable threat, as stated by Aghion and Bolton (1992), collateral can be seen as a instrument that ensures great behavior on the part of borrowers. When applying for a loan that can be recovered in case of default, security is given.

1.9.4 Financing: used when acquiring inner assets by the business. It is a transaction that provides a business or a business with funds. Building or buying property is borrowing cash. It is the money used by SMEs to promote their businesses. (Joppe, 2000 year).

1.9.5 SMEDAN: the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) was established in 2003 to support the efficient and sustainable promotion and development of the micro, tiny and medium-sized enterprises (MSMEs) sector. The overall objective was to decrease poverty through wealth and job creation in order to encourage socio-economic transformation. For a strategic plan that will promote financial transformation in Nigeria, this requires precise and reliable information. To promote this goal, this national survey was performed by the Nigerian Small and Medium Enterprise Development Agency (SMEDAN) and the National Bureau of Statistics (NBS).

The Micro, Small and Medium Enterprise is seen in both developed and developing counties as the engine of socio-economic transformation, with the overall objective of reducing poverty through wealth and job creation and encouraging national economic development. SMEDAN seeks to fill the gap between death and the absence of a credible and reliable database, one of the main constraints in the development of this sub-sector.

1.9.6 NASME: The Nigerian Small and Medium Enterprises Association (NASME) was recorded in 1996 as a Business Membership Organization (BMO) to coordinate and promote the growth and development of the MSME sector in the Nigerian economy.

NASME is a member of the World Association of Small and Medium Enterprises (WASME) of the United Nations.

NASME Lagos is the Lagos State Chapter of the Association that provides a communication platform and a concerted view to issues of strategic importance to the development of MSMEs in the state.

NASME's vision is to be the voice of Nigerian entrepreneurs advocating a favourable business climate while working with MSME promoters to ensure the creation of technically viable big pool of MSMEs. The task is to encourage MSME empowerment in Nigeria as a means to achieve sustainable work generation, economic growth and development in the country. (www.nasmelagoschapter.com).

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This section will explore current literature on SMEs, particularly in Nigeria. The section involves Nigeria Finance Accessibility, Finance Accessibility, SME Definition, SME Conceptual Review, Theoretical Framework, and Empirical Studies Review.

2.1 Conceptual Clarification

2.1.1 Small and Medium Enterprises and Availability of Finance in Nigeria

In the past, Nigeria's government, in cooperation with the World Bank and the African Development Bank, has attempted to provide real assistance to SMEs through its numerous loans and credit schemes intended to fund SMEs; some of which are: World Bank SME loan scheme, African Development Bank Export Stimulation Loan (ADB / ESL) scheme; CBN Re-discounting andRe-financing Facility (RRF); Recently, the Federal Government of Nigeria (FGN) launched the Small and Medium Industries Equity Investment Scheme (SMIES) for or to the Banker's Committee requiring all licensed banks in the nation to set aside 10% of their Pre-Tax Profit (PBT) for equity investments to promote SMEs. (Golis,1998).

Moreover, Owualah (2010) has identified other significant financing sources accessible to SMEs.

• Banks (business and merchant). Specialized banks such as Nigerian Peoples Bank (PBN) and community banks.

• Specialized facility financing, e.g. Specialized economic organizations such as the Nigerian Bank for Commerce and Industry (NBCI), the Nigerian Industrial Development Bank (NIDB) and the Nigerian Agricultural and Co-operative Bank (NACB); NERFUND, the World Bank Loan Scheme for SMEs managed by CBN and the African Development Bank (ADB);

But then, SMEs in Nigeria are not easily accessible even with all these credit facilities organisations.

2.1.2 Small and Medium Scale Enterprises and Access to Financing

According to Beck et al (2008), access to finance by SMEs has been a topic of excellent concern to both developed and developing economies ' policy makers and scientists due to the crucial and substantial role of SMEs in expanding the private sector and expanding nations ' economies around the globe.

There are various definitions of the' access to finance' idea.

The World Bank (2007) described access to finance as:-the lack of price and non-price obstacles in the use of financial services by demand and supply forces. Several problems relate to access to economic services as the literature papers.

Claesen (2005), said: -One of the problems related to access to finance is whether and in what quantity financial services are accessible. The second concerns costs; that is, at what price financial services are accessible, including the cost of chance, both implicit and explicit. The third is about the spectrum of financial services being provided, the type and quality.

The issue of access to finance by SMEs occurs when projects that could be funded internally in the case of availability of funds do not receive external financing because of what Stiglitz and Weiss (1981) referred to as principal agents and transaction costs. He argues that this occurs when there is a lock between the project's anticipated inner rate of return and the rate of return required by external shareholders to fund it. He also argues that the significance of access to finance for SMEs is based on four factors he described as follows:

1. Empirical proof has shown that expanding access to finance can decrease the prevalence of poverty in developing nations in particular.
2. Access-related narratives often include channels through which economic development can lead to growth.
3. Compared to the extent of access in advanced nations, there is a lack of economic services in developing markets.
4. Economic growth and development agents lack access to financial services.

Financing of SMEs In Nigeria

Nwachukwu (2012) argues that:-SMEs in Nigeria have not had the required effect on the economy, and this may not be unrelated to the various problems that SMEs face, including finance. This shows the thorny problem of funding for SMEs in Nigeria.

Based on this, Olorunshola (2001) claims that: -the significant gap in the process of industrial growth in Nigeria is the absence of long-term and, in some instances, short-term financing for SMEs. As mentioned in the literature, sources of finance can be classified into casual and formal sources. The casual sources include savings / retained income of the owner, contribution / borrowing from friends, relationships, etc.

Okungwu and Saleh (2004) noted that: -financing generated from casual sources is short of the capital needed of the SME. In order to increase the equilibrium of the necessary finances, entrepreneurs are looking at the official sources that include banks, other financial institutions, co-operative societies, and government agencies. Lawal and Ijaiye (2010) noted that: -SMEs are facing many difficulties in raising finance through official sources, particularly as it impacts banks and other financial institutions.

Most banks are unwilling to advance loans to SMEs primarily due to the lack of so-called collateral security. Meanwhile, SMEs are in dire need of loans to improve local technology, foreign technology transfer, national capital formation, provide more job possibilities, and receive more foreign exchange than the country's oil exports. The lack of finance and the strict process of obtaining it by SMEs prompted access to finance for the Federal Government of Nigeria's Small and Medium Scale Enterprises: What's the tale since the 2005 ISSN Bank Consolidation: 2028-9324 Vol. 6 No. 4, July 2014 1114 Initiating various funding programmers and policies through devoted ministries and organizations to intervene. Agno (2011) describes these attempts in order to include:

i. Direct economic support through government-owned financial institutions including the Nigerian Agricultural Cooperative and Rural Development Bank, Nigeria's Federal Mortgage Bank, etc.
ii. Provision of subsidized or discounted credit portfolio packages through unique arrangements between government and commercial banks. The Medium Industries Investment Scheme, for example, was created in 2001. This system needs banks to set aside 10% of their earnings for equity investments in SMEs before tax.
iii. Provision of capital to SMEs through soft loans advanced by government-owned economic organizations such as the 1964 Nigerian Industrial Development Bank, the 1973 Nigerian Trade and Industry Bank, the 1986 Peoples Bank, the 1989 National Economic Reconstruction Fund.
iv. SME funding in conjunction with multilateral financial institutions like the World Bank, the African Development Bank, the International Finance

Corporation (IFC), etc. For example, in 1989, the World Bank provided Nigeria with a \$270 million facility out of which a total of \$267.7 million was set aside to lend to SMEs through qualified participating banks.

v. Issuance of compulsory loan rules to commercial banks by the Central Bank of Nigeria (CBN) for SMEs. In 1992, through the CBN, the Federal Government directed commercial banks to make 20 percent of their credits mandatory for SMEs.

Osa-Afiana (2004) noted that: -this system was only partly effective, primarily because of banks ' reluctance to advance loans to SMEs without collateral security and adequate loan guarantee scheme.

Some banks did not comply, and paying the penalty attached for default was more interesting and convenient. In 1996, this directive was ultimately repealed.

2.1.3 LOAN

A loan, together with interest or other financial fees, is cash, assets or other material goods provided to another party in return for future repayment of the credit value quantity. A loan may be accessible as an open-ended credit line up to a defined limit or ceiling amount for a particular one-time quantity. (Julia, 2019)

Types of Loans

A number of variables may distinguish between loans and influence their expenses and conditions (Julia, 2019).

Secured vs. Unsecured Loan

It is possible to secure or unsecure loans. Loans for hypothecs and cars are guaranteed loans, as both are guaranteed or collateral guaranteed.

Loans like credit cards and signature loans are either unsecured or not backed up by collateral. Typically, unsecured loans have greater interest rates than secured loans because they are more risky to the lender. The lender can repossess the collateral in the default situation with a secured loan. Interest rates, however, differ wildly with various variables.

Revolving vs. Term

Loans can be defined as revolving or term as well. Revolving refers to a loan that can be spent, repaid and spent again, whereas term relates to a loan that is repaid in equal monthly installments over a given period (the' term'). A credit card is a rotating loan that is unsecured, while a credit line of home equity (HELOC) is a secured, rotating loan. A car loan, on the other hand, is a guaranteed, term loan, and an unsecured, term loan is a signature loan.

Signature Loan Definition

A signature loan is a personal loan provided by banks and other financial firms using only the signature of the borrower and promising to pay as collateral.

Take-Out Loan Definition

A take-out loan is a form of long-term funding that replaces provisional funding, such as a short-term construction loan, generally on a piece of real estate.

SMES loans

SME loans are intended for small and medium-sized enterprises. The objective of SME loans is to assist businesses satisfy all their company requirements that may occur from time to time without having to face any difficulties. This involves demands such as launching a fresh variety of products, expanding company, paying employees ' salaries, warehousing needs, buying any new equipment, marketing and advertising credit. The loan that an entrepreneur earns through SME has some workable safety and interest rate benefit.

2.1.4 Definition of Small and Medium Enterprises (SMEs)

An Enterprise is an organization undertaking any kind of financial activity. This involves self-employed individuals and family companies involved in crafts or other activities, and frequently committed financial activity partnerships or organizations (EU 2003/36). The word SME is used to define private-sector companies. Because of its diversity of enterprises, there is no single definition for SMEs. What SME means precisely depends on the amount of staff and the turnover and assets of the company. (Quaye, Abrokwah, Sarbah, Osei (2014) indicated:-Small company is considered to be less than the industry average operating scale.

Many organizations and well-known academics have different definitions of Small and Medium Scale Enterprises and others have criticized some. The Bolton Committee (1971) was the first organization to attempt to create a definition for SMEs that was usually accepted. From two distinct points of perspective, they developed two kinds of definition, namely "financial" and "statistical" definitions. A company is categorized as tiny under the "financial" definition if it meets the following requirements: I. It has a comparatively tiny share of the market. II. It is managed by owners without any official structure of leadership. III. It is autonomous and is not component of a bigger organisation 14 The following criteria are used for classification when it comes to the "statistical" definition. I. Measure the size and contribution of the small enterprise industry to GDP, jobs, exports, etc.; II. Comparing to what extent the financial contribution of the small business sector has altered over time; III. Applying the statistical definition in a country-wide comparison of the financial contribution of tiny companies.

Ayyagari, M.,T.,Beck and A.,Demirguc-Kunt (2007) observed that: -small and medium-sized businesses have long been acknowledged as an tool of economic development and growth. Increasing recognition of this reality has resulted the SME industry group of the World Bank to guarantee that it is the key component of its plan to promote economic growth, job creation and poverty alleviation. The Organization for Economic Co-operation and Development (OECD)(2004) states that:-SMEs are a blended group found in a broad range of company operations and the notion of SMEs is dynamic and relative. Because of its diversity of enterprises, there is no single definition for SMEs. Ganbold (2008) submits that the statistical concept of SMEs differs from nation to nation and is generally based on the amount of staff, sales value and/or asset value and capital size. This demonstrates that Nigeria's definition of SME is distinct from any other nation, as there is data to be regarded when statistically defining a SME. However, Ayaggari et al (2003) argue that the definition of SMEs differs by context, writer and country. There is no clear definition of small and medium-sized enterprises, however, and its classification is based on value judgment making it subjective. Ekpeyong and Nyang (1992) note that small-scale business is characterized in nations such as the United States, the United Kingdom and Canada in terms of annual turnover and amount of paid staff.

There is no clear definition in Nigeria between small and medium-sized enterprises. According to CBN (1998), the 1998 monetary policy circular No.22, small-scale companies are those businesses that do not exceed 500,000 Naira annual turnover. But in 1990, for commercial bank loans, the Federal Government of Nigeria described small-scale enterprises as those whose annual turnover does not exceed five hundred thousand naira (N500,000) and merchant bank loans, as those businesses with capital investment not exceeding two million naira(N2 M) (excluding property costs) or at least five million naira(N5 M). Idowu Eferakeya (1993) states that:-the value definition of small and medium-sized enterprises has been reviewed and subsequently increased to N5M. This scenario may result; small business may need to be classified into micro and super micro companies. In response to this remark, Osa-Afiana in Ango (2011) reports on the definition and categorization of SMEs by Nigeria Bank of Industry. Micro / cottage, small-scale and medium-sized businesses were categorized. What are the following:

Micro / cottage enterprises: these are enterprises with capital not exceeding 1,5 million naira (or US alone 11,278) including working capital, but excluding land and/or labor costs not exceeding 10 employees.

Small-scale enterprises: these are enterprises with capital investment exceeding Naira 1,5 million but not exceeding Naira 50 million (US 375939), including working capital, but excluding land and/or labor costs of not more than 11-100 employees.

Medium-sized enterprises: these are enterprises with an investment of more than 50 million naira but not more than 200 million naira (US 1, 503,758) including working capital, but excluding land and/or labor costs of not more than 100-300 employees.

Bank Consolidation and SME Financing

The post-consolidation intermediation cost was recognized as a reason for the persistence of the perennial economic issues faced by SMEs. In post-bank restructuring in Nigeria, banks still lend to China, Japan, and Malaysia at horrible interest rates of about 20% vs. zero percent, 5%, and 3% (Olutunla and Obamuyi, 2008). But evidences the access to finance of Nigerian Small and Medium Scale Enterprises: What's the tale since the 2005 ISSN bank consolidation: 2028-9324 Vol. However, 6 No. 4, July 2014 1116 shows that the consolidation of the banking sector has many advantages, including but not limited to increased liquidity, efficiency and better diversification, which can also support macroeconomic stability and long-term sustainability. It was noted that concerns were voiced that the consolidation of banks into large and complicated banks would undoubtedly have a significant impact on SME funding. As the literature papers, bank consolidation has led in many tiny banks traditionally specializing in offering loans to SMEs in most nations.

In their view, Marsh Schmieder and Aerssen (2007) vary that:-larger banks tend to have a lower propensity to lend to SMEs. The reason bigger banks are less probable to lend to small and medium-sized enterprises is that bigger banks tend to depend on official formulaic techniques to determine whether or not to grant credit and how much to offer. Because of their comparative advantage and relationship banking, SMEs are opaque in terms of data than bigger ones and smaller banks overcome these.

Jiaobing and Yuany (2011) insist:-smaller banks have a comparative advantage in overcoming the issue of data. A market with tiny banks to finance SMEs is therefore high. In opposition, De Haas (2010) argues that: -bank consolidation is thought to reduce the amount of smaller banks as such, funding for SMEs will decrease as these loans were deemed less lucrative for bigger banking organizations that arose as a result of consolidation.

Another argument is that bank consolidation can lead to bank effectiveness through price synergies or by taking over inefficient banks through effective ones and increasing market power that can affect the loan supply to SMEs Degryse, (2005). Competition in the banking sector could also boost, as Somoye (2008) notes. Financing small and medium enterprises as it forces banks to seek extra profit possibilities. Bank consolidation may lead in bank concentration in another dimension.

Beck, Demirguc-Kunt and Peria (2009) noted that:-greater concentration leads to lower access to credit through any lending technology that may happen in several respects: they may choose to increase earnings through higher interest rates or loan charges for SMEs; or they may decrease the danger or supervisory burden by tightening loan norms for SMEs; and/or they may choose to be less aggressive in finding or serving. However, both beneficial and negative effects of bank concentration are documented in the literature. For example, Jayaratne and Strahan (1998) stated that some studies discovered adverse effects on competition from elevated concentration of the banking sector and limitations.

On the contrary, Peterson and Rajan (1995) retain that:-other trials found that bank concentration had a favourable impact. Continuing the argument Beck et al (2008) warned that the impacts may vary from the lending infrastructure or economic environment in other research.

2.2 THEORETICAL FRAMEWORK

2.2.1 Agency theory

The theory of the agency deals with the individuals who own a company and all others who have interests in it, such as executives, banks, creditors, family members, and staff. The theory assumes that the day-to-day running of a company company is performed by executives as agents who are also recognized as shareholders by the company owners. The theory is based on the concept of the' two-sided transactions ' principle, which argues that any economic transactions involve two parties, both acting in their own best interests but with distinct expectations.

Problems generally recognized with the theory of agencies may include:

- Information asymmetry-a condition where officials have data about the economic conditions and opportunities of a company not known to directors (Emery et al. 1991). For instance,' The Business Roundtable' emphasized that businesses should never consider misleading or misinforming stockholders about the activities or economic situation of the corporation when planning communications with shareholders and investors. Despite this principle, Enron's leadership lacked transparency leading to its collapse;
- Moral hazard— a scenario where officials intentionally take advantage of data asymmetry to redistribute wealth to themselves in an invisible way that is eventually detrimental to principals. A case in point is the failure of the Board of Directors of Enron's Compensation Committee to ask any question about the award of wages, benefits, annuities, life insurance and benefits to executive members at a critical point in Enron's life; one employee having obtained a share of the property of a corporate jet as a reward and also a $77 million loan to the CEO, despite the fact that the Compensation Committee has received one share of the property of a corporate jet.

- Adverse selection-this concerns a scenario where agents misrepresent a company's skills or abilities. As a consequence, the wealth of the principal is not maximized (Emery et al. 1991).

In reaction to the inherent risk presented by the search of agents to make the most of their interests to the disadvantage of principal shareholders (i.e. all stakeholders), each stakeholder attempts to raise the anticipated reward for involvement in the company. Creditors can boost the company's interest rates. Other answers are tracking and bonding to enhance the access of principal to reliable data and to identify ways of finding common ground for agents and managers respectively.

Researchers on Small Business Financial Management argue from the hazards experienced in the theory of agencies that the agency connection between owners and executives may be absent in many tiny businesses because owners are also managers; and that the predominant nature of SMEs makes the usual alternatives to agency problems such as surveillance and bonding expensive and thus increases the price of tr

Nevertheless, in financial management of SMEs, the theory offers helpful understanding on many issues and demonstrates significant possibilities as to how financial management of SMEs should be practiced and perceived. It also allows academics and professionals to pursue policies that can assist maintain SME development.

2.2.2 The Pecking-Order Theory or Framework (POF)

Myers, Steward and Majluf (1984) popularize the pecking order concept where they argue that equity is a less preferred means of raising capital because when executives (who are supposed to understand better about the company's real situation than shareholders) issue fresh equity, investors believe executives think the company is overvalued and executives take benefit of this overvaluation. Investors will therefore place a reduced value on the fresh issuance of equity.

The pecking-order theory says that companies prioritize the source of inner funding (money flow and own capital of entrepreneurs) and external sources based on relative accessibility and price of chance. Shyam-Sunder and Myers (2018).

This is another financial theory to be regarded with regard to financial management of SMEs. It is a financial theory that indicates that management prefers to finance first from retained earnings, then debt, followed by hybrid types of finance such as convertible loans, and last but not least through the use of externally issued equity; bankruptcy costs, agency costs, and information asymmetries play little part in influencing capital structure strategy.

The theory of packing order sets out the connection between the dividend of the company's capital structure and investment policies. The theory indicates that companies prefer to use retained profit to pay dividends and fund fresh investment. At the top of the parking order, it ranked retained profit, followed by debt and finally internal equity at the bottom of the pecking order.

The theory of order packaging predicts a adverse relationship between the proportion of profit and debt. Empirical proof tends to support the hypothesis of perking order forecast of a adverse debt-to-profit relationship.

Pecking order theory begins with asymmetric information as executives are more aware of the opportunities, hazards and value of their company than external investors. Asymmetric information impacts the decision between inner and external funding and debt or equity problem. Therefore, a pecking order exists to finance fresh initiatives. Brealey, Allen and Myers (2008).

Asymmetric information favors the problem of debt over equity as the problem of debt indicates the trust of the board that an investment is lucrative and that the present stock price is undervalued (the stock price would be overvalued and the problem of equity favored). The equity problem would signal the board's lack of trust and think the share price is overvalued. Consequently, an equity problem would lead to a fall in share price. However, this does not apply to high-tech sectors where the equity problem is preferable as assets are intangible owing to the high price of debt problem. Brealey, Allen and Myers (2008).

GP Hall, N. and Hutchinson. Michael 2004 stated that:-The company will borrow less, all things being equal, which can produce more profit. There should be a adverse debt-profit connection.

Gregory (2005) argues that: old companies should be less dependent than younger companies on internal funding sources. They attribute this to the fact that there are more internal funds available to finance their operations because older firms have more opportunities to accumulate retained earnings than younger firms. Furthermore, contrary to what the theory suggests, they discovered no proof of an important connection between externally increasing finance and an inner source deficit. Furthermore, while theory predicts that companies with higher information asymmetry should avoid issuance of equity, their findings indicate that asymmetric variables of data have no authority to influence such choices.

This research is anchored in the theory of the agency because the theory of agencies is a concept that tries to understand relationships and self-interest in company organizations. It defines the connection between directors / agents and control delegation. It explains how best to organize interactions where one (main) party determines the job and another party (agent) carries out or makes choices on behalf of the principal (Jensen and Meckling, 1976; Schroeder et al., 2011). This principle is used to clarify the connection between economic organizations (agent) and (main) small and medium-sized enterprises.

2.3 Empirical Review

Eigbe (1996) noted that SMEs are a catalyst for any country's socio-economic growth. They are a true vehicle for achieving domestic macroeconomic goals in terms of creating jobs at low investment price and developing entrepreneurial and indigenous technology capacities. He stressed that in many nations such as Japan, South Korea, India and Malaysia, the roles of SMEs have been amply demonstrated. He also asserted that SMEs make a substantial contribution to these countries ' gross national product (GDP), export income, and job possibilities. For a big amount of industrialized nations, promoting tiny companies is a cornerstone of financial policy. While government support for tiny businesses appears to be based on a widespread perception that this industry is an incubator of economic growth, in other words, small and medium-sized businesses are seen as a location where innovation takes place and fresh thoughts are produced that make businesses economically feasible. Charles (2002) explored the variables influencing SME growth, efficiency and development in Nigeria and other policy implications through interview technique. He discovered that financial accessibility and good management are essential to growth and development of SMEs. Sanusi (2003) study (Overview of public attempts in SME development and SMIEIS emergence) showed that:-SMEs have very restricted access to Nigeria's official financial system. Furthermore, CBN's observational research (2007) shows that as at the end of the first quarter of 2007, banks contributed only N18.1 billion of the N38.2 billion to the SME funding system, which obviously demonstrates that there has always been a gap between banks ' production capacities and SMEs ' challenging needs.

Ogujuiba (2004) reported that the Nigerian Development Finance Institutions Association issued a declaration in 2004 saying why SMEs in Nigeria performed badly. They asserted that genuine financing such as loan is a significant limitation, while this may be real empirical proof indicates that finance contributes only about 25% of SME's achievement. However, the World Bank (2001) revealed that nearly 50% of micro, 39% and 37% of tiny and medium-sized companies in Nigeria are financially restricted as compared to 25% of very big companies. This obviously indicates that, for a number of reasons, small and medium-sized enterprises are either discriminated against or are unable to access resources on the credit market. A significant reason is the stringent terms attached by banks in Nigeria to loans and loan approvals that have mainly undermined SMEs ' ability to access finance (bank consolidation 2015). Nigeria's financing of SMEs was a thorny problem. Obamuyi (2007) investigated the amount of credit delinquency between SMEs in Nigeria's Ondo State and the lending behavior of banks towards them.

The research outcome indicated that bad credit value, absence of collateral security and constraint on the capital requirements of banks are accountable for the approach of banks not expanding the loan portfolio to SMEs. Olutunla and Obamuyi (2008) examined the connection between profitability, bank loans, company age and the size of SMEs in their research based on a balanced panel data on 115 SMEs randomly chosen in Ondo State. The findings indicated interdependence between bank loans and SME profitability and an important connection between profitability and company size. Ganbold (2008) stated that the issue of SMEs ' access to loans occurs when projects that could be funded internally in the case of availability of funds do not receive external financing because of what Stiglitz and Weiss (1981) referred to as principal agents and transaction costs. He argues that this occurs when there is a lock between the project's anticipated inner rate of return and the rate of return required by external shareholders to fund it. Furthermore, he argues that the significance of SME's access to loans is based on four factors he described as follows: One is that empirical evidence has shown that expanding access to finance (loan) can decrease the prevalent poverty, especially in developing nations. Second, access-related narratives often include the channels through which economic development can contribute to growth. Third, in emerging economies, there is a lack of financial services relative to the extent of access in developed countries. Four, economic growth and development officials do not have access to financial services.

Olutunla and Obamuyi (2008) examined the connection between profitability, bank loans, company age and the size of SMEs in their research based on a balanced panel data on 115 SMEs randomly chosen in Ondo State. The findings indicated interdependence between bank loans and SME profitability and an important connection between profitability and company size. Evaluation of the effect of SMEEIS on the development of Nigerian SMEs by Oyefuga, Siyanbola, Afolabi, Dada and Egbelokun (2008) disclosed that inappropriate company plans and poorly packaged projects were the primary factors why it was hard for SMEs to access funds from the new system. He further observed that although the system has helped some small and medium-sized enterprises, most of them are not even conscious of their operations. Obasan and Arikewuyo (2012) explored the impacts of pre-post bank consolidation on financial accessibility in Nigeria for SMEs. The research discovered that bank consolidation failed to promote a vibrant and competitive SME industry that could boost job creation and economic growth in Nigeria by using the ordinary least square.

In their research, Lawal and Ijaiye (2010) noted that small and medium-sized enterprises face many difficulties in raising finance through official sources, particularly as it impacts banks and other financial institutions. In assistance, Oboh (2002) writes that most banks are not prepared to advance loans to small and medium-sized enterprises primarily due to the lack of so-called collateral security. Main-while, SMEs are in dire need of credit for improving local technology, transferring foreign technology, building national assets, providing more job possibilities and earning more foreign exchange than the country's oil exports earn. Ishmael (2012) survey Neolithic literature and questionnaire dissemination on a sample size of 50 SMEs in the Ikeja Local Government Area of Lagos State using random sampling method found that SMEs do not have better access to finance through banks, have no complete economic background and are financially disabled.

Luper (2012) examined tiny and medium-sized finance firms in Nigeria to determine whether there is any distinction between SME funding before and after banking industry reforms (bank consolidation in 2005). Using descriptive and sample t-test results, the results indicated that reforms in the banking industry led to a decrease in SME funding from 5.78% to less than one (0.47) percent. Mamman and Aminu (2013) analysis of the impact of 2005 banking policies on SME credit funding in Nigeria based on a sample size of 500 SMEs and using a chi-square test reveals that the 2005 banking reform has no important impact on SME credit funding in Nigeria. Obasan and Arikewuyo (2012) explored the impacts of pre-post bank consolidation on financial accessibility in Nigeria for SMEs. The research discovered that bank consolidation failed to promote a vibrant and competitive SME industry that could boost job creation and economic growth in Nigeria by using the ordinary least square.

Mamman and Aminu (2013) analysis of the impact of 2005 banking policies on SME credit funding in Nigeria based on a sample size of 500 SMEs and using a chi-square test reveals that the 2005 banking reform has no important impact on SME credit funding in Nigeria. Iloh (2013) evaluated the impact of bank consolidation on Nigerian lending (funding) to SMEs. Using ordinary least square, matrix correlation test and Granger-causality test, the research discovered bank deposit that had an impact on loans that had a negligible impact on SMEs.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 INTRODUCTION

The research design, study population, sampling procedure and sampling size, information collection tool, research instrument validity and reliability and data analysis technique are discussed in this section.

3.1 RESEARCH DESIGN

A descriptive research survey design has been introduced to determine and improve a thorough analysis of the features of the study interest factors. The objective is to provide a profile of the events of concern from a particular perspective information in order to test the hypotheses in Ikeja Local Government Area Lagos State on the availability and accessibility of loans on the survival of SMEs.

3.2 CHARACTERISTICS OF THE STUDY POPULATION

SMEs are dispersed across the country's length and breadth. The population used in this research was 70 SMEs and was conveniently selected by the investigator because of the researcher's time space and Ikeja Local Government Area in Lagos State was selected because of its closeness to the college and the researcher's familiarity with the setting. Ikeja's SMEs include tiny businesses from different sectors such as agri-business, manufacturing, retail and wholesale. Ten chosen financial institutions also come from the same region of local government.

3.3 SAMPLING PROCEDURE AND SAMPLING SIZE

3.3.1 Sampling procedures

A sampling design must be used to acquire a sample. Based on easy accessibility and closeness to the researcher, a stratified random sampling technique was introduced. SMEs have been stratified into smaller strata based on company kinds to guarantee that each chosen component has equal opportunities to be represented in the research.

3.3.2 Sampling Size Determination

In order to gain a broader image and understanding of the research, seventy (70) SMEs and ten (10) financial institutions were sent research questionnaires that were conveniently selected by the researcher owing to the time frame and the researcher's closeness to the study site. As validated by Research Advisors (2004), the researcher used the Krejcie and Morgan Table (1970) to determine the sample size to be used for the research. See appendix 7

3.3 DATA COLLECTION INSTRUMENT

There are different types of methods that are available for the researcher but for this study, the researcher made use of primary data.

A self structured questionnaire tagged. Availability and accessibility of loan on the survival of SMEs was used to collect data from both the SMEs owner and financial institutes. The questionnaires were hand delivered to the respondents and collected. This was to guarantee that their questionnaires were obtained as intended by all selected participants. The main information created this study's crux because it gave the chance to obtain appropriate answers at first hand.

3.4 DATA COLLECTION PROCEDURES

Before heading out to collect information, the researcher received an introduction letter from the college. The researcher introduced drop-and-pick technique where questionnaires were delivered to the respondents on a personal basis, ensuring that all respondents received their questionnaires as intended and were notified that they were to be received on the same day or as agreed. Drop and select also enables the researcher to retrieve the finished document from those provided with the document.

3.5 RELIABILITY AND VALIDITY OF THE RESEARCH INSTRUMENT

3.5.1 Reliability of the research instrument

The test-retesting technique was used to improve and test the reliability of the collected information where the tool was administered twice at separate occasions to the same respondents, which was designed to examine whether the same answers could be achieved. Pre-testing of the questionnaire to evaluate the accuracy of the structured questionnaire for the research in information collection was performed prior to the real research. In testing the questionnaire's reliability, a group of twenty SME owners who were not in the sampled population were used.

3.5.2 Validity of the research instrument

To test the validity of the questionnaire, the researcher submitted the questionnaire to the project supervisor and other line-of - the-study experts to contribute, correct, and approve to ensure that the tool gathered the appropriate data from the respondents comfortably.

3.6 METHOD OF DATA ANALYSIS

Using questionnaires to collect data from the respondents, qualitative method was used for this study and presented in tables and figures and analyzed using version 23 of the Statistical Package for Social Sciences (SPSS). This strategy determines the connection between two or more factors and also gives precise information measurement and simplifies the understanding of information.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

4.0 Introduction

This section deals with the presentation of outcomes starting with the bio-data data description. For this research, the objective and hypotheses developed guided the tables arrangement. Each objective follows a summary of the primary results.

4.1 Presentation of Data

In the various categories of SMEs, including the financial institutions, the questionnaires were distributed. Seventy (70) questionnaires were circulated for SME answers but only 68 respondents were obtained, while ten (10) questionnaires were distributed for economic institutions answers and all ten replied. Equally allocated for economic organizations consisting of banks and microfinance questionnaires. Using the Statistical Package for Social Sciences (SPSS) version 23, the data was analyzed and tables were presented vividly.

Table 1: Socio demographic Characteristic

S/N	Variable	Frequency (N=70)	Percent
1	**Age (Years) (Mean=40.6 ±9.91)**		
	21-30	12	17.1
	31-40	23	32.9
	41-50	22	31.4
	>50	13	18.6
2	**Gender**		
	Male	33	47.1
	Female	37	52.9
3	**Marital Status**		
	Single	10	14.3
	Married	57	81.4
	Separated	1	1.4
	Divorced	2	2.9
4	**Highest Level of Education**		
	GCE ordinary/ Advanced/SSCE	2	2.9

	HND	18	25.7
	Bachelor Degree	27	38.6
	Master Degree	21	30.0
	PhD	2	2.9
5	**Year of Experience (years)**		
	<1	3	4.3
	1-5	25	35.7
	6-10	26	37.1
	11-15	9	12.9
	>15	7	10.0
6	professional Qualification		
	Environmental Engineer	1	1.4
	ICSA	1	1.4
	OSH	1	1.4
	NO Profession stated	67	95.7

Table 1 showed the 70 respondents ' sociodemographic characteristics. The average age is 40.6±9.91 with the largest frequency 23 (representing 32.9%) falling between the ages of 31-40. Over half (52.9%) of respondents were female and 47.1% were male with 81.4% married, 14.3% single, 2.9% divorced and 1.4% separated. Nearly 40% had a Bachelor's degree, 30% had a Master's degree, while the same percentage (2.9%) had between 6 and 10 years of experience with PhD and SSCE with the biggest percentage (37.1%).

Table 2: Type and Nature of Organisation

S/N	**Variable**	**Frequency (N=70)**	**Percent**
1	**Types of Organization**		
	Private limited company	24	34.3
	Public limited company	4	5.7
	Partnership	13	18.6
	Sole Proprietor	24	34.3
	Family owned Business	5	7.1
2	**Nature/kind of industry**		
	Retail trading	4	5.7

	export	7	10.0
	Manufacturing	12	17.1
	Services	31	44.3
	Real Estate	3	4.3
	farming	11	15.7
	Training Consultant	2	2.9

Table 2 Disclosure type and nature of the organization, The same percentage (34.3 percent) of respondents were sole proprietorship and private limited company, 13.6 percent partnership, 5.7% public limited company and 7.1 % family-owned business with 44.3% engaged one form of service and another, 17.1 % manufacturing, 15.7 % farming, 10% exporting business and 2.9 % exporting business.

Table 3: Access to Credit from Financial Institution

S/N	**Statement**	**Yes: F(%)**	**No: F(%)**
1	**Do you have access to credit facilities from financial institution**	30(42.90)	40(57.10)
2	**if yes which type of institution do you access credit**	N=30	%
	Bank	17	56.67
	Microfinance	3	10.00
	Saving and Loan	4	13.33
	Both Bank and Microfinance	3	10.00
	Both Bank and Saving and Loan	3	10.00

Table 3 showed the distribution of respondents' access to credit from financial institution. More than half of the respondents claimed they have no access to any credit facility while 42.9% said they have access to credit facilities from financial institution in which 56.67% of them have access to bank, 13.33% have access to saving and loan, 10.00% have access to microfinance and 10.00% in the same proportion have access to both bank and microfinance, and both bank and saving loan as type of institution for getting loan.

Table 4: What Determines Choice of Institution

S/N	Suggested Determinant	No of respondents* (N=30)	Percent *
1	Accessibility	8	26.67
2	Low interest rate	3	10.00
3	Friendly to costumer and good relationship	8	26.67
4	Accountability	5	16.67
5	Acceptability	1	3.33
6	Reliability	7	23.33

***Each respondent made more than one suggestion**

Table 4 showed what determines respondents' choice of financial institution in 4.3 above.

More than one quarter (26.67%) claimed their financial institutions is accessible, 26.67% also claimed Friendly to customer and good relationship, 23.33% reliability, 16.67% accountability, 10% low interest rate and 3.33% claimed acceptability as a determinant for choice of financial institution

Table 5: Available facilities

S/N	Statement	No of respondents	Percent
1	**Available credit facilities that you are aware of**	**N=70**	**%**
	Agricultural Loan	5	7.14
	Asset Loan	2	2.86
	Bank Loan	10	14.29
	Union Loan	2	2.86
	Personal Loan	7	10.00
	CBN Loan	8	11.43
	Cooperative Loan	4	5.71
	Anchor Borrower	3	4.29
	Dangote Micro Loan	2	2.86
	LAPO	3	4.29
	Microfinance	4	5.71
	No response	20	28.57

2	**Type of credit facilities do you access**	**N=30 ***	**%***
	Agricultural Loan	5	16.67
	Bank Loan	8	26.67
	CBN Loan through NASME	6	20.00
	Personal Loan	4	13.33
	Cooperative Loan	4	13.33
	Microfinance	4	13.33
	LAPO	3	10.00
3	**how long does it take for credit to be granted after application**	**N=30**	**%**
	1-3months	14	46.67
	>3 months	16	53.33
4	**Duration of paying back for your credit**	**N=30**	**%**
	within 3 months	3	10.00
	4-8 months	7	23.33
	9-12 months	14	46.67
	>1yr	6	20.00
5	**are your credit granted in full**	**N=30**	**%**
	yes	26	86.67
	no	4	13.33
6	**if no, why**	**N=4**	**%**
	Because of bureaucracy	1	25.00
	No enough collateral	1	25.00
	Base on capacity	2	50.00
7	**Does the loan you got contribute to the survival of you SMEs**	**N=30**	**%**
	Yes	20	66.67
	No	10	33.33
8	**If no why**	**N=10**	**%**
	Fluctuation in internet rate	2	20.00
	Paying back time is too short	4	40.00
	Still Ongoing	2	20.00

	The Credit is on Monthly Basis and It Does Not Allow Real Flow of Cash Raw Materials	2	20.00

*Each respondent made more than one suggestion

Table 5 depict available credit facilities that respondents were aware of, 14.29% said they aware bank loan,11.43% CBN loan, 10.00% personal loan, 5.71% cooperative loan, 5.71% microfinance,4.29% Anchor Borrower, 4.29% NAPO, 2.86% Dangote micro loan, union loan and asset loan in the proportion while 28.57% did not respond.

Among 30 respondents that agreed having access to credit facilities from financial institution, 26.67% got it through bank loan, 20% of them through CBN Loan through NASME, 16.67% agricultural loan, 13.33% in the same proportion for cooperative loan, microfinance and personal loan while 10% got their own from NAPO. More than average (53.33%) claimed they got their loan after 3 months of request while 46.67% said they got it within 3 month of application with majority (86.67%) agreed that their loan was granted in full.

Table 6 Interest and level of Satisfaction with credit facility

S/N	**Statement**	**No of respondents N=30**	**Percent**
1	**what are the interest rate charged on this source of funding**		
	<20%	11	36.67
	21%- 30%	14	46.67
	31-40%	4	13.33
	>40%	1	3.33
2	**How did you find your interest rate charge on credit**		
	Extremely high	10	33.33
	High	11	36.67
	Acceptable	7	23.33
	Low	2	6.67
3	**Are there other sources that you have access to finance your company**		

	Yes	19	63.33
	No	11	36.67
4	**if yes where**		
	Microfinance	7	23.33
	SMEDAN	7	23.33
	friend and family	3	10.00
	Personal saving	2	6.67
5	**After providing the credit facility , how satisfied are you**		
	very satisfied	1	3.33
	Satisfied	18	60.00
	not satisfied at all	11	36.67

Table 6 showed the interest and level of Satisfaction with credit facility Close to half (46.67%) of the respondents are paying interest rate between 21-30%, 36.67% paying less than 20% interest rate with which 33.33% of them considered the interest rate as extremely high and 36.67 considered interest rate high. But more than half (60%) felt satisfied after giving them loan

Table 7 Availability and Accessibility of Loan on survival of SMEs

S/N	Criteria	No of respondents N=10*	Percent *
1	**Do you have any financial package for SMEs in your financial institution?**		
	Yes	10	100.00
	No	0	0.00
2	**If yes , do SMEs patronize these facilities**		
	Yes	10	100.00
	No	0	0.00
3	**If yes what is the success rate**		
	below average	1	10.00
	Average	2	20.00

	above average	7	70.00
4	**Criteria used the institution in granting a credit to SMEs**		
I	Good business plan	5	50.00
II	Own account with bank	5	50.00
III	Collateral/ guarantor	6	60.00
IV	Genuine reason for loan	3	30.00
V	evidence of business ownership/ id card	6	60.00
VI	Applicant 21 years and above	1	10.00
VII	Business being in operating area	2	20.00
VIII	Assurance of paying back/ consistent cash flow	5	50.00
IX	Good financial record	7	70.00

***Each respondent made more than one suggestion**

Table 7 above showed the distribution of respondents' availability and accessibility of loan on the survival of SMEs, all the respondents agreed that have financial package for SMEs in their financial institutions, all of they claimed their facilities were being patronized by SMEs. On the success rate of rate of the patronage, more than two third (70%) rate it to be above average, 20% average and 10% below average.

About the criteria used the institution in granting a credit to SMEs, 50% of the respondent suggested good business plan, 50% suggested owned account with bank, 60% collateral/ guarantor, 60% evidence of business ownership/ membership Identity card, and 30% suggested genuine reason for loan. Other suggested criteria are business being within the operating area (20%), good financial record (70%), assurance of paying back/ consistent cash flow and applicant being 21years and above

Table 8 Rejection/ turning down credit applicant

S/N	**Statement**	**No of respondents N=10***	**Percent ***
1	**Have you ever rejected/ turned down a credit applicant**	**Yes (%)**	**No(%)**
		10(100)	0(0)
2	**Suggested reason for rejection**		
I	No guarantor/ collateral	6	60.00
Ii	No tangible business plan	8	80.00
Iii	Poor financial record	4	40.00

Iv	Paving existing loan unpaid	4	40.00
V	Not registered	5	40.00

***Each respondent made more than one suggestion**

Table 8 above revealed that all respondent agreed they have one time another turned down the request of credit applicant base on lack of guarantor/ collateral (60%), No tangible business plan (80%), Poor financial record (40%), Paving existing loan unpaid (40%) and lack of proper registered (40%).

Table 9 Challenges inherent in processing credit facilities for SMEs

S/N	Challenges	No of respondents N=10*	Percent*
1	poor financial record and business documentation	7	70.00
2	SMEs have no company location to track	4	40.00
3	business no registered	3	30.00
4	no knowledge of loan application and new granting loan	4	40.00
5	complain high interest rate	5	50.00
6	no paying loan back on time	2	20.00
7	Lack consistent cash flow	2	20.00
8	Insufficient collateral	2	20.00

***Each respondent made more than one suggestion**

Table 9 showed the distribution of respondents suggested challenges inherent in processing credit facilities for SMEs. More than two third (70%) suggested poor financial record and lack of business documentation, 50% suggested complaint about high interest rate, 40% siting SMEs company in track location. Others suggestion are business no registered (30%), no paying loan back on time (20%), Lack consistent cash flow (20%) and Insufficient collateral (20%) as challenges inherent in processing credit facilities for SMEs.

Table 10

Objective 1: Challenges associated with assessing loan by SMEs

SN	Challenges	Frequency N=30*	%*
1	High interest rate	24	80.00
2	Collateral/ Guarantor	9	30.00
3	Long time waiting/ long process	6	20.00
4	Too much Documentation	15	50.00
5	Insufficient time to pay back	4	13.33
6	No easily accessible	3	10.00
7	Too many item demanded	2	6.67

***Each respondent made more than one suggestion**

Table above showed the distribution of respondents'Challenges associated with assessing loan by SMEs, 80% suggested high interest rate on the loan collected, 50% complained of too much documentation,30% collateral/ guarantor, 20% suggest long time waiting / long process of loan, 13.33% complained insufficient More than two third (70%) suggested poor financial record and lack of business documentation, 50% suggested complaint about high interest rate, 40% siting SMEs company in track location. Others suggestion are business no registered (30%), no paying loan back on time (20%), Lack consistent cash flow (20%) and Insufficient collateral (20%) as challenges inherent in processing credit facilities for SMEs time to pay back, 6.67% too many item demanded. On other hand, on the part of loan giver.

Table 11

Objective 2. Process involved in accessing loan by SMEs

S/N	Criteria	No of respondents N=10*	Percent *
1	**Do you have any financial package for SMEs in your financial institution?**		
	Yes	10	100.00
	No	0	0.00
2	**If yes , do SMEs patronize these facilities**		
	Yes	10	100.00
	No	0	0.00
3	**If yes what is the success rate**		

	below average	1	10.00
	Average	2	20.00
	above average	7	70.00
4	**Criteria used the institution in granting a credit to SMEs**		
I	Good business plan	5	50.00
II	Own account with bank	5	50.00
III	Collateral/ guarantor	6	60.00
IV	Genuine reason for loan	3	30.00
V	evidence of business ownership/ id card	6	60.00
VI	Applicant 21 years and above	1	10.00
VII	Business being in operating area	2	20.00
VIII	Assurance of paying back/ consistent cash flow	5	50.00
IX	Good financial record	7	70.00

Table above showed the distribution of respondents' availability and accessibility of loan on the survival of SMEs, all the respondents agreed that have financial package for SMEs in their financial institutions, all of they claimed their facilities were being patronized by SMEs. On the success rate of rate of the patronage, more than two third (70%) rate it to be above average, 20% average and 10% below average.

About the criteria used the institution in granting a credit to SMEs, 50% of the respondent suggested good business plan, 50% suggested owned account with bank, 60% collateral/ guarantor, 60% evidence of business ownership/ membership Identity card, and 30% suggested genuine reason for loan. Other suggested criteria are business being within the operating area (20%), good financial record (70%), assurance of paying back/ consistent cash flow and applicant being 21years and above.

Table 12

Objective 3: factor affecting accessibility of loan by SMEs

S/N	**affecting accessibility of loan**	**No of respondents N=10***	**Percent ***
I	No guarantor/ collateral	6	60.00
Ii	No tangible business plan	8	80.00
Iii	Poor financial record	4	40.00

Iv	Paving existing loan unpaid	4	40.00
V	Not registered	5	40.00

***Each respondent made more than one suggestion**

Table above revealed factor affecting accessibility of loan by SMEs. Some of factors as stated by respondents are lack of guarantor/ collateral (60%), No tangible business plan (80%), Poor financial record (40%), Paving existing loan unpaid (40%) and lack of proper registered (40%)

Table 13

Objective 4: Credit Facilities Financial Institution Have for SMEs

S/N	what type of loan facility do you have for SMEs	N=10	Percent
1	Bank loan	2	20.00
2	Over draft	3	30.00
3	Both bank and over draft	1	10.00
4	Commercial Support Short Term Loan	1	10.00
5	Fidelity small business account, fidelity business plus	1	10.00
6	SMEs Special Loan , Small Business Loan	1	10.00
7	Small Business Loan	1	10.00

The table above showed the Credit Facilities Financial Institution Have for SMEs such as bank loan (20%), over draft (30%), Commercial Support Short Term Loan, Fidelity small business account, fidelity business plus, SMEs Special Loan, Small Business Loan Small and business loan as suggested by the respondents

4.2 Verification of research Hypotheses

The hypotheses formulated for this research are examined using the associate t-values and p-values of the estimated coefficient. Herein, the accompanying p-value (***p***) of the obtained t-value (***t***) value is compared to the 0.05 significance level for each variable which is the acceptable level for social sciences in statistics. Where ***p-value*** is lower than the 0.05 significance level, the null hypothesis is rejected while where ***p***-value is greater than 0.05 significance level, the null hypothesis is not rejected.

Hypothesis 1: there is no relationship between challenges and survival of SMEs

Challenges in getting loan and survival of SMEs

		does the loan you got contribute to survival of SMEs		Total	
		Yes	No		
Challenges	Too much documentation	1	3	4	X^2=8.739
	Too many item demanded	0	2	2	DF=3
	High interest rate	21	6	27	P=0.033
	Long-time waiting /long process	1	1	2	
Total		23	12	35	

*respondents made more than one suggestion

Table above showed Cross tabulation between Challenges in getting loan and survival of the business. It can be deduced that there is relationship between challenges in getting loan and survival of SMEs since calculated p-value of 0.033 is less than 0.05. Therefore, the null hypothesis is rejected.

Hypothesis 2:

H0 there is no relationship between accessibility of loan and survival of SMEs

Access to credit facilities from financial institution and contribution of loan to survival of SMEs

		does the loan you got contribute to survival of your SMEs		Total	X^2=1.712
		Yes	No		
Do you have access to credit facilities	yes	18	7	25	DF=1
	No	2	3	5	P=0.045

from financial institution					
Total		20	10	30	

It can be deduced from the table able that there is no relationship between accessibility of loan and survival of SMEs since calculated p-value of 0.191(X^2=1.712) is greater than 0.05. Therefore, the null hypothesis is not rejected.

Hypothesis 3:

Ho: there is no relationship between Available credit facilities and survival of SMEs

		yes	No	Total	
Available credit facilities that you are aware of	Agricultural Loan	5	0	5	X^2=22.178
	Bank Loan	8	0	8	Df=12
	CBN Loan through NASME	5	1	6	P=0.138
	Personal Loan	2	1	3	
	Cooperative Loan	1	2	3	
	Microfinance	2	1	3	
	LAPO	0	2	2	
Total		23	7	30	

Table above showed that there is no relationship between Available credit facilities and survival of SMEs sincere calculated p-value of 0.138 is greater than 0.05. Null hypothesis is accepted.

4.3 Discussion on Findings

From the assessment of the outcomes it has been established that a significant proportion of participants were females and they fall between the ages of 31-40 because they are known to have so much energy at that era and culture-based that at this age women have time and energy to go into tiny companies while males are venturing into the more dangerous companies. The research disclosed that most participants were married and had 6-10 years of experience as SSCE holder, which explains why most entrepreneurs have problems with paperwork and analphabetic in the phase engaged in accessing loans. Most of the sort and nature of organizations fall between sole ownership and private limited company because many are scared of entering into partnership due to problems of confidence and engagement.

It is an established fact that most small and medium-sized enterprises are not applying for bank credit facilities. This research undertaken among small and medium-sized enterprises has given concrete proof. Only 10 percent of the total of 70 small businesses surveyed patronizes banks ' loan facilities in the setting. The causes of SMEs switching from one economic organization to another or none at all are unfavourable conditions, among others, over paperwork, elevated interest rates and collateral. This is an arrangement with Lawal and Ijaiye (2010) study that small and medium-sized enterprises face many difficulties in raising finance through official sources, particularly as it impacts banks and other financial institutions.

The frequently preferred loan facilities sponsored by tiny businesses were determined by the financial institution's availability and the institution's excellent connection, which rated an result of 56%.

The research demonstrates that the multiple requirements / criteria used by SMEs to access loans from financial institutions include collateral, excellent company plan, guarantors, and certificate of company registration, guarantor, and business / entrepreneur financial documents. Among all these requirements were the most common collateral, good business plan, and financial records, representing 65% of the total sample.

Once again, it is obvious from the research that small and medium-sized enterprises are unable to evaluate credit services as the participants stated that there is a problem of elevated loan rates from financial institutions that do not encourage applications for loan services. This often prevents them from honouring their duty to repay their loan.

This study as well as revealed that most financial institutions that have the credit facilities are not willing to give to SMEs because they do not have a excellent business plan as well as collateral or guarantor, they cannot provide any proof of ownership of the company and generally do not have good financial records. According to what Oboh (2002) writes, most banks are not prepared to advance loans to small and medium-sized enterprises, primarily due to the lack of collateral security.

The length of approval of credit ranges from less than a month, from 1-3 months to over three months. Between 1-3 months is the most common one. With respect to the payback period, nearly half of the loan equipment taken had to be repaid within nine months of permission. 25% shall be reimbursed within eight months, while the remaining 23% shall be reimbursed within three months. This event verified the fact that financial institutions view the SME industry as a risky business area.

This research also found that all financial institutions in the past had denied / rejected a small business loan request. Rejection reasons include: no concrete business plan, no guarantor or collateral, bad financial records, unpaid and unregistered current credit paving. No concrete company plan, guarantor or collateral were frequent appearances among several factors why loan requests were rejected, comparable to Sanusi's (2003) research that SMEs have very restricted access to the official financial system in Nigeria. Furthermore, CBN's observational research (2007) shows that as at the end of the first quarter of 2007, banks contributed only N18.1 billion of the N38.2 billion to the SME funding system, which obviously demonstrates that there has always been a gap between banks ' production capacities and SMEs ' challenging needs.

The research also demonstrates that most small and medium-sized enterprises are unable to provide collateral securities as a guarantee to obtain financial institutions loans. Respondents were questioned if it also impacts their capacity to evaluate financial institutions ' loan services. Majority agree that collateral requirements influence their capacity to evaluate financial institutions ' loan services. This is in agreement with Oyefuga (2008) assessment of SMEEIS ' effect on the development of Nigerian SMEs revealed that inappropriate company plans and poorly packaged projects were the primary factors why it is hard for SMEs to access funds from the new system. He further observed that although the system has helped some small and medium-sized enterprises, most of them are not even conscious of their operations.

The research also shows that absence of adequate paperwork in terms of company registration and company department, bad documents make public assistance very hard.

The findings show that government contributions have been made to support SME growth to help lessen the issue of money constraints as most financial institutions, such as the MFIs, have been unable to solve, so SMEs entrepreneurs have indicated that they can not access credit from traditional banks alone, but that the government must also support it. These contributions are listed as follows in improving access to loans and construction ability to assist them enhance their saving attitude.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This research examined the availability and accessibility of Small and Medium Enterprises (SMEs) survival loans. This chapter five concludes the study by providing the summary, conclusion and recommendation taken from the research.

5.1 Summary

Chapter one of this study discussed the introduction that included the study background, issue statement, study goals, research issues, hypotheses, study scope, study meaning, study restriction, and operational definition of terms.

Chapter two, the literature review, covered conceptual clarification, where all of the study's ideas were discussed in detail, theoretical framework and empirical framework, where the views of various academics and writers on the topic were well examined and addressed in detail.

Chapter three is the research methodology that presents the research design used to achieve this study's goals. It also introduces research design, study population, sampling determination, data collection processes, sampling design and process, data collection tool, research instrument validity and reliability, data analysis technique.

Chapter four was broken down into the presentation and analysis of data, the statistical analysis of the information obtained from the questionnaire was conducted in this chapter and hypothesis testing as well as the findings from the data were discussed and well presented.

The overview was given in Chapter Five and the research concluded with recommendations. The main finding contained in the study was that the survival of SMEs is influenced by factors affecting the availability and accessibility of loans.

5.2 Conclusion

The purpose of this research was to evaluate the availability and accessibility of loans for the survival of SMEs and to explore the process and difficulties faced by SMEs in their search for access to available credit facilities from the multiple Nigerian financial institutions. It is worth noting that SMEs ' activities are curbed to a very big extent by the limited availability of accessible loans for their survival.

While access to finance plays a significant role in the survival of small and medium-sized enterprises, it remains a significant issue facing SMEs in their activities. The research concludes that SMEs should be sensitized to government and private sector financing programs and economic schemes and that public and private industries are implementing financing programs and economic schemes to help SMEs, as it is clear that there is no fast and easy way for SMEs to receive loans from financial institutions.

5.3 Recommendations

5.3.1 Recommendation for Financial Institutions

Financial institutions should alter their outlook for SMEs. They should attempt to build a healthy connection with small and medium-sized enterprises, particularly those with excellent company plans and potential to succeed. Despite the rates of credit failure from previous lending experiences, the adverse attitude towards SMEs should be decreased. Financial organizations should efficiently communicate the strategies of their institution to SMEs and also decrease the need for collateral by asking for options, particularly from early-stage companies.

Financial institutions should also consider establishing a division or department for small and medium-sized enterprises to provide specialized services. This unit could be managed in financial institutions by specially qualified SMEs loan officers. Finally, the financial institution should consider lowering the documentation burden needed for requests for SME loans.

While banks may face limitations on lending to small and medium-sized enterprises, Aryeetey et al. (1994) recommend they do active banking by mobilizing funds and distributing them to needy SMEs. In addition, Sowah (2003) indicates that banks should be advised to take "fair risk" in vetting apps for loans from small and medium-sized enterprises, particularly in new fields and technology company ventures. In terms of taking sensible risk from banks, I recommend that government should generate or introduce some type of discount to encourage financial institutions.

5.3.2 Recommendations for Entrepreneurs (SMEs)

SMEs should guarantee that the company is registered and that all registrations and permits are regularly renewed. They should integrate excellent financial management practices such as preparing and using financial data in their activities, maintaining adequate bookkeeping, maintaining a correct accounting system, preparing good and promising company plans, and making excellent use of working capital management, as this can boost the chances of loan access by offering a lender with a transparent basis (financing).

SMEs should be actively involved in trade shows and industry activities to showcase their products or services as well as to increase their economic knowledge. SME owners need to create powerful links with their company partners and the financial institution that can assist them improve their understanding of loan services and acquire understanding of fund management and other company abilities. Such organizations could demonstrate important for small and medium-sized enterprises in accessing funds where one small and medium-sized enterprise could even act as a guarantor to solve the issue of no guarantor.

5.4 Implication of the Study

The research showed that, which is very significant, small and medium-sized enterprises need loan facilities to survive. It highlights the beneficial impact of access to accessible resources on the survival of SMEs. Accessibility level relies on how well it is possible to reduce the difficulties experienced. Entrepreneur / business owners must have a powerful and close relationship with financial institutions in order to have understanding and be well educated when it comes to credit access.

To facilitate the process of accessing accessible loan equipment, over-documentation by financial institution should be avoided. Additionally, more forum should be created by government and financial institutions to address the problem of insufficient country financing.

5.5 Contribution to Knowledge

Many studies have been performed over the years but most have not emphasized how accessibility to accessible loans helps small and medium-sized enterprises survive. This research finding underlines the significance of accessing accessible loans as most participants do not have access to accessible loans from financial organizations. By contrast, most of those who do not have access to credit equipment said they felt discouraged by the request for collateral or guarantor and even over paperwork in the phase and length of the financial institution's access to credit. The investigator also thinks that the outcome of this research will be valuable in this region for present and future researchers.

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APPENDICES

APPENDIX 1: QUESTIONNAIRE FOR SMALL AND MEDIUM ENTERPRISES OWNERS

The purpose of this questionnaire is to gather information on the availability and accessibility of loan on the survival of small and medium enterprises (SMEs).

SECTION I:

DEMOGRAPHIC BACKGROUND OF THE RESPONDENT

1. Please tick your age group

[ ] 20-30 years [ ] 31-40 years

[ ] 41-50 years [ ] Over 50 years

2. Gender: [ ] Male [ ] Female

3. Marital status: Single[ ] Married[ ] Separated[ ] Divorced[ ]

4. What is the highest level of education that you have attained?

[ ] GCE Ordinary /Advanced/SSCE [ ] Higher National Diploma (HND)

[ ] Bachelor Degree [ ] Master Degree

Professional Qualification (please specify) [ ]

5. How many years of experience do you have in managing this firm?

(Please tick as appropriate)

[ ] Less than one (1) year [ ] Between 1 and 5 years

[ ] Between 6 and 10 years [ ] Between 11 and 15 years [ ] Over 15 years

SECTION II:

6. Name of organization/Enterprise: ---
----

7. Types of Organization. (Please tick as appropriate)

[ ] Private Limited Company [ ] Public Limited Company

[ ] Partnership [ ] Sole Proprietor

[ ] Family Owned Business Others (please specify) ---

8. Nature/Kind of industry (please tick as appropriate)

[ ] Retail trading [ ] Export [ ] Manufacturing

[ ] Services [ ] Real Estate [ ] Farming

Other (specify) ---

SECTION III

9. Do you have access to credit facilities from financial institutions?

YES ☐ NO ☐

10. If yes, which type of institutions do you access credit from?

BANKS ☐

MICROFINANCE ☐

SAVINGS & LOANS ☐

OTHERS ☐

11. What determines your choice of institution?

I --

II---

III--

IV---

V--

12. What are the available credit facilities you are aware of or you know of?

I---

II--

III---

IV---

V--

13. Which type of credit facilities do you access from the financial institutions?

I---

II--

III---

IV---

V---

VI---

14. How long does it take for your credit to be granted after application?

WITHIN A MONTH

1-3 MONTHS ☐

MORE THAN 3 MONTHS ☐

OTHERS SPECIFY ---------------------------------------

15. What is the duration of payback for your credits?

WITHIM 3 MONTHS ☐

4-8 MONTHS ☐

9-12 MONTHS [ ]

MORE THAN A YEAR [ ]

16. Are your credits granted in full?

YES [ ] NO [ ]

17. If no, why?--

----

18. Do you achieve your desired goals after being granted the credit?

YES [ ] NO [ ]

19. If no, why?--

----

20. What are the interest rates charged on these sources of funding in your business?

Please tick as appropriate [ ]

[ ] Less than 20% [ ] 21-30% [ ] 31-40% [ ] Above 40%

21. How did you find the interest rates charged on credit?

Please tick [ ]

[ ] Extremely high [ ] High [ ] Acceptable [ ] Low

22. Are there any other sources that you have accessed credit to finance your company?

YES [ ] NO [ ]

23. If Yes, Where?

[ ] Microfinance institution

[ ] Small and medium enterprises development agency of Nigeria [SMEDAN]

Others Specify)……………………………………………………………………….

24. After providing the credit facilities, how satisfied are you? Please tick [ ]

[ ] Very satisfied [ ] Satisfied [ ] Not satisfied at all

25What are the challenges you encounter when seeking for loan

I.---

II.---

III.---

IV.---

V.---

VI.---

THANKS FOR YOUR TIME

APPENDIX 2: QUESTIONNAIRE FOR FINANCIAL INSTITUTIONS

The purpose of this questionnaire is to gather information on the availability and accessibility of loan on the survival of small and medium enterprises (SMEs).

1. Do you have any special financial package for SMEs in your financial institution? Yes [ ] No [ ]

What kind of special financial package do you have for SMEs

2. Does SMEs patronize these facilities? Yes[ ] No[ ]

3.If yes, what's the success rate?--

----

4. Name the main criteria used by your institution in granting a credit facility to SMEs

I. --IV---

II. ---V---

III. --VI--

5. Have you ever rejected/turned down a credit application form SMEs? Yes [ ] No [ ]

6. If yes, what was the reason for rejection?

I. ---

II. --

III. ---

7. What are the challenges inherent in processing credit facilities for SMEs?

I. --

II. ---

III. --

THANKS FOR YOUR TIME

APPENDIX 3: COVER LETTER FOR SMEALL AND MEDIUM ENTERPRISES OWNERS (RESPONDENTS)

MOUNTAIN TOP UNIVERSITY

KM 12, Lagos – Ibadan Express way, MFM Prayer City, Ogun State, Nigeria.

COLLEGE OF HUMANITIES MANAGEMENT AND SOCIAL SCIENCES

THE DEPARTMENT OF BUSINESS ADMINISTRATION

May 29, 2019

Dear Sir/Ma

Request for Completion of Questionnaire

I am a final year student of the above named institution conducting a research titled ‘AVALIABILITY AND ACCESSIBILITY OF LOAN ON THE SURVIVAL OF SMALL AND MEDIUM ENTERPRISES IN IKEJA LOCAL GOVERNMENT AREA LAGOS STATE.

I hereby ask for your assistance in honestly responding to the questions contained in the attached questionnaire with the assurance that any information supplied shall be held in strict confidence and only be used for the research purpose.

Thanks for your anticipated corporation.

Yours faithfully

Onifade Mojisola

(Researcher)

APPENDIX 4: COVER LETTER FOR FINANCIAL INSTITUTIONS

MOUNTAIN TOP UNIVERSITY

KM 12, Lagos – Ibadan Express way, MFM Prayer City, Ogun State, Nigeria.

COLLEGE OF HUMANITIES MANAGEMENT AND SOCIAL SCIENCES

THE DEPARTMENT OF BUSINESS ADMINISTRATION

May 29, 2019

Dear Sir/Ma

Request for Completion of Questionnaire

I am a final year student of the above named institution conducting a research titled ‘AVALIABILITY AND ACCESSIBILITY OF LOAN ON THE SURVIVAL OF SMALL AND MEDIUM ENTERPRISES IN IKEJA LOCAL GOVERNMENT AREA LAGOS STATE.

I hereby ask for your assistance in honestly responding to the questions contained in the attached questionnaire with the assurance that any information supplied shall be held in strict confidence and only be used for the research purpose.

Thanks for your anticipated corporation.

Yours faithfully

Onifade Mojisola

(Researcher)

APPENDIX 5: AUTHORIZATION LETTER TO COLLECT DATA

MOUNTAIN TOP UNIVERSITY

KM 12, Lagos – Ibadan Express way, MFM Prayer City, Ogun State, Nigeria.

COLLEGE OF HUMANITIES MANAGEMENT AND SOCIAL SCIENCES

THE DEPARTMENT OF BUSINESS ADMINISTRATION

May 29, 2019

To:

The Executive Secretary of Small and Medium Enterprises Development Agency of Nigeria (SMEDAN)

Dear Sir/Ma

<u>Request for Registered Small and Medium Enterprises (SMEs)</u>

I am a final year student of the above named institution conducting a research titled ‘AVALIABILITY AND ACCESSIBILITY OF LOAN ON THE SURVIVAL OF SMALL AND MEDIUM ENTERPRISES IN IKEJA LOCAL GOVERNMENT AREA LAGOS STATE.

I hereby request for your assistance in completion of the research. A list of seventy registered small and medium enterprises under SMEDAN is required for the research.

I assure you that any information supplied shall be held in strict confidence and only be used for the research purpose.

Thanks for your anticipated corporation

Yours faithfully,

Onifade Mojisola

(Researcher)

APPENDIX 6: AUTHORIZATION LETTER TO COLLECT DATA

MOUNTAIN TOP UNIVERSITY

KM 12, Lagos – Ibadan Express way, MFM Prayer City, Ogun State, Nigeria.

COLLEGE OF HUMANITIES MANAGEMENT AND SOCIAL SCIENCES

THE DEPARTMENT OF BUSINESS ADMINISTRATION

May 29, 2019

To:

The Executive Secretary of Nigeria Association of Small and Medium Enterprises (NASME)

Dear Sir/Ma

Request for Registered Small and Medium Enterprises (SMEs)

I am a final year student of the above named institution conducting a research titled 'AVALIABILITY AND ACCESSIBILITY OF LOAN ON THE SURVIVAL OF SMALL AND MEDIUM ENTERPRISES IN IKEJA LOCAL GOVERNMENT AREA LAGOS STATE.

I hereby request for your assistance in completion of the research. A list of seventy registered small and medium enterprises under NASME is required for the research.

I assure you that any information supplied shall be held in strict confidence and only be used for the research purpose.

Thanks for your anticipated corporation

Yours faithfully,

Onifade Mojisola

(Researcher)

APPENDIX 7: DETERMINATION OF POPULATION SIZE

Table for Determining Sample Size for a Finite Population

N	***S***	***N***	***S***	***N***	***S***
10	10	220	10	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note—N is population size S is sample size

Source: Krejcie and Morgan, 1970