

**CREDIT MANAGEMENT AND THE PERFORMANCE  
OF SMALL-SCALE ENTERPRISES IN NIGERIA.**

**BY**

**ADEDEJI ABAYOMI ADEWALE**

Matric. No: 16PAG01402

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(M.Sc) IN FINANCE**

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## **DECLARATION**

I, **ADEDEJI Abayomi, Adewale (16PAG01402)**, declared that this dissertation titled: ‘Credit Management and the Performance of Small-scale Enterprises in Nigeria’ was undertaken by me under the supervision of Dr. Joseph Niyai Taiwo. The dissertation has not been presented, either wholly or partly, for any degree elsewhere. All sources of scholarly information used in this dissertation were duly acknowledged.

**ADEDEJI Abayomi, Adewale**

.....

**Signature & Date:**

## CERTIFICATION

This is to certify that this research work written by ADEDEJI, Abayomi Adewale with Matriculation Number: 16PAG01402, was supervised and approved in partial fulfilment of the requirement of the award of Master of Science (M.Sc.) degree in Finance of the department of banking and finance, Covenant University, Ota, Ogun state, Nigeria.

Dr. J.N TAIWO

.....

(Supervisor)

Signature and Date

Dr. Kehinde ADETILOYE

.....

(Head of Department)

Signature and Date

Prof. S. Wara

.....

(Dean, School of Postgraduate Studies)

Signature and Date

.....

External supervisor

Signature and Date

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**Adedeji Abayomi**

## **DEDICATION**

I dedicate this research to the Almighty God, who has given me the strength and wisdom for this achievement. Unto thy name O Lord be all the glory. I also dedicate this study to every small-scale business trying to be the solution to needs.

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## ABSTRACT

This study presents a background for understanding the importance of credit management as it affects the performance of small scale enterprises. Perpetually, credit management involves the matter of credit facility and its management. No matter how efficient managers of credit are, there is always the incidence of bad debts, evaluation of credit management therefore must involve thorough supervisory and monitoring techniques. This study examines how financial institutions respond to credit facilities given to their customers and how the small- scale enterprises react to methods of credit management. Small scale enterprises are basically grass-root businesses that support the livelihood of entrepreneurs and in turn create jobs and reduce poverty to a large extent. It is essential that credit facilities extended by the financial institution to the small-scale enterprises are properly managed in order to ensure repayment of facilities and growth of the small- scale business, this growth therefore breeds development for the economy. This therefore brings us to how the management of credit influences the performance of such businesses. Primary Data were utilized through the Questionnaires administered on deposit money banks, micro finance banks as well as selected small-scale business owners. Descriptive statistics were employed to analyze the data using SPSS so as to test the hypotheses adopted. It was observed that supervisory and monitoring mechanisms are important and influences the performance of the small-scale businesses, it was also observed that the performance of the small-scale affects the development of the economy and that credit management has an effect on whether the small-scale business performs or not. It was also observed that most small-scale owners do not have the expertise to maintain proper records of their activities. It is hereby recommended that Banks should enlighten their customers on importance of proper record keeping, utilization of the credit facilities given to them, and the necessity for prompt repayment of facilities. The study is expected to be useful to entrepreneurs, players in financial institutions and policy makers of the economy.