



Research Article

Volume-06|Issue02|2026

Financial Management Practices of Small and Medium-Sized Enterprises (SMEs)

Forbeneh Agha Jude

Department of accounting and finance, faculty of economics and applied management, university of Douala-Cameroon

Article History

Received: 22.02.2026

Accepted: 16.03.2026

Published: 30.03.2026

Citation

Jude, F. A. (2026). Financial Management Practices of Small and Medium-Sized Enterprises (SMEs). *Indiana Journal of Economics and Business Management*, 6(2), 12-25.

Abstract: Worldwide, small and medium enterprises (SMEs) are recognised as backbone of a country's economy. They play a key role in economic development and make an important contribution to employment and GDP, and are important contributors to total employment and job creation. Small, and Medium Enterprises (SMEs) have enormous potential to support the economy. However, the high potential of SMEs has yet to be developed optimally. One of the problems experienced by SMEs is financial management. The aim of this study is to underscore the financial management practices of SMEs. Purposive sampling technique was employed to collect data from 150 SMEs using questionnaires consisting of measuring each variable on five-point likert's scale. The study employed descriptive research design. Accordingly, for data analysis, the researcher used standard tools of descriptive statistics. The result of the findings revealed that financial management practices of SMEs are moderate with an aggregate mean score of 2.88. Accordingly, the implementation of financial management still needs to improve. Recommended actions target reliable policies to enhance financial management practices of SMEs.

Keywords: Financial management practices, SMEs

Copyright © 2026 The Author(s): This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC 4.0).

INTRODUCTION

The significance of SMEs contribution to developed and developing economies is notably remarkable (Lukács, 2005, Savlovschi & Robu, 2011). Small and Medium Enterprises (SMEs) are the primary catalysts for economic expansion and employment generation globally (Okoli, *et al.*, 2023). Well-functioning SMEs are necessary for continuous and sustainable economic growth (Parvin, Asimiran, & Ayub, 2021). Therefore, to create a sound industrial sector in the economy, having a good SME sector becomes essential. However, the high potential of SMEs has yet to be developed optimally. One of the problems experienced by SMEs is financial management. Indeed, financial management is one of several functional areas of management, but it is central to the success of any business. Financial management is management that involves planning, analysing, and controlling financial activities. It is documented that financial management practice is a key reason for the success of enterprises, and it is the main issue for any business type, including SMEs (Pandey, 2005). In other words, the process of financial management is a crucial activity for SMEs in successfully managing a business. To achieve good performance, SME players must know how to manage their company's finances (Dwyanti, 2024). Contrarily, poor financial management techniques lead to business failures, a lack of finances, insufficient budget allocation, and high operational costs, and declining business growth (Assefa & Onsare, 2024).

Generally, the poor financial management of owner-managers is the main cause underlying the problems of SMEs (Jindrichovska, 2013). Previous studies have revealed that one of the challenges confronting SMEs is the management of finance (Okafor, 2016). Even though small and medium-sized enterprises (SMEs) play a vital role in the global economy, accounting for a significant share of employment, output, and innovation, they also face a number of financial management challenges that can hinder growth and success (Kumar, 2023). Financial management problems are, in fact, deemed a major factor in the failure of SMEs (Karadag, 2015). Similarly, Sow *et al.* (2018) expressed that poor financial management practice is a prime reason for small business failure. Therefore, effective financial management is one of the factors that contributes to the challenges confronting SME owners (Chhabra & Pattanayak, 2014). For instance, a majority of small and medium enterprises fail in their early years due to poor financial management, turning the dreams of many business owners and novice entrepreneurs in to nightmares. In the same vein, Hirawati *et al.* (2021) stated that financial management carried out by business owners is still in the poor category.

The failure of SMEs and has been partly attributed to the inadequacy of financial management practices, which have been largely ignored among SMEs (Ferby *et al.*, 2023). Therefore, financial management is

an important thing that SMEs must pay attention to. In their review on the context of financial management practices, the following areas were emphasized, namely: financial decisions, investment decisions and accounting information systems. However, these previous researchers though looked at financial management practices; they did not include paramount key areas like working capital management practices (Abanis et al, 2013). Accordingly, this study extends previous studies by including working capital management in the analysis. However, to our knowledge, there has not been any research conducted to underscore the financial management practices of SMEs in Cameroon. The rest of the paper is organised as follows: **section 2** reviews the literature on financial management practices and SMEs, **section 3** is the methodology of the study, **section 4** is the presentation and discussion of the results of the findings; and **section 5** is the conclusion and recommendations of the study.

LITERATURE REVIEW

This section reviews essentially the literature related to financial management, practices of financial management, and SMEs.

Overview of small and medium-sized enterprises (SMEs)

SMEs refer to Small and medium sized enterprises. Small and medium-sized enterprises (SMEs) are a very heterogeneous group of businesses usually operating differently, like in manufacturing, trading, agriculture, construction, and service businesses, managed by individuals or their owners as proprietors and entrepreneurs (Zarrouk *et al.*, 2020). In both advanced and developing economies. SMEs are regarded as the “engines of growth” and key source of dynamism, innovation and flexibility” (OECD, 2010) due to their large share within total Enterprise and significant contribution to real GDP growth, new job creation, and reduction of poverty.

However, there is no universal (common) definition for SMEs in the world to date. However, most countries classify a firm as small, medium, or large based on criteria like the number of employees, total value of assets, total capital, and annual sales. This implies that the definition of small and medium businesses depends on the country and its economic level (Aklilu & Onsare, 2024). Similar to Fah and Molem (2024), the definition of SMEs for this study is based on Law No. 2015/010 of the 16th of July 2015 on the Promotion of Small and Medium Size Enterprises. In Cameroon, according to Law No. 2015/010 of the 16th of July 2015 on the Promotion of Small and Medium Size Enterprises, businesses are classified as SMEs if they employ between 6 and 100 people and have an annual revenue before taxes of between 15 million and 3 billion FCFA. This means that small businesses with 6 to 20 employees and an annual revenue before taxes of 15 million to 250 million FCFA are classified as small businesses, while

medium-sized businesses with 21 to 100 employees and an annual revenue before taxes of 251 million to 3 billion FCFA are classified as medium-sized businesses.

Financial Management

According to Paramasivan & Subramanian (2009), financial management is an integral part of overall management. Stern *et al.* (1995) advocate that it is a popular tool that is used for building reliable and effective financial decisions regarding the business. Financial management entails the planning, organizing, directing, and controlling of financial activities such as enterprise fund procurement and utilization. Broadly, financial management is the management of finances of a business to achieve the financial objectives of the business. Financial management is an essential part of the economic activities which leads to decide the efficient procurement and utilisation of finance with profitable manner (Abenet & Venkateswarlu, 2016). Management of finance is essential goal of a firm without it a firm can no longer work and survive into a competitive word finance is one of the most scare and high cost resources its availability and usefulness is based on efficient financial record system (Singh & Tiwari, 2020). The financial management theory states that the way a manager makes decisions results in either the success or failure of any organization (Brigham & Ehrhardt, 2008). Knowledge of financial management can be useful for SMEs business owners (Karadag, 2015) and may contribute to effective strategies (Froelich, 2015). A company's survival and expansion depend on the skilful handling of its financial resources. Various scholars have recognized good financial management practices as the backbone of small and medium enterprises' performance. However, SMEs players often ignore financial management (Ferby *et al.*, 2023). Many SME owners often lack the necessary financial literacy and management skills, leading to difficulties in budgeting, cash flow management, and financial planning. These gaps can result in misallocation of resources, undercapitalization, and ultimately, business failure (Olawale & Garwe, 2020).

Financial Management Practices

Financial management practices involve making financial decisions for both long-term and short-term goals to ensure that the return on capital exceeds the cost without assuming an excessive amount of financial risk (Abey, *et al.*, 2021). According to (Nicholas & Alex, 2024), financial practices refer to the set of common methods or standard operating procedures developed to carry out SME performance, budgeting, accounting and other activities related to corporate finance. The term finance management practices is used to represent the management of funds and how the funds are used to achieve the objectives of the organization and shareholders' value maximization (Chandra, 2011; Kilonzo & Ouma, 2015). These practices are likely to have a marked effect on the financial performance of an enterprise. Therefore, sound financial decisions and

practices can contribute towards meeting the desired objective of having profitable operations (Jain *et al.*, 2013). The strong points of financial management practices in the SME sector have long attracted the attention of researchers. Depending on different objectives, researchers emphasize different aspects of financial management practices. However, majority of these findings showed that financial management practices of SMEs is still very low. For instance, Ferby *et al.* (2023) interviewed a total of 50 MSMEs, and found that the implementation of financial management still needs to improve. The majority of SMEs do not use a budget and do not have long-term planning for their business. Financial recording indicators also show that most MSMEs do not separate business and personal finances and do not carry out accounting records. The majority of MSMEs also do not make financial reports and do not exercise good financial control. Ronewa, Munzhelele, Ndivhuwo (2025) investigated the financial management practices among Small, Medium, and Micro Enterprises (SMMEs) in the Thulamela Local Municipality using a qualitative approach. Findings revealed that competition is perceived as the primary cause of business failures; however, inadequate financial management emerged as a significant underlying issue. The study emphasizes the urgent need for intervention from government, banks, and academic institutions to offer financial management training and improve access to funding for SMEs. Anoo *et al.* (2020) unveiled the financial management practices and challenges confronting the MSMEs in Danao City, Philippines. The study revealed that the financial management system was moderately practiced. It was concluded that the MSMEs management does not practice the generally accepted standards on the financial management and control of the business, which poses some threats on its sustainability considering that their predominant size, the volume of assets, and revenue earned is low. Alhassan, Erasmus & Portia (2018) examined financial management practices using four components: working capital management practices, capital structure management, accounting information and financial reporting practice, and the use of capital budgeting techniques and fixed assets management. The results of the descriptive statistics revealed that working capital management practices had the highest mean score, followed by accounting information and financial reporting practices, capital structure management and finally, the use of capital budgeting techniques and fixed assets management, in that order.

Financial management in SMEs is an important aspect that influences growth, sustainability, and competitiveness. Financial management has a favorable impact on competitiveness, and the survival of SMEs (Nkwinika & Akinola, 2023). The result of empirical findings showed that financial management practices influence profitability (Namataka & Mwesigwa, 2024 ; Eton *et al.*, 2022 ; Mohammed & Suleiman, 2022 ; Alhassan *et al.*, 2018 ; Nuwatuhaire & Ainomugisha,

2019 ; Nkwinika & Akinola, 2023), and hence, sustainability of SMEs (Ikpor & Udie, 2025). Therefore, SMEs should implement effective financial management activities in order to achieve the profitability aim of the business. According to Eton *et al.* (2018) and Matei and Onofrei (2021), business organisations should invest more time and money into giving themselves and their staff members the fundamental financial management knowledge and skills they need to embrace business sustainability. Small businesses should participate in financial management training to improve their financial skills and enhance their day-to-day operations (Bismark, Kofi, Kofi, & Eric, 2018).

The critical issue of financial management practices in the SMEs sector has long attracted the attention of researchers. Depending on different objectives, researchers emphasize different aspects of financial management practices. According to Kitonga (2013) typical financial management practices include an accounting information system, fixed assets management, working capital management, financial reporting and analysis, capital structure management etc (Kitonga, 2013; Kilonzo & Ouma, 2015). In short, financial management practices include all aspects of management that affect the finances of the company and what is needed to achieve the overall objective of the organization. This includes working capital management, long-term financial management and capital structure management, accounting information and financial reporting practices, capital budgeting etc. This study focuses on six practices of financial management: capital budgeting or investment decisions, working capital management, financial decisions, financial planning, financial recording, and financial reporting.

a) Financial Recording or Accounting Information System

Kitonga (2013) defines that an accounting information system is the recording of transactions using computers with the aid of accounting systems and techniques which are used to record and analyse business transactions for the purpose of preparing a financial statement for users. A proper accounting information system is at the heart of proper bookkeeping and financial analysis for decision making (Muneer *et al.* 2017). Research on SMEs globally all emphasise the importance of accounting information system for their survival and growth (Lavia-Lopez & Hiebl, 2014; Chen *et al.*, 2013; Amoako, 2013). Gitman (2011) argues that information from financial statements is useful for planning, evaluation and decision making.

Madurapperuma *et al.* (2016) stipulated that micro and small business recordkeeping is the backbone of business. If SMEs do not maintain proper accounting records, the long term sustainability of the business may be questionable (Blackburn, Carey, & Tanewski, 2018). Accounting information system is the nature and purpose

of financial records, bookkeeping, cost accounting, and use of computers in financial record keeping (Chung & Chuang, 2010). Evidence shows that keeping good records helps to increase the chances of business survival (Gan, Chong, & Ahmed, 2016). Financial statements usually provide the information required for planning and decision making. Information from financial statements can also be used as part of the evaluation, planning and decision making by making historical comparisons. Keeping accurate accounting records actually creates a profitable business. Blackburn *et al.* (2018) emphasized that many small businesses failed to keep adequate records. This may lead to major problems and quite possibly the closing of a business. In essence, an SME's owner or manager should be personally involved in record keeping (Badu & Appiah, 2018). Proper record keeping ensures long-term sustainability. Bookkeeping alone without preparing reports is likely not to be fundamental in aiding decision making unless proper reports are prepared and analysed to attach a meaning so as to help decision makers. SMEs frequently face accounting and financial management issues as a result of insufficient financial reporting practices, such as poor recordkeeping and inefficient use of accounting information to make sound financial decisions, as well as the low quality and unreliability of financial data. Furthermore, proper record keeping and accounting practices aid in making sound economic decisions for the success of small businesses. Accounting information that is inaccurate or poorly recorded causes SMEs to overestimate their financial situation. In the worst-case scenario, SMEs must fail and may go bankrupt. These impending issues make it difficult to raise funds or borrow money.

b) Financial Reporting

Reporting is a major tool for organizations to accurately see summarized, timely information used for decision-making and financial reporting. Financial reporting is utilization of financial statements and associated information to facilitate managerial decisions (Mcmahon, 1991). Financial reporting entails communicating financial information to management and other stakeholders about the performance of the business over a specified time period. It assists management, investors, and other stakeholders in making sound financial decisions (Kajongwe, 2021). Bookkeeping alone without preparing reports is likely not to be fundamental in aiding decision making unless proper reports are prepared and analysed to attach a meaning so as to help decision makers (Abanis *et al.*, 2013).

c) Working Capital Management

Working capital is the management of current assets and current liabilities. Therefore, management of working capital involves management of receivables, payables, inventory, and cash. A careful financial management of working capital is more vital in small and medium enterprises than it is for large organizations

particularly as they are not likely to have access to financial expertise like the large enterprises. The management of working capital is very critical and one of the major financial management decisions as it has serious implications on the financial performance of every company (Musah, 2017). WCM, according to Musah (2017), is important for making wise financial management decisions that have a big impact on a small business' profitability. Tauringana and Afrifa (2013) argue that many SMEs who have some elements of working capital management practices are able to enhance the cash conversion cycle thereby improving their profitability. Therefore, it's crucial to recognize that WCM contributes significantly to raising corporate profitability. Small-scale businesses are ensured by WCM procedures to be able to run continuously with sufficient flow of cash to cover their obligations and operational expenses as the fall is due. Due to the favourable influence, it has on their businesses' profitability, small business owners should pay close attention to financial management procedures (Yensu, Yiadom, & Awatey, 2016). For Small and Medium Enterprises (SMEs), there is the need for particular attention to the control and monitoring of Working Capital because of their higher proportion of current assets, less liquidity, volatile cash flows and reliance on short-term debt relative to large firms (Nuwatuhaire & Ainomugisha, 2019).

d) Capital Budgeting or Investment Decisions

Investing decisions are one of the broad areas of financial management concerned with making decisions regarding investing in long-term assets, also called capital budgeting decisions (such as investing in land, machinery, long-term securities, and other fixed assets). According to Kitonga (2013), fixed assets management is an important component of financial management practices as it represents the long-term investment decision of SMEs. Investment in these assets requires huge capital outlay and as such it is important that they are managed well when acquired. Capital budgeting (fixed assets management) is the process of identifying and selecting investments in long-lived assets, or asset expected to produce benefits over more than one year. Capital budgeting consists in planning development of available capital for the purpose of maximizing the long-term profitability of the concern (Fabozzi & Pamela, 2003). Unlike working capital decisions, capital budgeting decisions commit funds for a time period longer than one year and may have an impact of a company's strategic position within its industry.

Capital investment decisions are critical business decisions because of the financial consequence of those decisions (Kilonzo & Ouma, 2015). Brigham's (1995) capital budgeting decisions are more critical for SMEs than for larger organizations since a wrong decision can affect the survival of the business. Because of the importance of capital investment decisions to business, finance literature has proposed various

techniques that should be used to evaluate the financial viability of this investment before committing the organization's resources to it (Muneer *et al.* 2017). Various techniques that can be used to evaluate investment in capital assets include: a payback period with its attendant variations in discounted payback methods, accounting rate of return or return on investment, net present value, internal rate of return etc. the overall objective of an organization's financial management strategy is to maximize the value of shareholder wealth. Consequently, to make saving and investment decisions individuals require knowledge beyond fundamental financial concepts including relationship between risk and return. Capital budgeting decisions, also known as capital investment or capital expenditure decision remain critical to the success of any firm. For example, Brigham and Ehrhardt (2008) argue that capital budgeting decisions are vital to a firm's financial well-being and are among the most important decisions that owners or managers of firms must make.

e) Capital Structure or Financing Decisions

Capital structure is the appropriate combination of debt and equity that enables the funding of corporate operations (Mandipa & Sibindi, 2022; Mazzarol *et al.*, 2015). The management of a firm capital structure involves the choice of the right mix of debt and equity capital that will maximize the profitability of the firm (Romney, 2009). The Capital structure is related to the source of finance for the business and has some implications on the performance of the firm (Mazzarol *et al.* 2015). The success of SMEs in dynamic business environment depends largely on their capacity to being able to determine the right mix of capital structure that will ensure that shareholders value are maximized and other stakeholder interest also taken care of studies have shown that the capital structure management of SMEs especially in developing countries depends largely on their ability and capacity to manage risk associated with their business cash flows prudently (Karadag, 2015; Kennedy, 2006).

Financial structure accounts of knowledge of sources and uses of finance, non-financial and financial considerations in financial structure decisions and non-financial and financial considerations in profit distribution decisions. Financing decisions also called capital structures, which are concerned with managerial decision-making based on the sources of funds the business organization has used to finance its operations and other investment projects. This means that it is important for SMEs to take a serious look at how they manage their capital structure to reduce the burden on their cash flows. It is argued that firms in their early stages do not require so much debt capital as this will enormous burden on their cash flow which could result in liquidation challenges (Muneer, 2017). Companies should make the best financial decisions for their businesses in order to improve their financial performance.

f) Financial Planning or Budgeting

Safari, Mansori, and Sesaiah (2017) described financial planning (FP) as a comprehensive assessment of one's current and future financial status. This includes financial objectives and targets, cost-volume-profit analysis, pricing, short term financial budgeting and control, and management of responsibility centres. Financial planning is in itself a complex multidimensional task and includes a wide array of activities, such as cash flow management, savings, investments, tax planning, real estate management, insurance planning, and retirement planning (Safari *et al.*, 2017). Companies typically prepare a wide array of plans and budgets. Some of which include sales plan, production plan, cost plan and expense budget and budgeted income statement and balance sheet. These budgets are very important to anticipate the future in advance. Lakew and Rao (2013) find a significant positive relation between a profitability and financial planning practices of SMEs. Mahapatra, Raveendra, and De (2019) categorized financial planning into organizational financial planning and personal financial planning (PFP). While organizational financial planning entails a business plan, financial statement, and cash flow, PFP involves awareness creation in a complex financial market and the awareness of the range of financial products by an individual (Mahapatra *et al.*, 2019). Meanwhile, Ng, Sweeney, and Plewa (2019) identified the components of financial planning as (a) tax planning, required for minimizing tax burden; (b) cash flow planning, required for planning savings and spending policies; (c) investment planning, needed by deploying current resources efficiently to meet future requirements; (d) risk management, to reduce household exposure to uncertainty; (e) retirement plan, for the life cycle period when income ceases; and (f) estate planning by distributing income and wealth among other family members.

METHODOLOGY

Similar to Alhassan, Erasmus & Portia (2018), the method used is descriptive research design. Purposeful sampling approach was adopted to select research participants from SMEs. Data collection was carried out by distributing questionnaires sampled SMEs located in the city of Douala. The object of this research is the owner/managers of SMEs. The sample size used at the final phase of this study is 150 SMEs. Cochran (1977) sampling technique for formulating sample size when population is infinite was used to estimate a sample size out of the study population. The Cochran (1977) formula is given by:

$$n = \frac{z^2(p)(q)}{e^2}$$

Where,

- n = Sample Size
- z = Selected critical value of desired confidence level

- p = is the estimated proportion of an attribute that is present in the population
- $q = 1 - p$
- e^2 = Margin of error (10%)

Since we want to calculate a sample size of a large population whose degree of variability is not known, we assume maximum variability, which is equal to 50% ($p=0.5$) and taking 90% confidence level with $\pm 10\%$ precision, the calculation for the required sample size was as follows:

- $p = 0.5$
- $q = 1 - p = 1 - 0.5 = 0.5$
- $e = 0.10$
- $z = 1.96$

Substituting into the formula we have:

$$n = \frac{(1.96)^2(0.5)(0.5)}{(0.10)^2} = 163$$

163 questionnaires were administered. However, 150 questionnaires were exploited in the final phase of the study. These questionnaires were answered correctly.

Measurement of variables

This variable uses questions with a Likert's scale with five categories consisting of 1- never, 2-rarely, 3-sometimes, 4-often, and 5-always, which states the frequency of implementation of each activity in the question. Higher scores were an indicator of a higher level of financial management practices and vice versa.

Financial management practices

Proxies of financial management of SMEs are financing decisions, investment decisions, working capital decisions, financial reporting, financial recording, and financial planning.

Table 1 : Measurement of Variables

Financial management practices	
Investment or Capital Budgeting Decision	
Evaluate the financial attractiveness of actual projects and choosing the most successful ones.	Likert's scale
Separating personal asset from business finances	Likert's scale
Financing Decisions	
Use the source of funds with less cost of capital to finance activities.	Likert's scale
Make additional business funds through loan credit	Likert's scale
Working Capital Decisions	
Record all new stock purchases in the book.	Likert's scale
Use/apply stock management software in recording the ins and outs of my stocks.	Likert's scale
Conduct inventory or physical counting of stocks regularly.	Likert's scale
Practice the first-in and last-out inventory management system.	Likert's scale
Project the required level of inventory of stocks needed on a regularly specified time.	Likert's scale
Financial Recording	
Keep track and record of daily sales every day.	Likert's scale
Record daily cash receipts	Likert's scale
Make a record of profit and loss	Likert's scale
Record all inventory/or stock purchases in the ledger.	Likert's scale
Record all expenses incurred in the operation of the business.	Likert's scale
Keep track of all my debtors in the book of accounts.	Likert's scale
Financial Reporting	
Prepare financial reports in the form of financial statements like income statement, cash-flow, and balance sheet, etc.	Likert's scale
Hire an external bookkeeper/ accountant to prepare the reports and returns	Likert's scale
Financial Planning or Budgeting	
Make financial planning	Likert's scale
Make a budgetary allocation on all the expenses incurred in running the business.	Likert's scale
Make a budget schedule of all the goods either produced or sell.	Likert's scale
Make a cash budget	Likert's scale

Source: Author (2026)

RESULTS AND DISCUSSION

Characteristics of Respondents

Table 2: Respondents' Characteristics

Description	Total	Percentage
Number of sample	150	
Gender:		
Female	60	40
Male	90	60
Education :		
Primary	20	13.33
Secondary	30	20
Bachelor degree	50	33.33
Master degree	30	20
Doctoral degree	20	13.33
Age :		
18-23 years	15	10
24-29 years	30	20
30-35 years	40	26.67
36-41 years	23	15.33
42-47 years	12	8
48-55 years	24	16
Above 55 years	6	4
Number of years in activities		
3-5 years	65	43.33
6-8 years	55	36.67
Above 8 years	30	20
Profession:		
Employed	99	66
Self-employed	51	34
Domicile:		
Urban	150	100
Rural		
Sector		
Service	84	56
Manufacturing	66	44

Source: Data analysis (2026)

The table above shows characteristics of respondents used in the study. Females represent 40%, and males 60% of the sampled SMEs showing a slight equilibrium in gender. As for educational level, both secondary and master level have equal percentage, that is, 20%, primary school and doctorate degree levels have 13.33%, meanwhile, the highest percent sampled individuals hold a bachelor degree (33.33). In order of magnitude, the highest age group is 30-35 years (26.67%), next 24-29 years (20%), 48-55 years (16%), 36-41 years (15.33%), 18-23 years (10%), 42-47 years (8%), and above 55 years (4%). It is concluded that young individuals within the age 30-35 years are actively involved in business. In case of the number of years in operation, 43.33% are operating for 3-5 years, 36.67% are operating for 6-8 years, and 20% are operating for more than 8 years. This result shows that the majority of SMEs are nascent with at least five years of existence. In terms of occupation, 66% are employed, meanwhile, 34% are self-employed. The sampled SMEs operate in the city of Douala. Majority of the sampled SMEs (56%) operate in the service sector, while 44% have their

activities in the manufacturing. This shows the high concentration of SMEs in the service sector. SMEs concentrate activities in the service sector because of less capital required in this sector compared to other sector which require huge capital investment.

Practices of Financial Management

From the answers of each respondent the average is calculated and interpreted based on Table 3 below. Similar to Hirawati *et al.* (2021) and Abanis *et al.* (2013), we adopted the following range to appreciate financial management practices of SMEs:

Table 3: Scale Category

Mean range	Response mode	Interpretation
1-1.80	Never	Very low
1.81-2.60	Rarely	Low
2.61-3.40	Sometimes	Moderate
3.41-4.20	Often	High
4.21-5.00	Always	Very High

Source: Author (2026)

The results of research related to the appreciation of financial literacy and financial management SMEs can be seen in Table 4 as follows:

Table 4: Financial Management Practices of SMEs

Questions	Scale					Average	Category
	1	2	3	4	5		
Financial management practices						2.88	Moderate
Capital Budgeting or Investment Decisions							
Evaluate the financial attractiveness of actual projects and choosing the most successful ones.	45	36	28	24	17	2.55	Low
Separating personal assets from business finances.	32	46	35	22	15	2.61	Moderate
Aggregate mean						2.58	Low
Financing Decisions							
Use the source of funds with less cost of capital to finance my activities.	9	52	14	12	63	3.45	High
Make additional business funds through loan credit.	12	19	36	28	55	3.63	High
Aggregate mean						3.54	High
Working Capital Management							
Record all new stock purchases in the book.	36	42	46	17	9	2.47	Low
Use stock management software in recording the ins and outs of stocks.	57	38	22	18	15	2.31	Low
Conduct inventory or physical counting of stocks regularly.	30	15	52	23	30	3.05	Moderate
Practice the first-in and last-out inventory management system.	66	32	23	18	11	2.17	Low
Project the required level of inventory of stocks needed on a regularly specified time	25	19	48	30	28	3.11	Moderate
Aggregate mean						2.62	Moderate
Financial Recording							
Keep track and record daily sales every day.	12	18	22	56	42	3.65	High
Record daily cash receipts	19	13	47	27	44	3.43	High
Make a record of profit and loss	42	41	27	22	18	2.55	Low
Record all inventory/or stock purchases in the ledger.	23	10	59	36	22	3.16	Moderate
Record all expenses incurred in the operation of the business.	34	26	44	28	18	2.80	Moderate
Keep track of all debtors in the book of accounts.	16	22	15	44	53	3.64	High
Aggregate mean						3.21	Moderate
Financial Reporting							
Prepare financial reports in the form of financial statements like income statement, cash-flow, and balance sheet, etc.	42	40	32	22	14	2.51	Low
Hire an external bookkeeper/ accountant to prepare the reports.	37	38	31	27	17	2.66	Moderate
Aggregate mean						2.47	Low
Financial Planning or Budgeting							
Make financial planning	23	44	52	21	10	2.67	Moderate
Make a budgetary allocation on all the expenses incurred in running the business.	29	34	45	22	20	2.80	Moderate
Make a budget schedule of all the goods produced or sell.	38	31	42	16	23	2.70	Moderate
Make a cash budget	37	33	36	21	23	2.73	Moderate
Aggregate mean						2.73	Moderate

Source: Author from data analysis (2026)

The table above captures financial management practices of SMEs; primarily, on capital budgeting, financing decisions, management of working capital, financial recording, reporting, and planning. Globally, it is found that financial management practices of SMEs are moderate with an aggregate mean of 2.88. In addition, from the table above, 45 respondents never, 36 rarely, 28 sometimes, 24 often and 17 always evaluate the financial attractiveness of a project, and choose the most successful one. Accordingly, majority of sampled SMEs never practice capital budgeting technique in the evaluation of projects. Hence, the evaluation of projects using capital budgeting techniques is sought to be low with a mean of 2.55. In addition, 32 respondents never, 46 rarely, 35 sometimes, 22 often, and 15 always separate personal assets from business assets. From the results, the separation of business properties from personal ones is found to be moderate with a mean of 2.61. This implies that majority of SMEs rarely separate business and private properties, which may lead to confusion in the management of the business making it difficult to properly assess the current financial situation of the business. Generally, capital budgeting of SMEs is found to be low scoring an aggregate mean of 2.58.

In the case of financing decisions, 63 sampled SMEs always, 12 often, 14 sometimes, 52 rarely, and 9 never evaluate the cost and benefits of a source of finance in making financing decisions. According to the results, majority of SMEs always evaluate the cost and benefit of a source of funds. In fact, the evaluation of different financing sources is found to be high with a mean score of 3.45. On the other hand, 12 respondents never, 19 rarely, 36 sometimes, 28 often, and 55 always make additional business funds through loan credit. Therefore, majority of SMEs always increase capital by resorting to loans. It shows that SMEs carefully judge the cost and benefit of loans before deciding. Globally, financing decisions practices by SMEs is sought to be high with a mean value of 3.54.

From the perspective of working capital management, 36 sampled SMEs never, 42 often, 46 sometimes, 17 often, and 9 always record all new stock purchases in the book. Hence, recording of purchases in the book is found to be low with a mean of 2.47. Meanwhile, majority of SMEs sometimes record new purchases in the purchase book. It implies that recording of purchases is not a regular practice done by SMEs. Also, 57 of respondents never, 38 rarely, 22 sometimes, 18 often, and 15 always use software in recording the 'ins' and 'outs' of stocks. Therefore, the use of specialised software to record the 'ins' and 'out' of stocks is low with a mean of 2.31. On the other hand, 30 sampled SMEs never, 15 rarely, 52 sometimes, 23 often, and 30 always conduct physical counts of inventory to assess the quantity of stock. Physical counts of inventory is indispensable to determine the quantity of goods in stock. Physical count of inventory is found to be moderate with a mean of 3.05. It implies that majority of

SMEs sometimes practice physical count of inventory to evaluate the stock level. In the same line, 66 respondents never, 32 rarely, 23 sometimes, 18 often, and 11 always practice the first-in and last-out inventory management system. From the results, majority of SMEs do not practice 'FIFO' and/or 'LIFO' methods of stock management. This method permits the management of stock entry and stock exit in order to determine the value of inventory periodically. For instance, 11 reported to always practice first-in and last-out inventory management, which is low scoring a mean of 2.17. The projection of the quantity of stock needed is found to be moderate with a mean of 3.11. From the results, 25 sampled SMEs never, 19 rarely, 48 sometimes, 30 often, and 28 always project the required level of inventory of stocks needed on a regularly specified time project the required level of inventory of stocks on a regularly specified time. It implies that majority of SMEs sometimes plan the required quantity of stock. From the results, 48 SMEs sometimes project the required quantity of inventory required. It implies that, management of stock in terms of quantity is not done on a regular basis. The projection of required quantity determines the quantity of stock to command. An avoidance of such a practice may result to stoppage of activities, which is detrimental to SMEs. From global view, working capital management practice of SMEs is found to be moderate with an aggregate mean of 2.62. This value shows that majority of SMEs do not practice working capital management on a regular basis, which is important for the survival of a business.

In terms of financial recording, 12 respondents never, 18 rarely, 22 sometimes, 56 often, and 42 always keep track and record daily sales every day. The results of the finding showed that majority of SMEs always keep track and record daily sales. However, recording of daily sales is found to be high with a mean score of 3.65. On the other hand, 19 sampled SMEs never, 13 rarely, 47 sometimes, 27 often, and 44 always record daily cash receipts. It shows that majority of SMEs sometimes record daily cash receipts, which is essential to determine the turnover, and hence, profitability of business. Accordingly, the recording of cash receipts is found to be high with a mean of 3.43. Moreover, 22 respondents always, 36 often, 59 sometimes, 10 rarely, and 23 never record all inventory/or stock purchases in the ledger. From the results, recording all stock purchases in the purchase book is found to be moderate with a mean of 3.16. From the results, it is observed that majority of SMEs do not record regularly purchases in the ledger account. The record of all purchase in the ledger account enables to follow-up stock level, and to replenish stock timely. In the same line, 42 sampled SMEs never, 41 rarely, 27 sometimes, 22 often, and 18 always make a record of profit and loss. The recording of profit and loss is found to be low with a mean of 2.55. Recording profit and loss shed light on the expenses incurred and revenues generated by the activities. Such a practice elucidate the profit or loss generated by a business underpinning

business performance. In addition, 34 respondents never, 26 rarely, 44 sometimes, 28 often, and 18 always record expenses incurred in the operation of the business. Hence, majority of sampled SMEs sometimes record expenses incurred in the operation of the business. This practice is found to be moderate with an average of 2.80. It is important for SMEs to record expenses incurred for cost management purposes. Furthermore, 16 sampled SMEs never, 22 rarely, 15 sometimes, 44 often, and 53 always keep track of all debtors in the book of accounts. The majority of sampled SMEs always keep track of all receivables derived from credit sales in the ledger. The recording of debtors is found to be high with mean of 3.64. SMEs keep track of debtors for recovery purpose. Receivables management is important to assure liquidity and solvability of a business. There is likelihood that a business may experience liquidity problem if receivables are not managed properly. From global perspective, financial management practice related to financial recording is sought to be moderate with an aggregate mean of 3.21.

From the framework of financial reporting, 42 sampled SMEs never, 40 rarely, 32 sometimes, 22 often, and 14 always prepare financial reports in the form of financial statements like income statement, cash-flow, and balance sheet, etc. Basically, the majority of SMEs do not prepare financial reports in the forms of financial statement, and globally the preparation of financial reporting documents is found to be low with an average of 2.51. Financial reporting documents present the current situation of a business to different parties, and orientates decision-making. Lack of financial reporting documents orchestrates a myopic view of the current business situation leading to ineffective decisions making. On the other hand, 17 sampled SMEs always, 27 often, 31 sometimes, 38 rarely, and 37 never hired an external bookkeeper/ accountant to prepare the reports. This result, shows that minority of SMEs externalise their accounting services by contracting an external accountants to prepare necessary reporting documents. It implies that SMEs which are conscious about the relevance of accounting and reporting hire external parties to prepare necessary reporting documents. However, hiring an external accountant is found to be moderate with an average of 2.66. Overall, the practice related to financial recording by SMEs is found to be low with an aggregate mean of 2.47.

From the perspective of financial planning or budgeting, 23 sampled SMEs never, 44 rarely, 52 sometimes, 22 often, and 20 always make financial planning. Indeed, financial planning is a forecast of the financial plans of a business. Therefore, majority of SMEs sometimes practice financial planning. Indeed, budgeting enables to forecast estimated revenues and expenses of a business. It is an adequate tool for cost effective management. From the results, financial planning is moderate with an average of 2.67. In addition, 29 sampled SMEs never, 34 rarely, 45

sometimes, 22 often, and 20 always budget all the expenses incurred in running the business. It implies that, budgeting expenses is moderate with a mean 2.80. Despite the importance of budgeting expenses, it is found that majority of SMEs sometimes budget expenses. Moreover, 38 sampled SMEs never, 31 rarely, 42 sometimes, 16 often, and 23 always make a budget schedule of all the goods produced or sold. From the result, the majority of SMEs reported not to prepare a production or sales budget. Explicitly, the establishment of production and/or sales budget is found to be moderate with mean of 2.70. Furthermore, 37 sampled SMEs never, 33 rarely, 36 sometimes, 21 often, and 23 always make a cash budget. From the result, the majority of sampled SMEs never made a cash budget. Accordingly, preparation of a cash budget is moderate with a mean value of 2.73. Basically, financial planning or budgeting activities of SMEs is sought to be moderate with an aggregate mean of 2.73.

DISCUSSION OF FINDINGS

From the result above, it is observed that the financial management practices of SMEs is moderate with an aggregate mean of 2.88. This result is in line with the studies of (Hirawati *et al.*, 2021; Karadag, 2015; Ferby *et al.*, 2023; Anoo *et al.*, 2020) who found that financial management practices of SMEs are moderate, and need to be improved. Contrary to Alhassan, Erasmus & Portia (2018), we found that financing decisions have the highest mean score (3.54), followed by financial recording (3.21), financial planning (2.73), management of working capital (2.62), capital budgeting (2.58), and the last financial reporting with a mean score of 2.47. Therefore, owners/managers of SMEs carefully make financing decisions, which are being influenced by analysing the cost and return of sources of finance. However, financial reporting is found to be worst. From general perspective, the practice of capital budgeting technique which is paramount in the selection of project is low. This implies that most SMEs do not conduct capital budgeting technique leading to the selection of successful projects. The fact that SMEs do not adopt these techniques may lead to choosing projects which do not increase the value of the business at the detriment of useful projects. The evaluation of a project marks the commencement of entrepreneurship. Business may not succeed if proper care is not taking in budgeting the capital. Practically, the profitability of any business depends on the type of project in which funds are allocated. As a result, it is important to determine the cost and return of any project before allocating capital. A wrong budgeting of capital results to business failure. In addition, it is found that most SMEs do not separate personnel wealth from business properties. The fact that SMEs do not separate business from owner creates confusion in the management of the business. For clarity in financial management, SMEs should endeavour separating the business from the owners. A demarcation of both assets is going to provide a clear picture of the business performance. However, making financing

decisions based on cost and return analysis, and inclusion of loans in capital is found to be high with an aggregate mean of 3.54. Cost analysis enables SMEs selecting a source with low cost to finance their activities. Such an analysis is important to avoid costly sources of funds. In addition, SMEs used additional capital in the form of loans. Indeed, accurate financing decision favours increasing capital by resorting to loans.

Practice of working capital management by the sampled SMEs is moderate with aggregate mean of 2.62. From the result, SMEs moderately practice working capital management. Additionally, it is found that SMEs do not conduct regular practice related to the projection of the required quantity of stocks needed on a regularly specified time. Such initiatives may result to shortage of stocks of goods, and rupture in production. Shortage of goods or production lead to a loss of market share, since customers switch to other suppliers. Another, consequence is the stoppage of activities which has a devastating effect on the firm. It is relevant for SMEs to design a bin card to constantly record “ins” and “out” of stocks in order to determine the quantity of stocks needed. Working capital management is very important to seek for a balance between current assets and current liabilities in order to maintain short-term liquidity position of business. Poor working capital management orchestrates liquidity problems which seriously hampers the solvency of an entity. As a result, it is important for SMEs to maintain a satisfactory level of inventory by conducting physical count of inventory determining the level of inventory in stock, and level of inventory needed timely. In addition, stock valuation techniques such as FIFO and LIFO are important to assess the value of inventory in stock. Such analysis has an effect on management of cost accounting. On the other hand, the projection of required level of stock minimises handling cost of stock, and determines the quantity of stock to be ordered that minimises cost of inventory.

Practice of financial recording is moderate with an aggregate mean of 3.21. However, the result showed that most SMEs keep track and record daily sales every day, and record daily cash. On the other hand, the recording of all inventory or stock purchases in the ledger is irregular. In addition, majority do not make a record of profit and loss account. Accounting information needed for decision making is influenced by financial statements. It is important for SMEs to acquire reliable skills and competence to practice bookkeeping enabling the record of daily sales and cash receipts, stock purchases, and establish a profit and loss account. These documents provide valuable information about the performance of a firm, and hence, influence decisions making.

Financial reporting activities of SMEs is found to be moderate implying that most SMEs do not practice financial reporting. Probably, the moderate practice of financial recording may account for the low level of

financial reporting reported in this study. Both financial recording and reporting are paired. As a result, financial recording affects financial reporting. Accordingly, it is important that SMEs get the required competence to practice accounting, and the subsequent preparation of reporting documents susceptible to influence decision making.

Generally, practising financial planning is found to be moderate with an aggregate mean of 2.73. It implies that majority of SMEs do not practice financial planning activities. However, financial planning is important to forecast revenues and expenses. From the result, SMEs sometimes make financial planning, budget expenses incurred in the business, prepare sales and production budgets, and prepare cash budget. It shows financial planning is not a regular activity conducted by SMEs. Financial planning is a managerial decision tool measuring the performance of business in the achievement of objectives. Financial planning enables the pursuit of the strategic objectives of a business. Later, control activities enable the detection of any variance, and negative variances are promptly corrected. Financial planning enables different actors of a firm to work towards a common goals, and it is a motivational tool as well. In the absent of financial planning, SMEs may not be able to target their objectives.

CONCLUSION AND RECOMMENDATIONS

The aim of this study was to underscore financial management practices of SMEs using descriptive research design. From the result above, it is revealed that the level of financial management practices of SME is moderate scoring an aggregate mean of 2.88. As result, it is important that substantiel efforts be done to improve financial management practices of SMEs. Financial management is found to affect performance of a business. Accordingly, for SMEs to survive, and develop their activities, it is necessary to acquire financial management skills. The results emphasize the need for SMEs to improve on their financial management practices in order to enhance profitability and growth. For example, it is important that the use of capital budgeting techniques be improved. Most importantly, the managers of SMEs should use discounted cash flow techniques to evaluate investment and projects before committing the resources of the company. SMEs are encouraged to adopt GAAP and IFRS to enhance their accounting system and financial reporting practices. This will also improve their decision making and access to capital which will allow these SMEs to expand. Accordingly, financial skills should be improved through conferences, workshops, and training programs. Moreover, the basic financial subjects need to be included in the lower-level education curriculum. Training programs focused on financial skills, including bookkeeping, tax planning, and investment strategies, are essential for empowering SMEs to thrive in a

competitive market. However, despite the contribution of this study; it is subject to some limits. The study focused solely on SMEs in the city of Douala. As result, further studies should extent to other regions of Cameroon in order to capture the importance of contextual differences. Additionally, some aspects of financial management pertaining to working capital management such as receivables, payables, and cash management have not been included in the study. The way SMEs manage working capital determines survival and profitability. Given the paramount importance of working capital management in any business; further studies should delve financial management practices of SMEs relative to the aforementioned issues.

REFERENCES

1. Abanis, T., Arthur S., Aluonzi B. & Byamukama E. (2013). Financial management practices in small and medium enterprises in selected districts in Western Uganda. *Research Journal of Finance and Accounting*, 4 (2), 1-15.
2. Abenet, Y. H., & Venkateswarlu, P. (2016). Financial Management Practices of Micro and Small Enterprises in Addis Ababa, Ethiopia. *International Journal of Commerce and Management Research*, 2(3), 50-64.
3. Abey, J., Rabbani, M. R., Velmurugan, R., Moh'd Ali, M. A., & Bashar, A. (2021). *Financial decision making and Foreign Direct Investment in the era of COVID-19 and beyond: Evidence from India*. In 2021 International Conference on Decision Aid Sciences and Application (DASA) (pp. 38-44). IEEE.
4. Aklilu, A. A. & Onsare H. (2024). Financial Management and its Barriers on Smes in Selected Developing Countries: A Systematic Literature Review Approach. *International Journal of Finance and Banking Research*, 10(3), 53-63
5. Alhassan, M., Erasmus, D. G., & Portia, P. (2018). Financial Management Practices, Firm Growth and Profitability of Small and Medium Scale Enterprises (SMEs). *Information Management and Business Review*, 10(3), 25-37
6. Amoako, G. K. (2013). Accounting practices of SMEs: A case study of Kumasi Metropolis in Ghana. *International Journal of Business and Management*, 8(24), 73-83.
7. Anos, J. M. M., Ferrater-Gimena, A. O. J., Etcuban, J.O., Dinauanao, A. M., Macugay, P. J. D.R., Velita, L. V. (2020). Financial management of micro, small, and medium enterprises in Cebu, Philippines. *International Journal of Small Business and Entrepreneurship Research*, 8(1), 53-76.
8. Badu, B., & Appiah, K. O. (2018). Value relevance of accounting information. An emerging county perspective. *Journal of Accounting & Organizational Change*, 4, 473-491.
9. Bismark, O., Kofi, A., Kofi, O. A., & Eric, H. (2018). Impact of financial management practices on the growth of small and medium scale enterprises in Ghana: The case of Birim Central.
10. Blackburn, R., Carey, P., & Tanewski, G. (2018). Business advice by accountants to SMEs. Relationships and trust. *Qualitative Research in Accounting & Management*, 15, 358-384.
11. Brigham, E.F., & Ehrhardt, M.C. (2008). *Financial management: Theory and Practice*. (1 st). Thomson Learning, 2008.
12. Brigham, E. F. (1995). *Financial management: Theory and practice*. Hinsdale, Ill.: Dryden Press.
13. Chandra, P. (2011). *Financial management*. Tata McGraw-Hill Education.
14. Chen, J. J., Zheng, B. & Tan, L. (2013). Agent-based model with asymmetric trading and herding for complex financial systems. *PloS one*, 8(11), 79531.
15. Chhabra, K. S., & Pattanayak, J. K. (2014). Financial accounting practices among small enterprises: Issues and challenges. *Journal of Accounting Research & Audit Practices*, 13(3), 37-55.
16. Chung, S.H., & Chuang, J.H. (2009). *The effect of financial management practices on profitability of small and medium enterprises in Veitnam*. Meihou University, 2009.
17. Cochran, W. G. (1977). *Sampling techniques (3rd ed.)*. New York: John Wiley & Sons.
18. Dianovi, A., Siregar, D., Mawaddah, I., & Suryaningsih, S. (2022). Guidance and Counselling in Education. *World Psychology*, 1(2), 27-35.
19. Dwyanti (2024). The Importance of Financial Literacy in Financial Management in Micro, Small and Medium Enterprises (MSMEs). *Journal of Applied Management and Business*, 5(1), 1 – 6
20. Eton, M., Mwosi, F., & Mpora, E. B. (2022). Financial Management Practices and SmallScale Businesses' Profitability, from the Viewpoint of Kabale Municipality, Uganda. *Annals of Management and Organization Research (AMOR)*, 3(3), 165-178
21. Eton, M., Mwosi, F., Mutesigensi, D., & Ebong, C. (2018). The role of financial management in supporting firm growth in Uganda, the Case of West Nile Region. *International Journal of Economics and Management Studies*, 5(4), 1-8.
22. Fabozzi, F.J., Pamela, P.D. (2009). *Capital Markets, Financial Management, and Investment Management*. *Capital Markets, Financial Management, and Investment Management (1st ed.)*. John Wiley & Sons, Inc., Hoboken, New Jersey, Canada, 2009.
23. Fah, N. M., & Molem, S. C. (2024). Financial Literacy and Financial Investment Decision of SMEs in Buea, South West Region of Cameroon. *Multidisciplinary International Journal of Research and Development*, 3(6), 131-143
24. Ferby, M. E., Mohammad, I. F., Febia, I. A.P., Sendy, L., Zhafira, A. R. A.P. (2023). Financial Management: The Implementation in MSMEs.

- International Journal of Multicultural and Multireligious Understanding*, 10(10), 273-283
25. Froelich, K. A. (2015). New competitors for small business: The for-profit mentality of nonprofit organizations. *Journal of Small Business Strategy*, 11(2), 92-104.
 26. Gan, C., Chong, L., & Ahmed, Z. (2016). Impacts of FRS139 adoption on value relevance of financial reporting in Malaysia. *Managerial Finance*, 42, 706-721.
 27. Gitman, L. (2011). Principles of Managerial Finance. 10th Ed., Addison, Wesley Publishing, 2003, ISBN 020178479-3.
 28. Hirawati, H., Sijabat, Y. P., & Giovanni, A. (2021). Financial literacy, risk tolerance, and financial management of microenterprises Actors. *Society*, 9(1), 174-186.
 29. Jain, P. K., Singh, S., & Yadav, S. S. (2013). Financial management practices. *An empirical study of Indian corporates*, 3, 265-278.
 30. Ikpor, I. M., & Udie, R. L. (2025). Financial Management Practices on the Sustainability of Small and Medium Enterprises (SMES) in Cross River State. *Mediterranean Journal of Social Sciences*, 16(4), 71-80.
 31. Kajongwe, C. (2021). Assessment of Financial Management Practices on Performance of Manufacturing Small to Medium Enterprises (SMEs) in Harare Metropolitan Province, Zimbabwe. *Global Journal of Arts Humanity and Social Sciences*, 2(2), 53-62.
 32. Karadag, H. (2015). Financial management challenges in small and medium-sized enterprises: A strategic management approach. *Emerging Markets Journal*, 5(1), 26-40.
 33. Kennedy, J., Tennent, B. & Gibson, B. (2006). Financial management practices in small businesses: regional and metropolitan. *Small Enterprise Research*, 14(1), 55-63.
 34. Kilonzo, J. M. & Ouma (2015). Financial management practices on the growth of Small and Medium Enterprises: A case of manufacturing enterprises in Nairobi County, Kenya. *IOSR Journal of Business and Management*, 17(8), 65-77
 35. Kitonga, K. G. (2013). *The relationship between financial management practices and financial performance in the shipping industry in Kenya*. Unpublished MBA project University of Nairobi, Kenya.
 36. Lavia-López, O. & Hiebl, M. R. (2014). Management accounting in small and medium-sized enterprises: current knowledge and avenues for further research. *Journal of Management Accounting Research*, 27(1), 81-119.
 37. Lukács, E. (2005). The economic role of SMEs in world economy, especially in Europe. *European integration studies*, 4, 3-12.
 38. Madurapperuma, M. W., Thilakerathne, P. M. C., & Manawadu, I. N. (2016). Accounting Record Keeping Practices in Small and Medium Sized Enterprise (SMEs) in Sri Lanka. *Journal of Finance and Accounting*, 4(4), 188-193.
 39. Mahapatra, M. S., Raveengra, J., & De, A. (2019). Building a model on influence of behavioral and cognitive factors on personal financial planning: A study among Indian households. *Global Business Review*, 3, 1-14.
 40. Mandipa, G., & Sibindi, A. B. (2022). Financial Performance and Working Capital Management Practices in the Retail Sector: Empirical Evidence from South Africa. *Risks*, 10(3), 63.
 41. Matei, A.-C., & Onofrei, M. (2021). *Financial Management Practices for Farm Profitability*.
 42. Mazzarol, T., Reboud, S., & Clark, D. (2015). *The financial management practices of small to medium enterprises*. Paper presented at the 28th Annual SEAANZ Conference Proceedings 2015.
 43. McMahon, R.G.P., & Holmes, S. (1991). Small business financial management practices in North America: A literature review. *Journal of Small Business Management*, 19 -28.
 44. Mohammed, K. A., & Suleiman, A. (2022). The Effect of Financial Management Practices on the Performance of Micro and Small Enterprises in Keffi, Nasarawa State, Nigeria. *Direct Research Journal of Management and Strategic Studies*, 3(3), 37-48
 45. Muneer, S., Ahmad, R. A. & Ali, A (2017). Impact of financial management practices on SMEs profitability with moderating role of agency cost. *Information Management and Business Review*, 9(1), 23-30.
 46. Musah, A. (2017). Benefits and Challenges of Bookkeeping and Accounting Practices of SMEs and Its Effect on Growth and Performance in Ghana. *Journal of Accounting-Business & Management*, 24(2), 16-36.
 47. Namataka, S., & Mwesigwa, H. (2024). Effects Of Financial Management Practices On The Business Performance Of Small And Medium Enterprises In Kampala District. *Metropolitan Journal Of Business & Economics*, 3 (6), 442-469.
 48. Nicholas, K., & Alex, I. (2024). Electronic Banking and its Impact on Financial Performance: An Empirical Evidence of Centenary Bank. 8(4), 38-42.
 49. Nkwini, E., & Akinola, S. (2023). The importance of financial management in small and medium-sized enterprises (SMEs): an analysis of challenges and best practices. *Technology Audit and Production Reserves*, 5 (4), 12-20.
 50. Ng, S. C., Sweeney, J. C., & Plewa, C. (2019). Managing customer resources endowment and deficiencies for value cocreation. Complex relational services. *Journal of services research*, 22, 156-172.
 51. Nuwatuhaire, B., & Ainomugisha, A. (2019). Financial Management and Profitability among Small and Medium Enterprises (SMEs) in Uganda. *International Journal of Research and Innovation in Social Science*, 3(7), 606-615.

52. OECD(2010). *SMEs entrepreneurship and innovation. OECD studies on SMEs and entrepreneurship*. Paris: OECD publishing 2010.
53. Okafor, R.G. (2016). Financial management practices of small firms in Nigeria: Emerging tasks for the accountant. *European Journal of Business and Management*, 4 (19), 159-169.
54. Olawale, F., & Garwe, D. (2020). Barriers to the growth of small businesses in South Africa. *Mediterranean Journal of Social Sciences*, 11(3), 45–57.
55. Okoli, I.E.N., Nwakoby, N.P. & Adani, N.I. (2023). Knowledge Management: Implications to SMEs performance in Nigeria. *Nurture*, 17(2), 103-111.
56. Pandey, I.M(2005). *Financial management*. 8th edition. New Delhi.
57. Paramasivan, C., & Subramanian, T. (2009). *Financial management (1st)*. New Age International (P) Ltd., Publishers.
58. Parvin, M., Asimiran, S. B. & Ayub, A. F. B. M. (2021). Impact of introducing e-commerce on small and medium enterprises – a case on logistics provider. *Society and Business Review*, 13(1), 1-21.
59. Peel, M (1996). Working Capital and Financial Management Practices in the Small Firm Sector. *International Small Business Journal*, 14(2):43
60. Romney, D. (2009). *Accounting Information Systems, Upper Saddle River*. New Jersey: Pearson Prentice Hall.
61. Ronewa, B., Munzhelele, F., Ndivhuwo, S. (2025). Analysis of financial management practices in Small, Medium, and Micro Enterprises (SMMEs). *International journal of business ecosystem & strategy* 7(3), 362-369
62. Safari, M., Mansori, S., & Sesaiah, S. (2017). Generation difference in hiring financial planners in Malaysia. *International Journal of Bank Marketing*, 35, 583-959.
63. Savlovski, L. I., & Robu, N. R. (2011). The role of SMEs in modern economy. *Economia, Seria Management*, 14, 277-281.
64. Singh, S., & Tiwari, M. (2020). Financial Management Practice in Small Business. *Parishodh Journal*, 9(3), 6609-6615.
65. Tauringana, V. & Afrifa, A.G. (2013). The relative importance of working capital management and its components to SMEs' profitability. *Journal of Small Business and Enterprise Development*, 20(3), 453-469.
66. Yensu, J., Yiadom, E. K., & Awatey, S. (2016). Financial Management Practices and Profitability of Business Enterprises in Obuasi Municipality, Ghana. *Financial Management*, 7(16).
67. Zarrouk, H., Sherif, M., Galloway, L., & Ghak, T. E. (2020). Entrepreneurial Orientation, Access to Financial Resources and SMEs' Business Performance: The Case of the United Arab Emirates. *The Journal of Asian Finance, Economics and Business*, 7 (12), 465–474.